ITEM NO. RA6

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 23, 2021

REGULAR X CONSENT ____ EFFECTIVE DATE April 1, 2021

DATE: March 16, 2021

TO: Public Utility Commission

FROM: Michelle Scala

THROUGH: Bryan Conway and Michael Dougherty **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. ADV 1247/Advice No. 21-005)
Proposes Schedule 11, Residential Bill Assistance Program.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve PacifiCorp dba Pacific Power's (PacifiCorp or Company) request to create Schedule 11, Residential Bill Assistance Program, effective with service rendered on and after April 1, 2021, and further direct PacifiCorp to:

1. Conduct a review with interested stakeholders on the implementation of PacifiCorp's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed;[1] and

2. Host a workshop with interested stakeholders, within 45 days of the Schedule 11 effective date, on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic.

[1] Committed refers to the amount allocated to one of the two Bill Assistance Program offerings.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's Advice No. 21-005, which creates new Schedule 11, Residential Bill Assistance Program, in accordance with the Stipulation approved in Order No. 20-401, effective with service rendered on and after April 1, 2021.

Applicable Law

Oregon Revised Statute (ORS) 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220; Oregon Administrative Rules (OAR) 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

In Order No. 20-401 the Commission approved a Stipulated Agreement in Docket No. UM 2114. Paragraph 18 of the Stipulated Agreement states as follows:

> Each Utility, prior to resuming disconnections, will establish a program to identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts. The program may identify and waive residential arrearages at an initial one-time funding amount of at least 1 percent of each utility's 2019 Oregon retail revenues (approximately $39 million combined total for all utilities), not to be increased without prior Commission approval…On or before October 1, 2022, Parties can propose a process to address any unspent funds if the Utility program covers arrearage forgiveness in accordance with the Utility's funding addendums and funds are remaining. Utilities may include program costs and uncollectible expense identified in deferral tracking.[2]

[2] Staff notes that these funds are in addition to any low-income assistance programs that certain customers will be able to obtain through Community Action Agencies (CAA) or counties.

Analysis

Background
On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency due to the public health threat posed by COVID-19. Governor Brown also directed Oregonians to stay at home to the greatest extent possible in Executive Order No. 20-12 (March 23, 2020). The state of emergency has been extended, most recently, in Executive Order 21-05 (February 25, 2021) through May 2, 2021, unless extended or terminated earlier by the Governor.

On June 9, 2020, the Commission conducted a special public meeting on the "Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery." As a result of this meeting, Docket No. UM 2114 was opened to address the challenges caused by the COVID-19 Pandemic. A Stipulated Agreement in Docket No. UM 2114 for the energy utilities was approved by the Commission in Order No. 20-401 on November 5, 2020 (Agreement or Stipulation).

The Stipulation requires that energy utilities establish a Bill Assistance Program prior to the resumption of residential disconnections. As written, Paragraph 4 of the Stipulation states, "[f]or residential customers the Utilities may resume the 15-day disconnection notice (in accordance with OAR 860-021-0405) on April 1, 2021." [3] However, Paragraph 4 also specifies that "[t]he Commission will have ongoing oversight to determine whether to extend the April 1, 2021 date to a later date based on ongoing economic and pandemic conditions."

On February 23, 2021, after comment and discussion from interested parties, the Commission adopted Staff's recommendation to extend the disconnection moratorium to June 15, 2021; and, further directed Staff to report back to the Commission in mid-May 2021 regarding the moratorium and whether additional changes should be considered.[4]

Arrearage Management Plan (AMP) Principles and Guidance
Neither the Agreement nor Commission Order No. 20-401 in Docket No. UM 2114 establishes specific program criteria for review of a filed AMP. On consideration of the basic goal for the UM 2114 investigation – to mount an integrated, timely, well-informed response to the pandemic – Staff developed principles and guidance for its review of arrearage management plans and has shared these principles during discussions on the various utility filings. In light of increasing arrearages for residential customers and

[3] UM 2114, Order No. 20-401, Appendix A at 13.
[4] UM 2114, Order No. 21-057.

the great need for utilities to reach out to customers most affected by the pandemic, these principles and guidance include:[5]

- A well-defined, sophisticated Outreach Plan that reaches as many customers as possible and that includes:
    - Priority to communities (zip codes) with the highest number of customers in arrears.
    - Communications in languages that are prevalent in the company's service territory.
    - Partnering with community-based organizations to provide information on Arrearage Management programs.
    - Information on resources that can assist customers from falling into arrears.

- Prioritization of funds should be directed to customers as follows:
    - To those customers enrolled in low-income programs (LIHEAP, OEAP, OLGA, LIRAP, OLIBA) and ensure that these customers are not disadvantaged by program requirements.
    - To customers in the 91+ day arrears followed by those in 61+ day arrears.
    - To customers on medical certificates.

- Harmonization of using AMPs with extended time-payment arrangements (TPAs) when possible and practical.

- Evenhanded treatment of similarly-situated customers.

- No programs should result in an ending credit on a customer's account.

- No programs should provide arrearage funding support to customers not in arrears.

- Include a review with Staff and interested stakeholders of the implementation of a company's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed.

[5] These principles were not formally provided to the energy utilities although several have been discussed in meetings with the utilities. The principles are listed here as the first formal enunciation.

- Include workshops with interested stakeholders on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic within 45 days of the tariff effective date.

- Provide accurate and timely reports to PUC staff and interested stakeholders. A minimum of two reports prior to the mid-May Public Meeting Check-in with the Commission.

Staff believes this set of principles will help to guide both the analysis of and the implementation of the programs.

The principles were distributed to the Companies in early March. While similarities can be found in all of the proposed programs, there are notable differences. Staff recognizes that each Company has a distinct service territory and the respective customer bases have different characteristics. Staff does not seek to be overly prescriptive in AMP structure, to the extent that the individual programs align with the principles set forth above.

PacifiCorp's Bill Assistance Program
On February 19, 2021, PacifiCorp filed its Tariff Advice No. 21-005, requesting approval to create new Schedule 11, Residential Bill Assistance Program.

PacifiCorp residential arrears totaled $30.5 million in January 2021, with approximately 79.64 percent of customer arrears falling into the 91+ days arrearage category. In accordance with the level of funding available to utilities for AMPs under the Stipulation,[6] up to one percent of PacifiCorp's 2019 Oregon total retail revenues, equaling approximately $12.68 million, will be available to fund the Company's program costs, as outlined below.

As proposed in Advice No. 21-005, PacifiCorp's Bill Assistance Program will provide two Arrearage Management options to residential customers whose accounts are in arrears. Those two options are as follows:

1. Extended Payment Match – Designed for qualified customers who require long-term payment arrangements on past due balances. Participating customers will receive a monthly payment match up to $1,000. The customer must enroll in an extended payment plan and may elect to use a portion of the match as a down payment on the payment plan. The Company will match customer payments until the $1,000 maximum is met, 12 months have

[6] UM 2114, Order No. 20-401, Appendix A, at 18.

elapsed, the arrearage is paid in full, or the customer is disconnected for non-payment, whichever occurs first.

2. Instant Grant – A one-time grant up to $500 to provide customers who need assistance to pay off the arrearage, reconnect service, or set up an extended payment plan.

Both programs require customers to be more than 31 days in arrears to receive a benefit. Each eligible customer may receive funding up to the maximum amounts as described above; however, no option may leave a credit on a customer's account. The programs are mutually exclusive and qualified customers may only participate in the Bill Assistance Program once. The program options do not preclude participation on the basis of the amount of arrears on a customer's account.

Staff finds that these parameters are consistent with several of the AMP principles set forth above.

The Company states that the maximum benefit amounts set forth above will aid as many customers as possible while still having a meaningful impact on the past due balances of PacifiCorp customers. The $500 Instant grant would eliminate the average past due balance for the majority of customer accounts. In situations where a customer's past due balance exceeds the Program's limits, the Instant Grant would still provide a significant reduction to the total amount owed and allow customers to set up payment plans on the remaining balance with relatively low monthly installments.[7] The Extended Match of $1,000 is designed for customers with a means to pay and higher balances that will benefit from lower monthly installments in long-term payment plans. Any down-payments performed through this option will be matched and deducted from the overall maximum. The customer may also elect to make no down-payment. The Company's intent is to work with each customer to create a plan with monthly installments as closely aligned as possible with the customer's ability to pay each month. Both programs are intended to meet the needs of a variety of customers with differing means and abilities to pay past due balances. The following table shows the distribution of residential customers in arrears based on amounts past due as of January 2021.[8]

[7] PacifiCorp response to OPUC Staff IR No. 3.
[8] PacifiCorp Response to Staff IR No. 18.

Table 1 – Oregon Customer Arrears Balances

OREGON RESIDENTIAL CUSTOMERS IN ARREARS		
Past Due Balance	**Count of Accounts**	**% of Representation**
$5,000+	160	0.2%
$2,500-$5,000	1,069	1.4%
$1,500-$2,500	2,674	3.5%
$500-$1,500	13,509	17.6%
$200-$500	18,501	24.1%
$100-$200	15,200	19.8%
$100 and below	25,759	33.5%
Grand Total	76,872	100%

Staff Review
Staff initially learned of PacifiCorp's Bill Assistance Program offerings when the Company discussed its intended bill assistance options with stakeholders at a December 17, 2020, UM 2114 Arrearage Management Workshop.

After this initial workshop, PacifiCorp presented its Program in greater detail to stakeholders at a February 9, 2021 workshop. Shortly thereafter, PacifiCorp filed its proposed tariff on February 19, 2021.

Staff remained actively involved in the stakeholder process, including but not limited to development and solicitation of internal and external feedback on PacifiCorp's AMP. Staff conducted several calls with PacifiCorp, provided feedback to the Company on its initial tariff proposal, and issued 18 information requests. Further, Staff has been continuously reviewing the comprehensive monthly arrearage reports required by Order No. 20-401 as they become available.

Staff Objectives
The Stipulation adopted in Order No. 20-401 provides a broad range of customer protection measures, including a moratorium on disconnections, the waiving of late fees until 2022, and the creation of funding for arrearage management programs meant to prevent bad debt from accumulating on utility accounts. Staff's overarching objective in supporting adoption of these measures is to mitigate the sustained economic hardship brought on by an unprecedented global pandemic as it affects utility customers.

As described in the Stipulation, the role of an arrearage management plan is to "identify and manage residential customer arrearages associated with the pandemic to prevent bad debt [from] accumulating on utility accounts." That being said, there are a myriad of

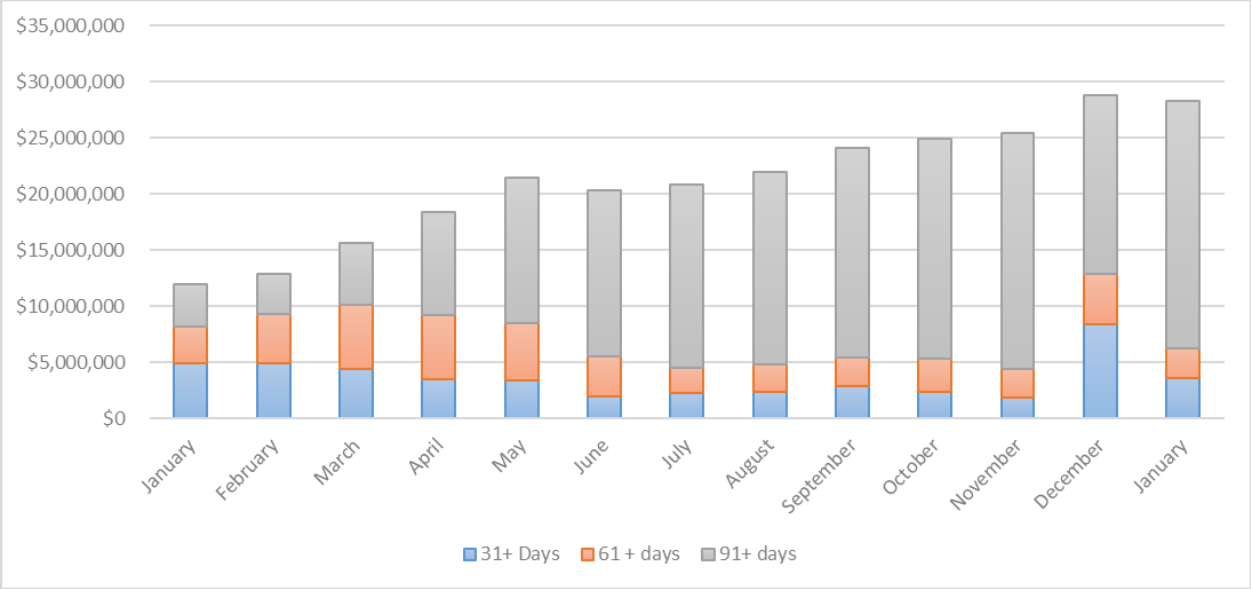
ways in which any of the companies might best achieve this purpose. Following the approval of Docket No. ADV 1233/Advice No. 21-01,[9] and the filings of the remaining five Utilities' bill assistance programs, it became clear that each Utility was approaching program design quite differently. Due to the wide range of designs and in an effort to structure a thorough review without being unnecessarily restrictive in recommendations to the utilities and the Commission, Staff developed a set of AMP principles and guidance. Thus, in the absence of foresight and the novelty of the pandemic's impacts, Staff acknowledges that there is not yet, if ever, a one-size-fits-all approach to AMPs.

Staff further notes that Order No. 20-401 allows for the costs of the Company's AMP to be tracked and recorded for future rate recovery in PacifiCorp's COVID-19 deferral.[10] This means that funds used to relieve current arrears (and prudently incurred incremental program costs tracked separately), will be collected in rates to be determined at a future date and implies potential impacts for all PacifiCorp customers.

PacifiCorp Residential Arrears

A critical piece in evaluating the reasonableness of PacifiCorp's proposal is to understand the amount and distribution of residential arrearage data. The Figures below depict the changes in PacifiCorp residential arrears in 2020.

Figure 1 – PacifiCorp Residential Arrears Jan 2020 – Jan 2021



[9] Portland General Electric Company's Residential Bill Assistance Program.
[10] PacifiCorp's COVID-19 deferral can be monitored through Docket No. UM 2063. PacifiCorp's quarterly COVID-19 report can be monitored through Docket No. RE 185.

Figure 2 – PacifiCorp Average Residential Arrears Jan 2020 – Jan 2021

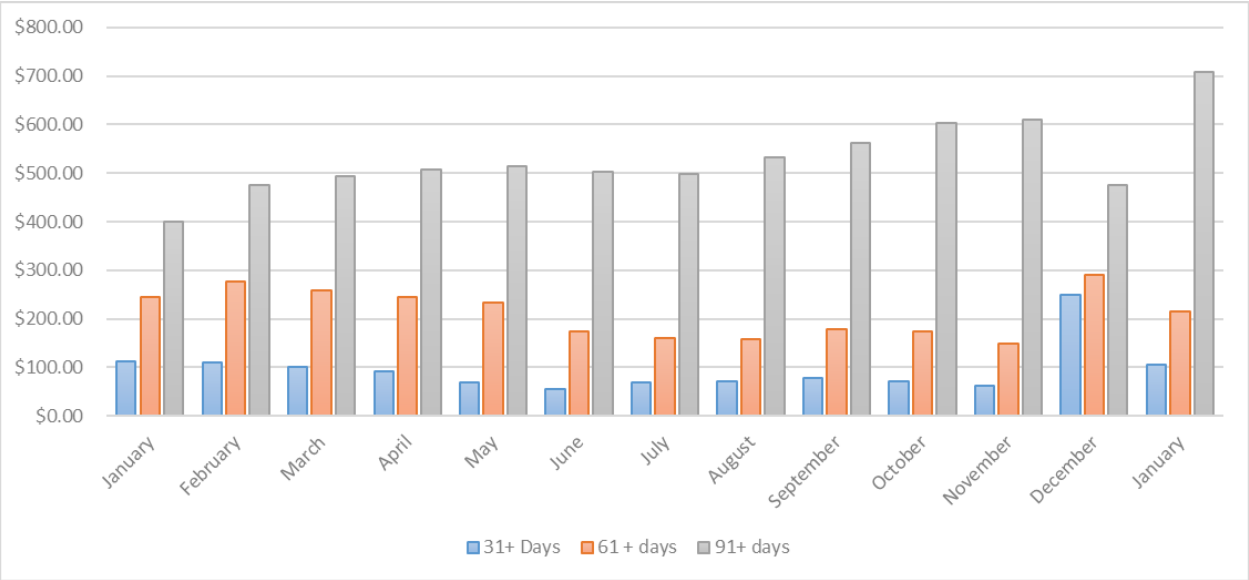


Figure 3 – Residential Arrears Distribution – 91+ Days Jan 2020 – Jan 2021

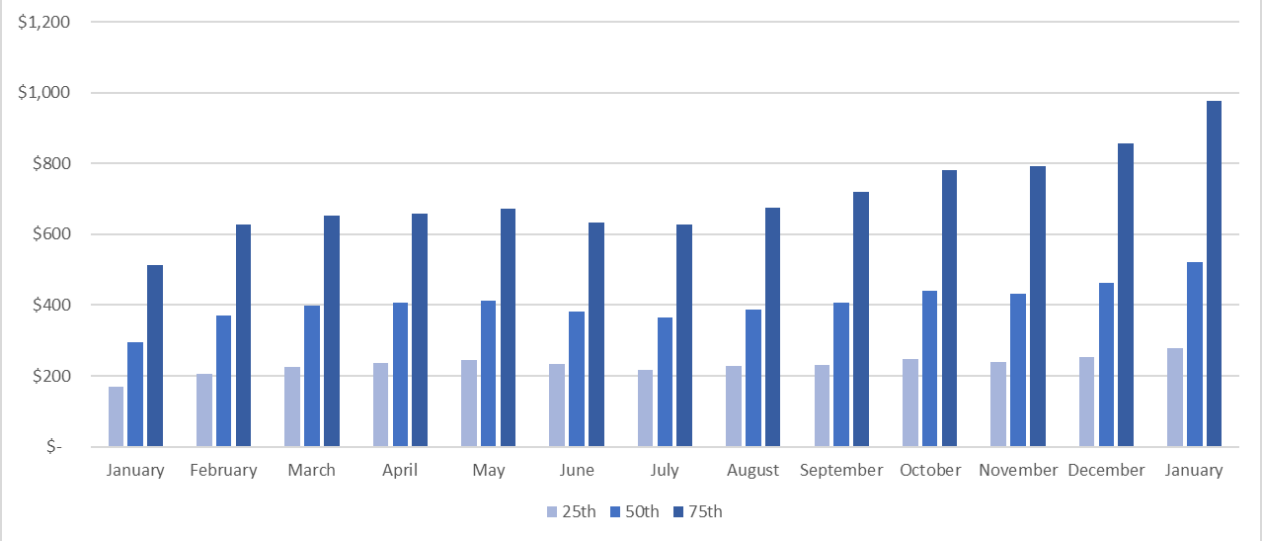


Table 2 – Residential Arrears Distribution

	January 2020			January 2021		
Balance	**31-60 Days**	**61-90 Days**	**91+ Days**	**31-60 Days**	**61-90 Days**	**91+ Days**
25th	$39	$115	$168	$32	$91	$278
50th	$85	$199	$296	$74	$162	$521
75th	$157	$326	$513	$140	$278	$977
Maximum	$3,315	$5,380	$11,100	$8,256	$4,683	$28,614

Data points include:

31+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Decreased by 10,282 (23.49 percent)
- Residential Arrears – Decreased by $1.38 million (28.03 percent)
- Average Residential Arrears – Decreased by $6.66 (5.94 percent)

61+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Decreased by 1,045 (7.73 percent)
- Residential Arrears – Decreased by $645,289 (19.47 percent)
- Average Residential Arrears – Decreased by $31.19 (12.72 percent)

91+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Increased by 21,967 (238.07 percent)
- Residential Arrears – Increased by $18,440,640 (500.66 percent)
- Average Residential Arrears – Increased by $310.12 (77.67 percent)

Based on the data there is a clear trend in customer arrearages becoming concentrated in the 91+ days' arrears category as a result of the COVID-19 pandemic. This suggests that many customers impacted by the COVID-19 pandemic have fallen further and further behind, and continue to experience financial hardship.

As seen in Figure 1, in January 2020, prior to the pandemic, 31 percent of residential arrears were over 91+ days. The number of occurrences in the 91+ days category steadily increased through November of 2020 with a decline in December and resurgence in January, most recently registering at approximately 78 percent of residential arrears. This percentage, is significantly higher than pre-pandemic conditions. Further total arrears have nearly tripled since January 2020, approaching $30 million in past due debt. Growing balances overall, and concerning increases in the 91+ day categories of customers in arrears, past due totals, and average arrears per customer indicate that fewer payments are being made to reconcile longer term past

due balances. Staff continues to have concerns over customers falling deeper and deeper into debt.

The total number of PacifiCorp residential customers in arrears increased by 10,640 (16 percent) between January 2020 and January 2021, from 66,520 to 77,160. Approximately 40 percent of customers are more than 91 days in arrears, of which 51 percent have more at least $500 in past due balances.

The number of PacifiCorp residential customers in arrears was 14 percent in January 2021 (76,872[11] out of 543,622[12] customers). The total average arrears balance increased from approximately $252 in January 2020 to $343 in January 2021.[13]

Based on authorized Program funding of $12.68 million and January 2021 residential arrears of almost $28.33 million, PacifiCorp can meet approximately 45 percent of the Company's total Oregon customer arrearages without implementing matching programs or using any state or federal support funds such as LIHEAP.

As shown in the Table 3 below, certain communities within PacifiCorp's service territory have been disproportionately impacted by the pandemic. Table 3 highlights values by zip code within PacifiCorp's service territory that fall above the top ten percent in terms of total accounts in arrears, average arrears balance, and average 91+ arrears balance. Staff notes that when reviewing percentages of arrears and average balances across PacifiCorp's service territory, comparisons between zip codes may be limited to the extent customers are disproportionately distributed throughout the service territory.

[11] PacifiCorp response to Staff IR No. 18.
[12] RE 189; January 2021 data.
[13] Id.

Table 3 - January 2021 Residential Zip Code Arrearage Data[14]

OR Residential Customer Accounts in Arrears					Total Average Arrears	91+ Day Average Arrears
Zip Code	31-60	61-90	91+	Total Accounts		
97029	7	2	15	24	$ 855.72	$ 1,230.17
97033			1	1	$ 671.69	$671.69
97211	911	293	798	2,002	$314.59	$615.38
97212	718	220	490	1,428	$219.93	$461.99
97220	973	458	1,049	2,480	$367.06	$680.07
97322	1,274	503	854	2,631	$300.13	$663.28
97348	3	23	25	51	$ 768.99	$ 1,265.55
97355	794	296	623	1,713	$395.86	$822.66
97405			4	4	$ 707.79	$707.79
97420	849	256	791	1,896	$416.40	$783.80
97456	62	24	28	114	$457.95	$ 1,291.61
97470	743	303	735	1,781	$437.11	$835.41
97497	23	25	49	97	$ 893.48	$ 1,546.25
97501	1,224	339	1,380	2,943	$447.02	$799.65
97502	719	206	754	1,679	$470.79	$840.09
97503	473	172	401	1,046	$470.93	$946.80
97504	559	488	1,372	2,419	$443.20	$705.66
97520	111	38	81	230	$ 682.01	$ 1,360.02
97523	300	93	235	628	$ 810.62	$ 1,648.92
97525	228	65	168	461	$626.13	$ 1,329.99
97526	911	251	1,110	2,272	$506.33	$858.77
97527	966	310	919	2,195	$562.55	$1,059.31
97530	226	65	151	442	$ 653.35	$ 1,402.28
97531	29	11	49	89	$ 951.23	$ 1,438.55
97534	26	16	32	74	$ 976.70	$ 1,677.44
97538	79	40	95	214	$ 883.87	$ 1,532.03
97541	74	31	57	162	$ 752.04	$ 1,584.70
97543	20	7	26	53	$ 771.30	$ 1,268.12
97544	100	37	72	209	$ 739.40	$ 1,532.08
97601	643	258	859	1,760	$390.23	$655.22
97603	963	314	836	2,113	$373.14	$749.82
97621	15	6	12	33	$ 707.60	$ 1,523.54
97626	11	1	3	15	$ 902.13	$ 4,010.35
97634	10	2	4	16	$447.19	$ 1,317.58
97701	979	305	644	1,928	$311.37	$685.12
97702	979	283	612	1,874	$339.82	$766.69
97756	837	281	649	1,767	$330.66	$669.61
97801	737	223	564	1,524	$334.19	$685.04
97818	4		3	7	$ 714.08	$788.72
97835	3	4	8	15	$ 816.67	$1,194.00
97862	95	32	63	190	$570.11	$ 1,299.91
Totals	**33,491**	**12,475**	**31,194**	**77,160**	**$ 418.41**	**$ 796.13**

[14] Table derived from Docket No. RE 189 January 2021 data and PacifiCorp's response to OPUC Staff IR No. 16.

Prioritization of Funds
As noted above, the Stipulation language approved in Order No. 20-401 states that the purpose of the arrearage management programs is to, "identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts."

Staff notes that while the purpose of the AMP is not to create an additional low-income assistance program that limits eligibility based on traditional assistance household income qualifiers, there is evidence that workers in occupations with lower wages were disproportionally displaced by the COVID-19 crisis.[15] Additionally, community stakeholders have repeatedly expressed that certain low-income and Black, Indigenous, and People of Color communities are more vulnerable to the economic and health impacts of the COVID-19 pandemic. Staff has made efforts to address these concerns, in part, among Staff AMP principles, directing utilities to prioritize assistance for customers enrolled in low-income programs, with longer past due balances, and those on medical certificates.

Further, due to the majority arrears falling in the 91+ days category, and the substantial increase in average residential customer arrears that has occurred as a result of the pandemic, Staff is acutely aware of the importance for prioritization of funding for customers with the greatest level of debt (and potential to become bad debt) and risk of disconnection.

To address this issue, beginning April 1, 2021, PacifiCorp will prioritize communication about the program to customers who have received assistance payments in the past or possess characteristics otherwise associated with high energy burden. Efforts include manned outbound calls to customers with arrears greater than 90 days to provide information about the bill assistance program and automated outbound calls to specific customers with arrears who reside in counties with high poverty rates. Staff notes that while the Company's Program does not explicitly target funds to vulnerable communities, Staff finds the targeted outreach is likely to help prioritize access to certain customer groups and meets the intent of the relevant AMP principle and guidance.

In its review Staff also questioned whether or not the Company had considered providing automatic grants on the basis of a demonstrated history of energy assistance or other income qualifiers. In response, PacifiCorp indicated that the Company had

[15] https://research.stlouisfed.org/publications/economic-synopses/2020/07/14/which-earnings-groups-have-been-most-affected-by-the-covid-19-crisis#:~:text=In%20conclusion%2C%20workers%20in%20occupations,unemployment%20rate%20increased%20to%205.34.

considered an automatic grant based on whether the customer had received energy assistance within the past 15 months, but opted not to in part because of the limited availability of data to identify low-income customers and a desire to keep administrative costs minimal. In support of this decision, PacifiCorp also highlighted that the Bill Assistance Program is only one part of a set of consumer protections. The Company believes that in conjunction with extended TPAs, the application of deposits to past due balances, and waived late fees, that its Program structure is conducive with bringing customers out of debt. Further, the Company indicated that automatic debt forgiveness is unlikely to encourage customers to contact the Company and explore all options available for assistance.

In a response to Staff's request, the Company provided information[16] showing that 11,174 residential customer accounts received energy assistance in the past 24 months. The response further indicates that among these accounts is a total arrears balance of $6.26 million and an average account balance of $560. Given these values fall within the total program and per customer funding levels proposed, it is possible that all customers who have received energy assistance in the past 24 months will be able to enroll in the AMP and receive assistance through whichever option best suits their needs.

Finally, the Company expressed that customer care representatives have been instructed to provide customers with all of the available options for bill assistance as well as all the other customer protections. PacifiCorp believes that this and the programs "first-come, first-serve" basis will help ensure non-discriminatory treatment and the same menu of options for all similarly situated customers. The Company also provided a three-phase training plan for its Customer Care Representatives which included regularly scheduled team meetings, training on objectives, showcases of different scenarios, dialogue, and reminder communications. PacifiCorp employs customer representatives that speak English and Spanish and utilizes a translation service to provide customers assistance in over 200 other languages.

Staff concerns have been reasonably satisfied by PacifiCorp's responses and Staff is supportive of the Company's plan. However, to the extent that funds are limited and the Program does not demonstrate a structural prioritization of funds for higher-risk communities, Staff will closely monitor the effectiveness and distribution of funds under PacifiCorp's Bill Assistance Program to determine if changes are necessary in the future.

Coordination with Other Assistance Options

[16] PacifiCorp response to OPUC Staff IR No. 7.

PacifiCorp's Bill Assistance Program is designed to be inclusive of all Oregon residential customers with an account balance of at least 31 days past due expressing financial hardship due to COVID-19. The Company's goal is to aid customers who have already experienced economic hardship due to COVID-19 while recognizing economic recovery is far from complete. To this extent, customers able to pay today may struggle over the next year. PacifiCorp customers have several energy assistance options including but not limited to LIHEAP, Oregon Energy Assistance Programs, Oregon Energy Fund, and other various community services. PacifiCorp maintains that their customer service team is well-educated on these options and will help inform customers of their availability and contact information to the extent possible.

Customers who have received state or federal energy assistance are equally eligible to participate in the AMP. Additionally, as mentioned earlier, standard practices at PacifiCorp provide training and materials to all its Customer Care Representatives so that they are equipped to pass on contact and resource information to customers that may be eligible but not already enrolled in energy assistance options beyond the AMP.

Customers enrolled in a TPA prior to the Bill Assistance Program effective date, and wishing to participate in Schedule 11 will have the opportunity to renegotiate their existing payment plan. PacifiCorp will provide the eligible customer with the bill assistance option of their choosing and renegotiation of the payment plan is similarly left to the customer's preference. For example, if a customer chooses to receive an Instant Grant, the benefit would lower the existing arrears, which in turn would allow the customer to have a lower monthly payment. The customer could choose at this time, to renegotiate the existing payment plan. Customers with existing plans who elect for the Extended Matching Payment would have the option to keep their plan as long as it was 12 months or greater. If not, customers would be asked to renegotiate an existing payment plan to be greater or equal to 12 months.

Staff finds these practices properly accommodate customers who have already made efforts[17] to pay down their past due balance into the AMP program and aligns with other payment assistance options available in its service territory.

Outreach, Marketing, and Communications
In large part, the success of PacifiCorp's proposed Bill Assistance Program will rely on the Company's ability to effectively promote and enroll eligible customers in the appropriate Bill Assistance Program offering. In addition to traditional communications, the Company has solicited input from community based organizations (CBOs) on how to best reach customers in need and described several outreach strategies in response to staff. For example, internal accessibility measures include the Company's website,

[17] Enrolled in a TPA.

advertisements via social media, google ads, automated calls, bill “onserts”, text messages and email notifications for customers that have opted-in for notifications, and direct outbound calls.

PacifiCorp states that it reached out to all partner CAAs and plans to work with them closely to provide outreach materials to share with the agency clients and local network partners to promote the program. The Company is also currently developing a plan to include organizations that interact with PacifiCorp customers. These types of organizations include, but are not limited to, churches, food banks, parent teacher associations, Head Start, Boys and Girls Clubs, housing assistance, and tribal authorities.

Staff supports PacifiCorp’s plans to work with community-based organizations and other stakeholders to provide information on its AMP to customers. Staff hopes that these partnerships will help PacifiCorp apply an equity lens in rolling out its AMP and promote participation while enhancing the customer experience.

Throughout the process, Staff and stakeholders have expressed strong interest in first reaching out to customers who have been most directly affected by the pandemic. This helps ensure that there is enough funding for these customers. PacifiCorp plans to target outreach in response to these concerns. As described earlier, beginning April 1, 2021, PacifiCorp will prioritize communication to customers who have received assistance payments in the past or possess characteristics otherwise associated with high energy burden. Direct outbound calls will be placed to customers with arrears greater than 90 days and automated outbound calls will be directed to specific customers with past due balances in counties with high poverty rates. Staff finds these efforts target the intended priority customer groups and align with the relevant AMP principle and guidance.

To further refine these efforts, Staff recommends that the Commission require PacifiCorp to host a workshop with interested stakeholders and community-based organizations within 45 days of the effective date of Schedule 11. The purpose of the workshop is to discuss how PacifiCorp can work with these groups to target program outreach and encourage participation among those groups who have been disproportionately affected by COVID-19. Staff believes that community-based organizations and other residential customer advocates who have direct, daily, interaction with vulnerable populations should be best suited to help PacifiCorp conduct targeted outreach to ensure funds are appropriately prioritized.

Stakeholder Feedback/Participation

As noted above, many different entities attended workshops and provided feedback to Staff and the Company, either directly or through their participation in larger workshops. Staff appreciates that stakeholders have been deeply involved throughout the UM 2114 investigation and Stipulation implementation process, participating in numerous workshops and providing meaningful feedback and recommendations.
These stakeholders include (though are not limited to): Community Action Partnership of Oregon (CAPO), Community Energy Project (CEP), Northwest Energy Coalition (NWEC), and Oregon Citizens' Utility Board (CUB).

While no stakeholders have filed written comments at the time of preparing this memo, Staff solicited feedback on PacifiCorp's proposal from several residential customer-focused stakeholders. The message from these stakeholders was varied, but initially expressed concerns over the initial benefit maximums[18] presented by the Company at the February 9, 2021 workshop. Staff notes that prior to the Company's initial filing, PacifiCorp increased the benefit maximums to up to $500 for the Instant Grant and $1,000 for the payment match. Staff is supportive of these changes and believes the amounts are more responsive to customer needs based on arrearage data.

Staff will monitor and attempt to quickly react to how PacifiCorp's Program is being utilized by customers, and agrees that PacifiCorp should also monitor and make adjustments to the Program in as timely a manner as possible, if necessary, to ensure that funds are being allocated appropriately. To Staff's knowledge, this will be the first time that the utilities are operating a large scale AMP (particularly one that is not exclusively available to low-income customers).

To mitigate potential unintended inequities or ineffective bill assistance options, it is imperative that PacifiCorp work with stakeholders to collect and report relevant and necessary data on how program funds are allocated, and to whom. As noted above, Staff is recommending that PacifiCorp host a workshop with interested stakeholders to discuss how best to partner with community and residential customer focused organizations to target its Program outreach efforts to those groups or communities that have been disproportionately affected by the pandemic. In such a workshop, Staff expects that stakeholders and the Company will also determine what data collection and reporting on such efforts is necessary to effectively evaluate the success of these programs. Example data metrics may include nine-digit zip code and voluntary demographic data.

If approved by the Commission, PacifiCorp's Bill Assistance Program will be one of the remaining five energy Utility Bill Assistance Programs set to deploy this year. As such, it is imperative that we be willing to adjust the programs as necessary. Staff

[18] Initial benefit maximums were $150 for the Instant Grant and $500 for the Payment Match.

recommends that the Commission require that PacifiCorp and interested stakeholders conduct a review of PacifiCorp's Bill Assistance Program no later than the time at which 50 percent of funds are committed/expended.

Staff believes this allows for a sufficient cushion (50 percent expenditure would mean approximately $6 million of the authorized funds are still available for assistance), which allows PacifiCorp to implement its Program as soon as possible for those who are able to take advantage of the current Program offerings, while also providing for flexibility to adapt the program based on its level of success, and learnings from Oregon's five other regulated utilities' design and implementation of their assistance programs.

Effects of Filing
PacifiCorp's Advice No. 21-005 requests approval to create a new tariff schedule, Schedule 11, Residential Bill Assistance Program. In accordance with the Stipulation approved in Commission Order No. 20-401, Schedule 11 will be available to all residential customers who develop arrears of more than 31+ days.

It is unknown how many customers will utilize PacifiCorp's Bill Assistance Program; however, the Program may provide up to $12 million in arrearage forgiveness to eligible customers, and will run either through October 1, 2022, until the Company reaches the spending limit, or until the Commission otherwise approves termination of the program.

This filing does not include an increase or decrease in customer rates, or change PacifiCorp's revenue at this time; however, as noted above, program funds and prudently incurred incremental expenses to provide this Bill Assistance Program will be tracked for later recovery in PacifiCorp's COVID-19 Deferral.

Conclusion

Based on the circumstances outlined above, and Staff's review of the Company's filing, Staff concludes that PacifiCorp's Residential Bill Assistance Program is in compliance with the Stipulation approved in Order No. 20-401 and meets the Arrearage Management Plan Principles outlined in Staff's memo.

Staff recommends that the Commission approve the Company's tariff as proposed in Advice No. 21-005. The Company has reviewed this report and has no objection.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's Advice No. 21-005, which creates Schedule 11, Residential Bill Assistance Program, effective with service rendered on and after April 1, 2021.

1. Conduct a review with interested stakeholders on the implementation of PacifiCorp's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed; and

2. Host a workshop with interested stakeholders within 45 days of the Schedule 11 effective date on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic.