



# Draft CETA Clean Energy Implementation Plan (CEIP) & Low Income Assessment

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# What is CETA?

- Clean Energy Transformation Act (RCW 19.405), signed into law in 2019
- Clean energy commitment
  - Eliminate coal-fired electricity
  - Carbon-neutral electricity supply by 2030
  - Carbon-free electricity supply by 2045
- Equity commitment
  - Ensure equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities

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# What does CETA require of us?

## New planning requirements

- Additions to 20-year Integrated Resource Plan (IRP)
- 10-year Clean Energy Action Plan (CEAP)
- **4-year Clean Energy Implementation Plan (CEIP)**
- **2-year Low-income assessment**

## 100% of retail electricity sales are carbon-neutral by 2030

- At least 80% from carbon-free power
- Up to 20% can be met through alternative compliance mechanisms
- Four-year compliance periods

## 100% of retail electricity sales are carbon-free by 2045

- Annual compliance periods

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# What do we need from PUB?

## **At December meeting:**

1. Approval of our proposed Clean Energy Implementation Plan (CEIP)
2. Approval of our proposed CETA Low-Assessment

# Clean Energy Implementation Plan (CEIP)

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# What goes into the CEIP?



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# CEIP Targets

- Share of load served by renewables & non-emitting resources

	Annual Target	Basis for Estimate
Pct of load served by renewable & non-emitting resources	90%*	Conservative estimate grounded in 2020 IRP
Renewable energy	~500 aMW	2020 IRP
Demand response	10 MW by 2024	2020 IRP
Energy efficiency	3 aMW	2022 CPA

\*Pending rulemaking will have a major impact on how this number is calculated

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# CEIP Specific Actions

1. Acquire 106,228 MWh (~12 aMW) of energy **conservation** resources over the next four years through a combination of programs for our residential, commercial and industrial customers, as well as through some external programs.
2. By 2024, develop a **demand response** concept for industrial customers.
3. Complete residential water heater **demand response** pilot by the end of 2024.




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# Ensuring an Equitable Transition


Identify highly impacted communities & vulnerable populations



Identify at least one energy or non-energy cost or benefit indicator



Report forecasted distribution of energy and non-energy costs and benefits from specific actions



Describe how the utility intends to reduce risks to highly impacted communities & vulnerable populations

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# Equitable Transition: Highly Impacted Communities & Vulnerable Populations

- **Highly Impacted Communities (HICs):** Identified by Department of Health
- **Vulnerable populations:** Low and Very Low opportunity areas from Tacoma Power Equity Index

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# Equitable Transition: Indicators

## Energy benefits

- % of electrically heated households that have participated in a high-touch conservation program

## Reduction of burdens

- % of low-income households that are energy burdened

## Resiliency

- Average # interruptions per year
- Average total minutes interruption per year

# Current Indicator Distribution

	Vulnerable Populations	Other Areas
% of eligible homes w/ conservation	40%	38%
% of households with energy burden	17%	11%
Avg # interruptions per year	10	9
Avg minutes interrupted per year	62	96

Participation rates are similar across VPs & other areas

Share of burdened households is higher among VPs

VPs do not experience systematically lower reliability

[An online map is available here.](#)

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# Equitable Transition: Forecast Distribution of Impacts

Specific Action	Expected Effect
1. Acquire 106,228 of conservation by 2024	Even acquisition across HICs & vulnerable populations vs. other areas
2. Develop a DR concept for industrial customers by 2024	No change to reliability in HICs or vulnerable populations
3. Complete residential demand response pilot by the end of 2024	Oversample low-income customers to understand how to design DR opportunities that specifically meet their needs.

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# Reducing Risks to HICs & vulnerable populations

- Because we already expect to meet CETA's 2030 standard, we do not expect clean energy transition to present *new* risks to HICs & vulnerable populations
- We plan to continue to refine existing efforts to help reduce risk & burden for low-income customers:

Rate Discount &  
BCAP

Low-income &  
Renter-occupied  
Conservation

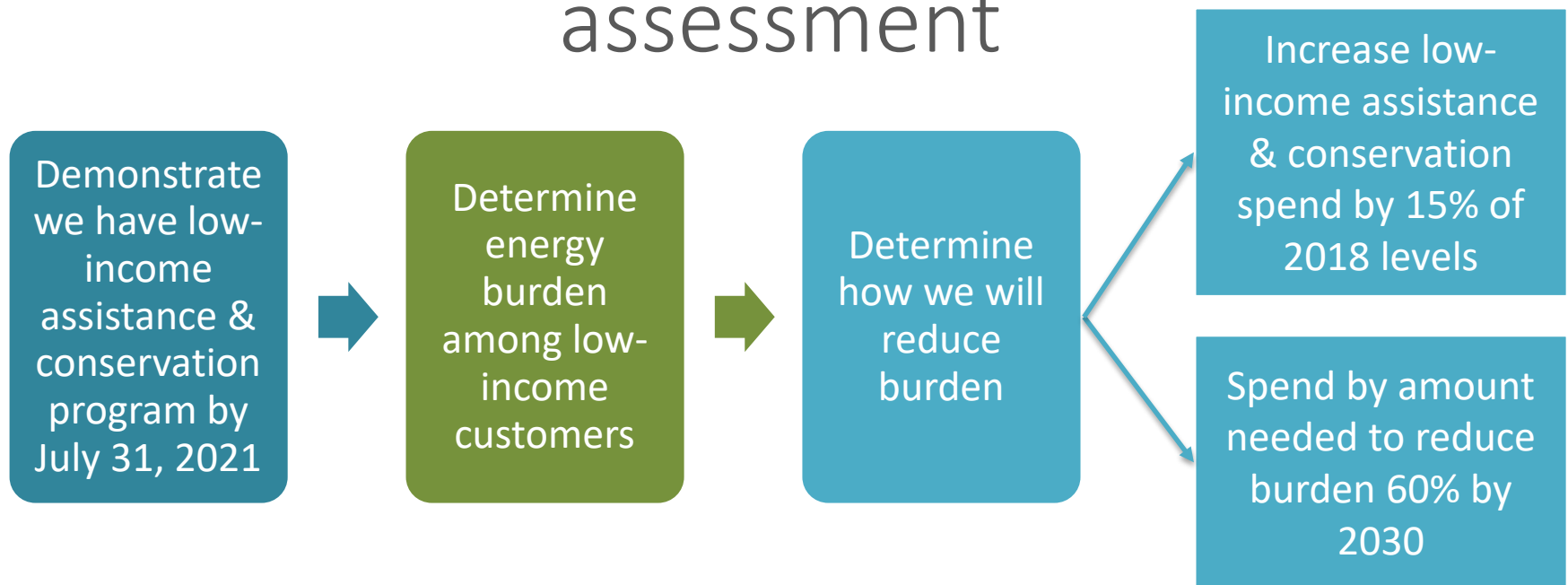
EV Pilots for  
multi-family &  
car share

Strategic  
Directives

# Low-Income Assessment

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# What goes into the low-income assessment





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# CETA Low-income Defined

Means household incomes may not exceed the higher of 80% of area median household income (AMI) or 200% of the federal poverty level, adjusted for household size

HH	Tacoma median income	80%	monthly
1	\$ 60,600.00	\$48,480.00	\$4,040.00
2	\$ 69,200.00	\$55,360.00	\$4,613.33
3	\$ 77,900.00	\$62,320.00	\$5,193.33
4	\$ 86,500.00	\$69,200.00	\$5,766.67
5	\$ 93,500.00	\$74,800.00	\$6,233.33
6	\$ 100,400.00	\$80,320.00	\$6,693.33
7	\$ 107,300.00	\$85,840.00	\$7,153.33
8	\$ 114,200.00	\$91,360.00	\$7,613.33

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# Energy Burden >6%

- ***energy burden*** = 
$$\frac{\text{annual home energy expenses}}{\text{annual household income}}$$
  - limited to expenses for residential or domestic purposes (excludes home businesses or shops, and agricultural or irrigation purposes)
  - includes any fuel source for energy (i.e. electricity, natural gas, propane, heating oil, wood, etc.) and excludes non-energy utilities and transportation-related energy expenses (i.e. gasoline and electric vehicle charging)

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# Our Assistance Programs

- Bill Credit Assistance (BCAP)
- Low-Income Elderly Discount (LIE)
- Crisis Management
- Conservation – Heating and Weatherization
  - Grants/Rebates
  - Zero-interest loans - deferred

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# Energy Burden

= Home energy expenses that exceed 6% of income

<b>Total Tacoma Power housing units</b>	<b>150,823</b>
Number of low-income housing units that are burdened	19,469
Average annual energy burden per household	\$815
Total excess energy burden	\$15,872,236
Annual amount needed to reduce energy burden by 60% by 2030	<b>\$1,984,029</b>

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# Assistance Spending

<b>Program</b>	<b>2018</b>	<b>Est. 2018 Funding +15%</b>
Customer Solutions Programs plus Admin	\$2,413,619	\$2,775,662
Conservation plus Admin	\$679,100	\$780,965
<b>Total</b>	<b>\$3,092,719</b>	<b>\$3,556,627</b>

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# Conclusion/Recommendations

- Support our proposed CEIP Plan
- Support our proposed CETA Low-income Assessment that to utilize approx. \$3.5 million annually over the next two-years
  - in continuing low-income assistance programs and
  - Expanded low-income weatherization and heating conservation for both owner-occupied and tenant customers