



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

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

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

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)

What goes into the CEIP?



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

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 concept for a **demand response** rate for industrial customers.
3. Complete residential water heater **demand response** pilot by the end of 2024.

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

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

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.](#)

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 an industrial DR rate construct 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.

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

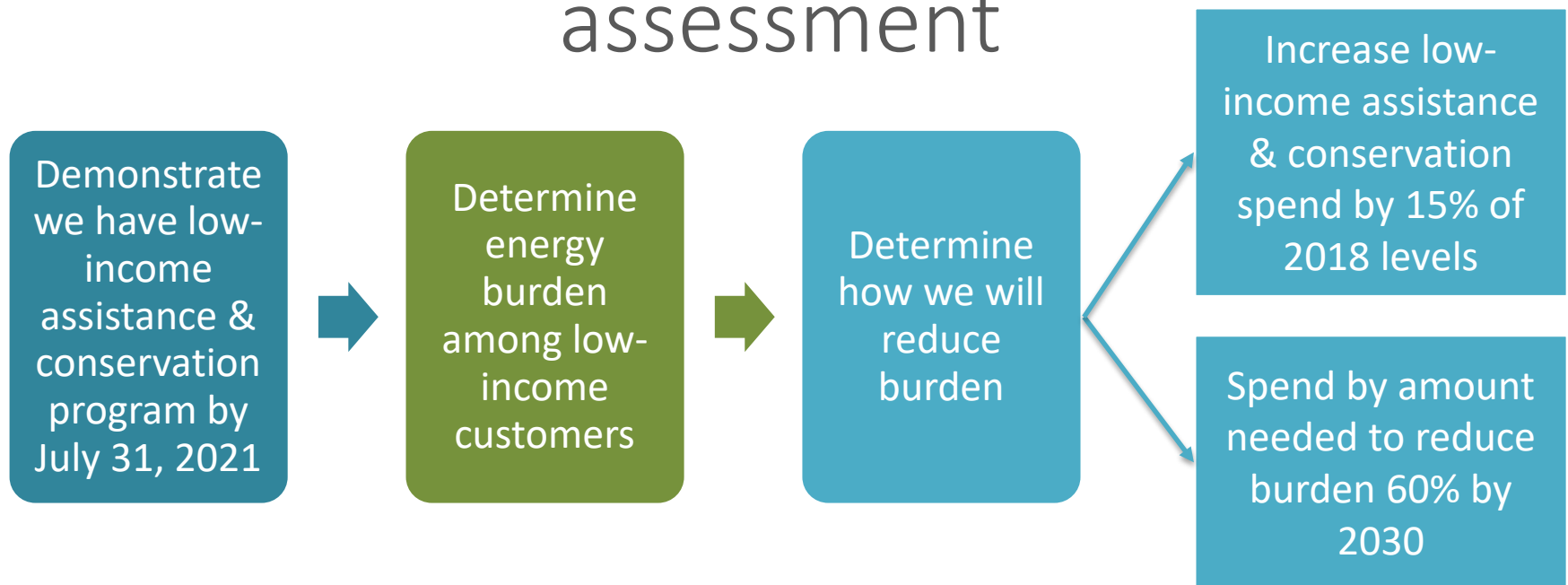
Low-income &
Renter-occupied
Conservation

EV Pilots for
multi-family &
car share

Strategic
Directives

Low-Income Assessment

What goes into the low-income assessment



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

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)

Our Assistance Programs

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

Energy Burden

= Home energy expenses that exceed 6% of income

Total Tacoma Power housing units	150,823
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	\$1,984,029

Assistance Spending

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

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