



RESOLUTION NO. U-11297

1 A RESOLUTION authorizing the approval to submit and adoption of Tacoma
2 Power's 2022 Clean Energy Transformation Act Low-Income
3 Assessment.

4 WHEREAS the City of Tacoma, Department of Public Utilities, Light
5 Division (d.b.a. "Tacoma Power") is requesting the approval to submit and
6 adoption of the 2022 Clean Energy Transformation Act Low-Income
7 Assessment, as required by the Clean Energy Transformation Act ("CETA"),
8 Chapter 19.405 RCW, and

9 WHEREAS in 2019, CETA was adopted and the state of Washington
10 committed to a retail electricity supply comprised of a hundred percent
11 renewal and nonemitting resources by 2045, and

12 WHEREAS the landmark law imposes clean energy mandates on
13 electric utilities in Washington as well as planning and reporting requirements,
14 and
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16 WHEREAS one of the requirements is that utilities complete and submit
17 a CETA Low-Income Assessment by February 1, 2022 to the Washington
18 Department of Commerce, and every two years thereafter, and
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20 WHEREAS the CETA Low-Income Assessment is a utility status report
21 to document the number of households with energy burden that exceeds 6
22 percent of their annual household income, and it is a strategy tool for how the
23 utility plans to reduce the energy burden by at least 60 percent by the year
24 2030, and 90 percent by the year 2050, and
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WHEREAS Customer Services/Customer Solutions and Tacoma Power's Customer Energy Programs are currently jointly planning assistance and conservation programs to reduce energy burden in the short and long-term for owner-occupied and tenant customers, and

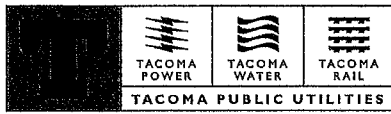
WHEREAS energy-burden data and indicators, and means for addressing the Utility's vulnerable populations, were discussed at the second CEIP workshop and all components of the CEIP are available online to the public for questions and comments, and the public has been provided an opportunity to provide comment on the CEIP; Now, therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Public Utility Board of the City of Tacoma hereby authorizes the approval to submit and the adoption of Tacoma Power's 2022 Clean Energy Transformation Act Low-Income Assessment.

Approved as to form:

_____	_____
<i>/s/</i>	Chair
Chief Deputy City Attorney	Secretary
_____	Adopted _____
Clerk	



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: John Walkowiak, Conservation Operations Manager
MEETING DATE: December 15, 2021
DATE: 12/2/2021

STRATEGIC DIRECTIVE ALIGNMENT (select as many that apply):

Please indicate which of the Public Utility Board's Strategic Directives is supported by this action.

- | | |
|--|---|
| <input checked="" type="checkbox"/> SD1 – Equity & Inclusion | <input type="checkbox"/> SD8 – Telecom |
| <input type="checkbox"/> SD2 – Financial Sustainability | <input type="checkbox"/> SD9 – Economic Development |
| <input type="checkbox"/> SD3 – Rates | <input type="checkbox"/> SD10 – Government Relations |
| <input checked="" type="checkbox"/> SD4 – Stakeholder Engagement | <input type="checkbox"/> SD11 – Decarbonization/Electric Vehicles |
| <input checked="" type="checkbox"/> SD5 – Environmental Leadership | <input type="checkbox"/> SD12 – Employee Relations |
| <input type="checkbox"/> SD6 – Innovation | <input checked="" type="checkbox"/> SD13 – Customer Service |
| <input type="checkbox"/> SD7 – Reliability & Resiliency | <input checked="" type="checkbox"/> SD14 – Resource Planning |

SUMMARY: This resolution seeks approval and adoption of Tacoma Power's 2022 Clean Energy Transformation Act (CETA) Low-Income Assessment, as required by state law (SB 5116 Clean Energy Transformation Act and RCW 19.405.120 (4)).

BACKGROUND:

In 2019, Governor Jay Inslee signed into law the Clean Energy Transformation Act (CETA), which commits the State of Washington to a retail electricity supply comprised of 100 percent renewable and nonemitting resources by 2045. CETA also requires efforts to reduce risk to highly impacted communities and vulnerable populations. This landmark law imposes new clean energy mandates on electric utilities in Washington State, as well as planning and reporting requirements. One of these new requirements is that utilities must complete a Clean Energy Transformation Act Low-Income Assessment by February 1, 2022 and every two years thereafter. The CETA Low-Income Assessment is a utility status report to document the number of customer households' energy burden that exceeds 6% of their annual household income and it is a strategy tool how the utility plans to reduce the energy burden by at least 60% by 2030 and 90% by 2050. Customer Services/Customer Solutions and Tacoma Power's Customer Energy Programs are jointly planning assistance and conservation programs to reduce energy burden in the short and long-term for owner-occupied and tenant customers.

Presentations to the Board

John Walkowiak from Power Management presented the draft CETA Low-Income Assessment to the Board on November 17, 2021.

Public Input

Addressing Utility's vulnerable populations, energy-burden data and indicators was discussed at the second CEIP plan workshop. All components of the CEIP is available online to the public for questions and comments.



Board Action Memorandum

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Choose an item.
N/A. No expenditures are required for this resolution.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW IT IS TO BE COVERED.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No

ATTACHMENTS:

- Clean Energy Transformation Act Low-Income Assessment Summary

CONTACT:

Primary Contact: John Walkowiak, Conservation Operations Manager 253.316.6002

Supervisor's Name: Steve Bicker/Clay Norris

Presenter (if different from primary contact):

Additional staff requiring a Zoom presentation link:



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

INITIAL CLEAN ENERGY TRANSFORMATION ACT (CETA) LOW-INCOME ASSESSMENT SUMMARY

ELECTRIC UTILITY RESPONSIBILITIES – ENERGY ASSISTANCE FOR LOW-INCOME HOUSEHOLDS:

Per RCW 19.405.120 an electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021. Each utility must demonstrate progress in providing energy assistance pursuant to the assessment per RCW 19.405.120 (4). To the extent practicable, priority must be given to low-income households with a higher energy burden. Each electric utility must submit biennially to the Department of Commerce an assessment of:

- The programs and mechanisms used by the utility to reduce energy burden and the effectiveness of those programs and mechanisms in both short-term and sustained energy burden reductions;
- A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050
- An assessment required in (a) of this subsection must include a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need

DEFINITIONS:

“Low-income” means household incomes not to exceed the higher of 80% of the area median household income (AMI) or 200% of the federal poverty level adjusted for household size.

“Energy Burden” means annual home energy expenses/annual household income that exceed 6%. Home energy expenses are limited to residential or domestic purposes excludes home business or shops and agricultural or irrigation purposes. It includes any fuel source for energy and excludes non-energy utilities and transportation related energy expenses.

CURRENT ASSISTANCE AND CONSERVATION PROGRAMS:

- **BILL CREDIT ASSISTANCE (BCAP)** utility payment program established in 1983 for short-term energy bill assistance. Provides eligible households a utility credit up to \$672 annually (amount is based on the number of utility services billed directly through Tacoma Public Utilities). Provided that utility bills are paid in full and on time, a credit is automatically applied to the utility account. Households are eligible have a current TPU account; live in the dwelling full-time as their primary residence; have residential, single-metered service (meter cannot be shared with another unit or structure) and household income meets 60% AMI.
- **LOW-INCOME ELDERLY DISCOUNT RATE (LIE)** long-term utility discount rate established in 2017 and replaced previous Power Aid program offered 2009-2017. Provides a 35% discount on utility rates for qualifying customers who: (A) are 62 years or older or a qualifying adult currently receiving disability income (B) single occupant, head of household or spouse of the head of household, (C) current home is your primary residence where you live full-time, (D) have residential, single-metered service (meter cannot be shared with another unit or structure) and household income meets 45% AMI.
- **CRISIS MANAGEMENT** energy bill assistance through various donors. Used to manage utility customers in crisis. Typically a one-time assistance to avoid utility shut-off. Use of various donations from local non-profit organizations, rate payers and TPU employees. Eligibility up to 200% of the federal poverty level.

- CONSERVATION the use of incentives in the form of rebates, deferred zero-interest loans and grants for qualifying customers to install energy savings measures and products. First established in 1979, emphasis has been to assist customers with electric heating, insulation and windows. Low-income eligibility for conservation programs was updated in October 2021 to 80% AMI.

TACOMA POWER LOW-INCOME ASSISTANCE AND CONSERVATION SPENDING:

From January 1, 2018 through July 31, 2021*, Tacoma Power provided \$12,325,762 in Low-Income Customer Assistance and Energy Conservation including administration (see Table 1 below)

Table 1 Tacoma Power LI Assistance and Conservation

PROGRAM	2018	2019	2020	2021*
Assistance	\$2,413,619	\$2,895,802	\$4,157,394	\$1,873,242
Conservation**	\$679,100	\$130,195	\$134,601	\$41,809
Total	\$3,092,719	\$3,025,997	\$4,291,995	\$1,915,051

** includes rebates, grants and deferred zero-interest loans. Note: conservation low-income spending was required to meet cost-effective utility tests through July 31, 2021.

ENERGY BURDEN DETERMINATION:

Utilizing the latest 2018 US Census tract data adjusted for Tacoma Power’s service area we were able to determine that there are 150,823 housing units. A total of 19,469 housing units were determined to meet the “low-income” and “energy-burden” definitions with an average annual energy burden of \$815 per household. The estimated total excess energy burden equals \$15,872,236. The estimated annual amount of funding for utility low-income assistance and conservation needed to reduce the energy burden of Tacoma Power’s customers by 60% by 2030 is \$1,984,029/year.

According the Tacoma Equity Index that includes Tacoma Power’s service area approximately 30-40% of our customers live in highly impacted communities are renters.

TACOMA POWER PLANS TO INCREASE LOW-INCOME PROGRAM EFFECTIVENESS:

Per RCW 19.405.120 (4) (a) (iii) the utility must determine low-income assistance and conservation funding needed to reduce 60% of the current energy assistance need or increase energy assistance/conservation by fifteen percent over the amount provided in 2018, whichever is greater, by 2030.

Annual Amount needed to reduce energy burden by 60% = \$1,984,029

Annual Assistance/Conservation low-income spending in 2018 +15% = \$3,556,627

Customer Service/Customer Solutions and Power Customer Energy Programs are targeting approximately \$3,556,627 in low-income assistance and conservation spending in 2022 and 2023 to reduce energy burden.

Additional program development is underway during the first two quarters of 2022. With special emphasis to reduce energy burden of renters. These estimates are subject to change.

Prepared by:

John Walkowiak, Conservation Operations Manager.

Tacoma Power – Power Management/Customer Energy Programs

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