



Seattle City Light



LOW INCOME RATE PILOT

City Light Review Panel, July 16, 2019


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AFFORDABILITY INITIATIVE: OVERVIEW



- Strategic Plan Priority #2: Affordability – Revenue Recovery and Rates
 - Create new rate polices and structures that progressively respond to industry changes and challenges
- Connects to new Priority Area : Revenue Stabilization through Rate Design

RATE PILOTS UNDERWAY

- Low Income alternatives  *Overview today*
- Commercial Charging Rate
- Demand Response Rate
- Time of Use Rate

LOW INCOME ISSUE STATEMENT AND PILOT PROGRAM OBJECTIVE

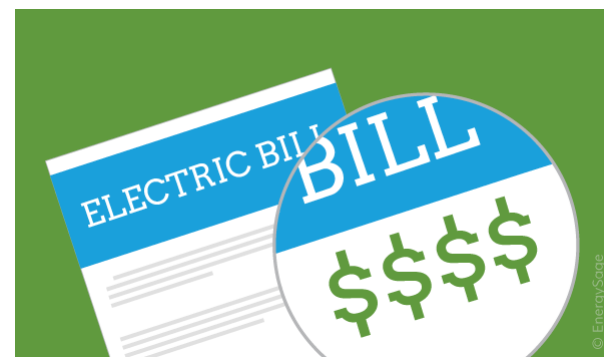
- Problem: Despite the UDP, there remain customers whose energy burden (electricity bill-to-income ratio) exceeds the 6% target recommended by low-income advocates.
- Pilot Objective: Develop a potentially scalable program that provides a suite of wraparound services to further assist very low-income customers in reducing their energy burden.

PROCESS

- Engaged community partners in program design
 - Byrd Barr
 - The Energy Project
- Reviewed progressive programs including a Percentage of Income Plan from other utilities
- Conducted research into programs focused on energy burden reduction
- Analyzed data from existing UDP customer to evaluate benefit and impact of options

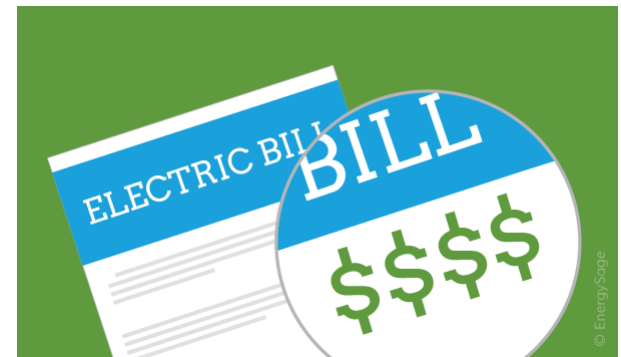
POTENTIAL SOLUTIONS CONSIDERED

- Increase Utility Discount Program to 80% for pilot group
- Percentage of Income Payment Plan
- Subsidized per kWh rate, no monthly fixed charge
- Wraparound services including the following components:
 - Balance management arrangement (in lieu of arrearage forgiveness)
 - Weatherization & energy efficiency improvements



RECOMMENDED SOLUTION

- Option 3
 - Subsidized per kWh rate, no monthly charge (3.3 cents/kWh)
 - Balance management arrangement
 - Weatherization & energy efficiency improvements



IMPLEMENTATION



- Enrollment through Byrd Barr
- Eligibility: Customers with less than \$25K annual income, energy burden of approximately 6%
- Number of participants: Target is 300 customers
 - Both single family and multi-family
- Duration: One Year Pilot, Sept. 2019 – Sept. 2020

SAMPLE EVALUATION CRITERIA

- What is the effect of the pilot on customer energy burden? How does this compare to current UDP program?
- What is the effect of the pilot on energy consumption? Do we see an increase or decrease?
- What is the effect of the pilot on customer disconnects?
- How do customers feel about the pilot? (i.e., customer satisfaction)
- What are the logistical (i.e., administrative) and cost implications of the pilot? How scalable is the pilot to a broader program?

NEXT STEPS

- Secure Buy-in with Key Stakeholders
- Obtain Council approval
- Develop implementation plan that includes:
 - Schedule
 - Outreach plan
 - Technology resource needs
- Implementation to coordinate with LIHEAP enrollment timeframe (October)
- Evaluation



CITY LIGHT

OUR MISSION

Seattle City Light is dedicated to delivering customers affordable, reliable and environmentally responsible electricity services.

OUR VISION

We resolve to provide a positive, fulfilling and engaging experience for our employees. We will expect and reinforce leadership behaviors that contribute to that culture. Our workforce is the foundation upon which we achieve our public service goals and will reflect the diversity of the community we serve.

We strive to improve quality of life by understanding and answering the needs of our customers. We aim to provide more opportunities to those with fewer resources and will protect the well-being and safety of the public.

We aspire to be the nation's greenest utility by fulfilling our mission in an environmentally and socially responsible manner.

OUR VALUES

Safety, Environmental Stewardship, Innovation, Excellence, Customer Care



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