
Environment & Energy Committee

HB 2234

Brief Description: Concerning energy assistance for low-income households.

Sponsors: Representatives Ybarra and Couture.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Modifies the requirements for electric utilities to provide and report on energy assistance programs under the Clean Energy Transformation Act.

Hearing Date: 1/18/24

Staff: Megan McPhaden (786-7114).

Background:

Low-Income Energy Assistance Under the Clean Energy Transformation Act.

Under the Clean Energy Transformation Act (CETA), each electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021. Energy assistance includes weatherization, conservation and efficiency services, and monetary assistance intended to lower a household's energy burden. Energy assistance may also include direct customer ownership of distributed energy resources or other strategies if such strategies reduce energy burden for the customer above other available conservation and demand-side measures.

To the extent practicable, priority must be given to low-income households with a higher energy burden, which is the share of income used to pay energy bills.

Electric utilities must demonstrate progress in providing energy assistance in an assessment provided to the Department of Commerce (Commerce) on a biennial basis. The assessment

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includes:

- the short-term and sustained effectiveness of the programs and mechanisms the utility uses to reduce energy burden;
- the outreach strategies the utility uses to encourage participation; and
- an assessment of the previous funding levels for energy assistance compared to funding needed to meet: a) 60 percent of the current energy assistance need, or increasing energy assistance by 15 percent over the amount provided in 2018, whichever is greater, by 2030; and b) 90 percent of the current energy assistance need by 2050.

The assessment must also include a plan to improve effectiveness and strategies toward meeting the energy assistance need.

Beginning July 31, 2020, Commerce must collect and aggregate data estimating the energy burden and energy assistance need and reported energy assistance for each electric utility, in order to improve agency and utility efforts to serve low-income households with energy assistance. On a biennial basis, Commerce must update this aggregated data and make it publicly accessible, and must also provide a report to the Legislature.

Rates for Low-Income Customers.

Each gas or electrical company must propose a low-income assistance program with a discount rate for low-income senior customers and low-income customers, as well as grants and other low-income assistance programs. The Utilities and Transportation Commission (UTC) may approve rates, discounts, and grants for low-income senior customers and low-income customers of electric and gas companies. If approved, the company may recover the costs of providing assistance programs in rates to other customers. Utilities must make reasonable and good faith efforts to seek approval for such proposals from their low-income and equity advisory groups before filing proposals with the UTC. Grants and discounts approved by the UTC must be provided to customers in coordination with community-based organizations in the utility's service territory, such as grantees of Commerce, community action agencies, and community - based nonprofits. Each gas or electric utility must conduct substantial outreach efforts to make the low-income discounts or grants available to eligible customers and annually report to the UTC on outreach activities and results.

Summary of Bill:

Low-Income Energy Assistance Under the Clean Energy Transformation Act.

Only electric utilities subject to the Energy Independence Act (EIA)— those that have more than 25,000 customers— are subject to the requirement to make at least two energy assistance programs available. Electric utilities not subject to the EIA must make at least one program available. The date by which these programs must be made available is removed.

Utilities are no longer required to prioritize, as practicable, low-income households with a higher

energy burden. Instead, utilities may focus and prioritize aid to a subset of these households.

Energy assistance programs are specified, and include those that provide:

- direct bill assistance;
- support for energy efficiency and space conditioning measures;
- support for on-site generation or energy storage, or both; and
- implementation of other mechanisms that reduce the amount low-income households spend on energy services.

The assessment that electric utilities must conduct and provide on a biennial basis to Commerce is changed so that the assessment no longer needs to be cumulative and examine previous funding levels for energy assistance compared to current levels needed to meet 60 percent of the need by 2030 and 90 percent of the need by 2050. Instead, the assessment must examine the energy assistance funding needed to meet 60 and 90 percent only of the current need.

The assessment now must include an additional component: how much energy bills of nonlow-income households would increase, on average, for the utility to provide energy assistance need at the 60 and 90 percent levels.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.