

SENATE BILL REPORT

E2SHB 1903

As of February 18, 2026

Title: An act relating to establishing a statewide low-income energy assistance program.

Brief Description: Establishing a statewide low-income energy assistance program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Mena, Berry, Doglio, Parshley, Simmons, Santos, Taylor, Scott, Ramel, Farivar, Hill, Pollet and Duerr).

Brief History: Passed House: 2/14/26, 60-33.

Committee Activity: Environment, Energy & Technology: 2/18/26.

Brief Summary of Bill

- Establishes a Statewide Low-Income Energy Assistance Program (Statewide Program) within the Department of Commerce to be phased in by providing funds to participating utilities to reduce the monthly energy bills of low-income customers, subject to appropriation.
- Directs that an electric utility's participation in the Statewide Program may supplement, but may not replace, its obligations to provide low-income energy assistance under the Clean Energy Transformation Act.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Kimberly Cushing (786-7421)

Background: Low-Income Energy Assistance Under Clean Energy Transformation Act. Under the Clean Energy Transformation Act (CETA), electric utilities must mitigate energy burden and consider the adequacy of energy assistance programs for low-income households. Energy assistance is a program undertaken by a utility to reduce the household energy burden of its customers. Energy burden means the share of annual household income

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

used to pay annual home energy bills.

The Department of Commerce (Commerce) is required to submit a biennial report to the Legislature that includes:

- a statewide overview of energy assistance programs, energy costs, and the need for energy assistance;
- a breakdown of current spending on energy assistance for low-income households;
- an evaluation of the best ways to provide energy assistance, including customer rates, discounts for low-income households, system benefits charges, and public and private funding; and
- a review of methods to prioritize energy assistance on low-income households with higher energy costs.

Statewide Monthly Low-Income Energy Assistance Program Design Report. The Legislature, in a 2023 budget proviso, directed Commerce to recommend a design for a statewide energy assistance program to address the energy burden and provide access to energy assistance for low-income households. Commerce published the report in November 2024.

Commerce's recommended program design elements include:

- a streamlined way to determine income eligibility;
- a monthly income-tiered bill discount and a graduated benefit level that decreases as income increases;
- multiple enrollment options, including auto-enrollment;
- ongoing program evaluations to track access, delivery, and program integrity; and
- a statewide advisory group.

Summary of Bill: Statewide Low-Income Energy Assistance Program. The Statewide Low-Income Energy Assistance Program (Statewide Program) is established within Commerce. The Statewide Program purpose is to reduce energy burden for low-income households in Washington. Commerce must begin providing energy assistance through the Statewide Program by October 1, 2027. Commerce, in consultation with the Utilities and Transportation Commission, must write rules to implement the Statewide Program.

Commerce must establish enrollment details that include:

- all low-income households are eligible to participate in the Statewide Program;
- low-income households may apply directly to the Statewide Program; their utility, if the utility has voluntarily chosen to serve as co-administrator; or through a community action council for state-funded energy assistance in partnership with the utility;
- low-income households may self-attest that they met income qualifications;
- Commerce may verify that applicants and participants meet the income qualifications and make work with utilities and community action councils to conduct this verification;

- no risk to eligibility based on immigration status or income self-attestation; and
- Commerce must explore auto-enrollment of known eligible households.

Commerce may enter into agreements with utilities to serve as Statewide Program co-administrators to enhance customer engagement, facilitate enrollment of eligible customers, and share administrative duties. The utility may voluntarily choose to be a co-administrator and may choose to be the lead co-administrator.

Commerce must phase in the Statewide Program across utilities and home heating fuel types, prioritizing areas of the state with a disproportionate share of energy assistance need and where monthly bill assistance programs are lacking. Commerce must provide tiered discounts or dollar amounts to provide the most energy assistance to the households with the greatest need.

To administer the Statewide Program, Commerce must provide funds to participating utilities. The participating utilities must pass on the funds to their low-income residential customers and show the energy assistance on the customer's monthly bill. A participating utility with more than 25,000 Washington customers, must provide energy assistance and then seek reimbursement from Commerce equal to the amount provided. Commerce must reimburse the utility within 30 days of the request. A participating utility serving up to 25,000 Washington customers, may request energy assistance funds in advance, with appropriate contractual agreements.

Commerce and the utilities' obligation to provide energy assistance is based on available funding appropriated for the Statewide Program. The Legislature intends to provide sustained funding to meet low-income household needs from Climate Commitment Act auction revenues or other state general fund dollars. Commerce must ensure that Statewide Program benefit levels are not less than what a customer received from their utility program in the previous year. A participating utility may not reduce the level of low-income energy assistance, discounts, or affordability benefits it provided in the previous year as a result of participating in the Statewide Program.

Commerce must submit report to the Governor and Legislature that includes a Statewide Program evaluation, with meaningful metrics around equitable access and overall program delivery, by July 1st every even-numbered year.

Statewide Low-Income Energy Assistance Program Advisory Group. Commerce must establish a Statewide Program advisory group composed of a diverse group of stakeholders that includes members from low-income households, and at least one member each from: a community organization, community action council, an investor-owned utility, and a consumer-owned utility. The advisory group must help inform program development and implementation, and advise on the program evaluation.

Low-Income Energy Assistance Under Clean Energy Transformation Act. The Legislature

intends to demonstrate progress toward addressing the disproportionate impacts of home energy bills on low-income households and reduce energy assistance need. An electric utility's participation in the Statewide Program may supplement, but not replace, CETA low-income energy assistance requirements.

Commerce's biennial report to the Legislature must include the amount of money used to mitigate rate impacts to low-income customers and a description of any other benefits provided to ratepayers from the sale of allowances as required under Washington's Cap and Invest Program.

Biennial electric utility reporting requirements are modified to:

- remove the requirement to report on the effectiveness of utility programs to reduce energy burden over the short-term and sustained period; and
- include a cumulative assessment of program participation rates and funding levels compared to what is necessary to meet energy assistance need, rather than requiring certain percentage of needs to be met.

Appropriation: The bill contains a section or sections to limit implementation to the availability of amounts appropriated for that specific purpose.

Fiscal Note: Available. New fiscal note requested on February 14, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is an affordability bill. This is about the state coming alongside utilities who are already doing a great job and providing long-term utility assistance to fill a need. We are falling short about \$270 million for folks that are energy burdened and in most cases also low income. The state is going to phase in the program as we find sustainable funding sources. The statewide program is designed to build on existing utility affordability commitments, not replace them. Utilities remain active partners while new assistance is layered in where need is greatest. This approach protects long-term affordability while allowing the state to scale up support strategically. For many communities, energy affordability is not theoretical. Need is already outpacing assistance and delaying action will only widen that gap. With rising costs of utilities, low-income individuals and families are disproportionately impacted by utility bills.

We want to ensure this funding is allocated equitably into the hands of people who really need it. The provision that allows some utilities to receive grants while others would receive reimbursements could inadvertently set up a system where more money is spent than is available. We do not want the Legislature to get into the habit of pushing one-time energy assistance, we want this to have sustained investment for those households that are most in need. The present situation is an administrative and financial nightmare, especially for the

small nonprofit public utilities who must individually add staff to set up programs, manage signups, verification and funding of dollars. The bill makes it easier and less socially stigmatizing for low-income families to access assistance need.

CON: We support the comprehensive solutions to provide energy assistance. However, nothing in the proposal addresses the reasons why so many are energy burdened in our state, and nothing addresses increasing cost of energy bills. We should work to address affordability, not just to find more money to fund those who are energy burdened.

OTHER: Utilities are concerned that if the program gets set up, and the state eliminates funding they will be asked to backfill by raising rates. Many low-income assistance requirements in CETA are burdensome, and technical changes would make the program work more effectively. It's not necessarily clear to us how this program mixes with our existing work approved by the UTC. Poverty is poverty and regardless of where you live in the state and should have equal access to the funds that are described in this program. We really need to see a long term funding source identified for the program to be sustainable. Areas of highest energy burden are undefined. We understand that there's limited state funding and that state funding is not always consistent, so having a proper proportionate formula that is agreed upon by the sector is very important, This new program can integrate with other programs efficiently in a streamlined fashion to deliver help in a variety of ways, particularly developing this program based on previous analysis from the statewide monthly low income energy assistance program report. Rural electric cooperatives are very, very small. We do not have IT, we don't have marketing, and we don't have regulatory people to do reports.

Persons Testifying: PRO: Representative Sharlett Mena, Prime Sponsor; John Rothlin, Avista Corp; Guillermo Rogel, Front and Centered; Jeff DeLuca, Washington State Community Action Partnership; Kirsten York, Multi-Service Center; Linda Garcia, Washington State Community Action Partnership; Dan Fagerlie, President, Ferry PUD #1 Board of Commissioners.

CON: Brandon Houskeeper, Alliance of Western Energy Consumers.

OTHER: Nicolas Garcia, WPUA; Maggie Douglas, Puget Sound Energy; Dave Pringle, Dept. of Commerce; Adán Espino, Franklin PUD; Sheri D Nelson, WA Rural Electric Cooperative Assn.

Persons Signed In To Testify But Not Testifying: No one.