



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson and Helgeson
FROM: Rene Gonzalez, Customer Solutions Manager; Anna Wade, Business Line Manager
DATE: September 21, 2018
SUBJECT: Limited Income Initiative Update
OBJECTIVE: Information Only

Issue

This update is provided to ensure ongoing alignment between Board direction and EWEB staff progress relating to the limited income program enhancement initiative. This memo is for informational purposes only as we refine our goals and approach.

Background

EWEB's strategy identifies the support of vulnerable members of our community as specific proof we are embracing our role as a valuable community organization (reference "Community Leadership and Responsibility"). In support of this effort, EWEB Management is preparing to propose to the Board that our limited income program achieves the following two 5-year (2023) goals:

1. Reduce the Limited-Income Utility Burden¹ of our limited-income population by 25%, from approximately 6.0 to 4.5
2. Eliminate/Reduce the service disruptions (disconnects) of our limited-income customers by 50%

While achieving these objectives does rely on an income/economic development component, much of our success will be based on controlling costs, refining policies and processes, and improving local housing stock efficiency and availability.

As presented to the Board during the August meeting, the limited income initiative centers on four elements to support these overarching goals: Energy Burden, Peak Burden, Crisis Relief and Education. The Board has expressed support for this direction as presented by staff. In addition, the Board has expressed a desire for more tangible program and delivery descriptions, as well as the development of performance metrics to ensure fiscal prudence and accountability, and to ensure stated objectives are met.

Discussion

Since the last staff update to the Board, staff continues working with agency partners to refine program specific processes and procedures required to deliver bill assistance to EWEB customers. The results of this effort will provide the basis to establish benchmarks and performance metrics to support on-

¹ Limited-Income Energy Burden (LIEB) is the ratio of: Cost of EWEB Electric & Water Service/Federal Poverty Level Household Income

going evaluation, monitoring and reporting to the Board. Staff will develop KPI's for each element of the Limited Income program initiative. Preliminary concepts for each metric is discussed below.

Energy Burden:

Energy burden is the weight of a customer's utility expenses relative to income. In order to have a positive impact on customer's energy burden, EWEB's tactical approach must be multifaceted, combining crisis relief with billing strategies, focused education and energy efficiency awareness and investment. In addition, EWEB's utility-wide effort to limit rate increases for all customers is central to this effort.

- Energy Burden (cost of electricity and water/median income of limited income served segment)
- Proportion of bill assistance customers having received home energy audits within the past 5 years
- Percentage of total energy efficiency incentives delivered to limited income customers

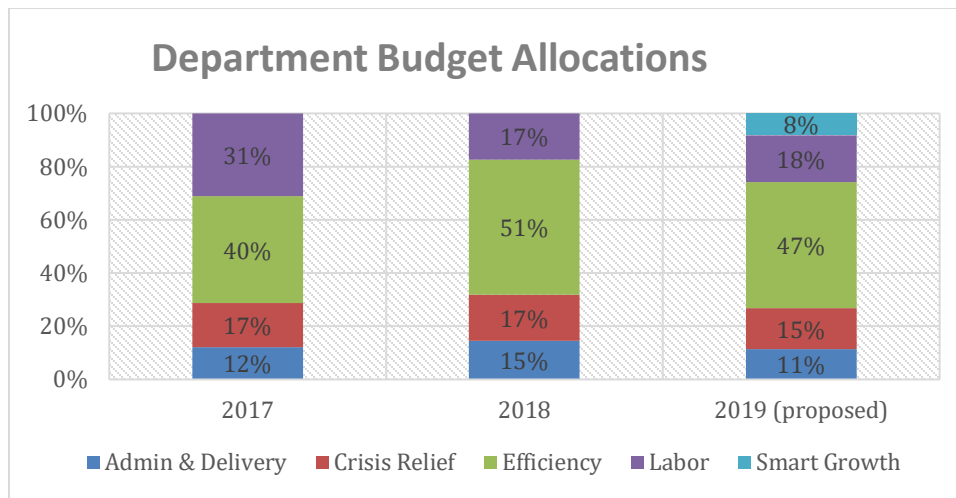
Peak Burden:

The winter heating season produces an affordability crisis every year for some of EWEBs customers. In order to proactively address seasonal volatility, Staff are pursuing a levelized billing program. A levelized billing program would be optional for customers to enroll and would not be charged to participate. Levelized billing prevents drastic changes in customer's bills even during the coldest or hottest months of the year. Customers enrolled in levelized billing would pay a monthly charge based on a rolling average of the previous 11 months and the current month. Because the levelized billing amount is recalculated each month based on a rolling average, the need to "true up" or settle up balances annually is eliminated. Reconciliation of a customer's account would be necessary only if a customer decides to move or decides to stop participating in the program. While this program would be available and encouraged for all EWEB customers, limited income customers would be the target audience for initial promotional enrollment efforts. At this time, EWEB staff has initiated testing of internal billing systems to determine its feasibility.

- Percentage of bill assistance customers enrolled in bill smoothing programs
- Late payment and shut off frequency of levelized billing customers vs. standard billing customers

Crisis Relief:

EWEB's Customer Care Program is run in partnership with non-profits and Lane County Human Services Division. This program helps thousands of limited income families each year with funds for crisis relief. As previously discussed with the Board, staff are pursuing cost savings opportunities, both internally and externally, that will enable more of these funds to reach our most vulnerable customers.



Since the last Board update, EWEB staff has participated in multiple meetings with agency partners to better understand their current intake and delivery processes. In addition, EWEB staff has conducted a thorough review of the administrative costs charged to EWEB by our agency partners, and as a result EWEB staff has identified potential opportunities to reduce program delivery costs. At this time, EWEB staff is exploring these opportunities to reduce administrative costs, which include potential changes in program delivery partnerships structure. EWEB staff has been transparent regarding the potential options being considered and agency partners have expressed concerns due to the potential impact to their existing staffing and operating model.

- Percentage of budget allocated to administration & labor
- Bill assistance distributed relative to residential revenues

Focused Education:

As directed by the Board, staff has reviewed current educational material and prioritized EWEB’s areas of focus. As a result, staff has determined that the most effective venue for the delivery of energy education is within the home. EWEB’s Energy Specialist staff are best equipped to provide energy efficiency education in tandem with the home energy audit. This approach enables EWEB staff to interact with customers to better understand and address their specific needs and offer personalized recommendations and solutions.

- Percentage of bill assistance customers receiving in home visits
- Comparative analysis on post visit consumption rates

Request for Board Action

This memo is for informational purposes only as we refine our goals and approach. No action is requested at this time.