



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

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

Issue

This update is provided to ensure ongoing alignment between Board direction and staff progress relating to EWEBs limited income program enhancement initiative.

Background

The Board has driven the development of strategies to revamp EWEBs programs for limited income customers. Following thorough analysis, staff has identified opportunities to improve the EWEB Customer Care Program (ECC), and recalibrate the customer education and efficiency offerings. Included in these opportunities is the discontinuation of the EWEB Customer Care Plus Program (ECCP).

Discussion

In developing a vision for future programs, management has codified four elements of EWEB's limited income strategy: Energy Burden, Peak Burden, Crisis Relief and Education.

Energy Burden:

Energy burden is the weight of a customer's utility expenses relative to income, which is consistent with our overall efforts to control costs. EWEBs Integrated approach to addressing Energy Burden encompasses solutions to reduce overall consumption, alleviate Peak Burden, improving the efficiency and customer experience in issuing Crisis Relief as well as to provide empowerment through customer education. Additional efforts to address Utility Cost Burden were presented to the Board in October within the context of EWEBs development policy initiative.

Peak Burden:

The winter heating season can produce an affordability crisis for some of EWEBs customers. Reducing monthly bill volatility is the most effective way to address Peak Burden for these customers. Designing system based solutions that enhance customer experience and are operationally viable has proved challenging. A recent analysis of our processes and procedures revealed potential opportunities for EWEBs current Budget Billing program. In order to serve as an effective solution for Limited Income customers, staff is looking at options to expand access and help customers stay enrolled during financial hardship. More information on these improvements can be found in the Customer Experience Improvement Project Memo.

Crisis Relief:

The total budget for bill assistance is materially unchanged. However, more of these funds will go directly to those in need, and less to administration. Funds previously allocated to ECCP will be reallocated and consolidated under ECC. Preliminary budgets, currently under Board review, set the 2019 allocation at \$950,000.

Staff has made significant progress in reducing the administrative costs to deliver bill assistance and energy efficiency to limited income customers. EWEB and Lane County have agreed to an administrative fee for services rendered in 2019, which will be capped at 18% of bill assistance issued. This service fee is based on delivered results (funds to customers), and represents \$505,000 in savings from 2017. Contractual agreements with Lane County Human Services Department are being prepared.

The table below reflects program expenses relating to Lane County delivery, administration and labor for 2017 and 2018, with preliminary estimates for 2019.

	2017	2018	2019
ECC	\$230,000	\$190,000	\$150,000
ECCP	\$425,000	\$420,000	\$0
	\$655,000	\$610,000	\$150,000

Focused education:

In the first week of December staff will conclude the process of EWEB Customer Care Plus dissolution. EWEB will fulfill financial obligations to program enrollees with a final ECCP credit in an amount equal to what the customer would have otherwise been able to earn through program activities.

In the coming year, EWEB staff will begin delivering customer education to the home, in concert with an energy audit. Staff are targeting a total of 500 additional home visits in the initial program year. At the time of the visit, customers will receive efficiency and resiliency items, utility information and consumption tips. Following the in-home visit, Staff will provide a cohesive customer report outlining opportunities and available programs to support energy efficiency.

- **Kits:** Efficiency items will include energy saving products (e.g. LED bulbs) and emergency preparedness items (e.g. warming products and water container). EWEB staff will assist customers with these items as requested to facilitate the realization of the benefits.
- **Information:** EWEBs Energy Specialists will guide customers through educational materials and survey the dwelling for efficiency opportunities during the energy audit.
- **Follow up:** Customers will receive a custom dwelling report, consumption history, efficiency recommendations with potential benefits and available rebates or incentives, emergency preparedness tips and price structure information.

Request for Board Action

Information only. No action is requested at this time.