

City of McCleary
CETA Compliance Examination
January 1, 2019 – December 31, 2021

Greenhouse Gas Content Calculation

No issues noted.

Energy assistance for low-income households – Program offering

1. The City did not comply with CETA's requirement to make programs and funding for energy assistance to low-income households by July 31, 2021.

The City was unable to demonstrate it undertook more than one low-income energy assistance program by July 31, 2021 that made some form of energy assistance available to households meeting CETA's definition of "low-income".

City officials did not demonstrate it had offered any low-income-specific energy assistance programs. The programs it cited were:

- BPA Conservation program – While the City offered conservation measure rebates to all customers, it was unable to demonstrate it advertised low-income-specific conservation measures as part of its program – **Not responsive to the program offering requirement.**
- ARPA bill assistance program - The City obtained federal Coronavirus Local Recovery Funding through the American Rescue Plan Act (ARPA) – The City offered funding assistance through this program until 10/7/2021 with no income eligibility requirement – **Not responsive to the program offering requirement:**

- Programs undertaken by organizations other than the City that contracted with the City as a vendor to apply LIHEAP funding the organization received from Commerce to City utility customer accounts. The City correctly cited this program as a third-party program in its assessment:

Program name	LIHEAP
How long has the program been running? (50 words max)*	Unknown
Targeted customer segments and program eligibility requirements (100 words max)*	Low Income Customers with an income at 150% of poverty level, using the Federal Poverty Guidelines for the LIHEAP Program.
Is this a utility, third-party or hybrid program? (Please provide further details for hybrid programs, which are run both by the utility and third party)*	This is a third-party program available through Coastal Community Action Program (CCAP) of Grays Harbor County.
What are the administration and/or implementation roles of the utility (e.g. application processing, income verification, marketing, audits, energy efficiency measure installation)*	The utility directs customers to the agency for application, provides information on the requirements of the program. The utility also provides documentation on usage and bill history for the customers as requested by the agency. We also market the program through social media, the City's website, and bill messaging.
Updates since last energy assistance compliance report (not applicable for first report)	N/A

LIHEAP –

https://fortress.wa.gov/com/liheappublic/AgencyInformation.aspx?countyID=14

[Go back to county map](#)

County Name	Grays Harbor
Agency	Coastal Community Action Program
Street	101 E. Market St
City	Aberdeen
State	WA
ZIP	98520
Mailing Address Street	NA
Mailing Address City	Aberdeen
Mailing Address State	WA
Mailing Address ZIP	98520
Appointment Number	360-533-5100
Toll Free Number	1-800-828-4883
FAX	360-532-4623
Other Services	Weatherization, Water Assistance
Service Area	Grays Harbor and Pacific Counties
Comments	At this time we are open to serve our clients. If you live in Grays Harbor county please call (360)533-5100 or if you live in Pacific County please call (360)642-6100. You can also go online to our website @ www.coastalcap.org to schedule an appointment.
Website	www.coastalcap.org/
County	Grays Harbor



August 26, 2020

LIHEAP Vendor;

Enclosed please find the Vendor Agreement for the Low-Income Home Heating Assistance Program (LIHEAP).

Please sign the agreement and return it through mail, e-mail or fax.

Please retain a copy for your records.

If you have any questions, please call me at 360-500-4509.

Thank you for assisting us in providing services to households in Grays Harbor and Pacific Counties.

Sincerely,

Debbie Gregg

LIHEAP Coordinator

Coastal Community Action Program

Email: debbieg@coastalcap.org

Fax: 360-532-4623

Serving Grays Harbor and Pacific Counties since 1965 / Part of the Community Action Network: "Fighting to Eliminate Poverty"

Energy Vendor Responsibilities

The Energy Vendor shall:

1. Immediately apply the benefit payment to customer's current/ past due bill, deposit/ reconnect requirements, or delivery of fuel to eliminate the amount owed by the customer for a period determined by the amount of the benefit, or;
2. Apportion the LIHEAP over several billing periods to reduce the amount owed by the customer until the benefit is exhausted, or;
3. Establish a line of credit for the customer to be used at the discretion of the customer until the benefit is exhausted;
4. Notify the customer of the amount of benefit payment applied to the customer's billing;
5. Keep customer records confidential;
6. Maintain records for four (4) years from the date of this agreement, or longer if the energy vendor is notified that a fiscal audit for a specific program year is unresolved;
7. Not treat adversely, or discriminate against any household that receives LIHEAP benefits based on the race or ethnicity of the household or the services provided;
8. Upon request of the agency, provide eligible customer's energy consumption history for the sole purpose of determining customer benefit;
9. Comply with the provisions of the State law regarding winter disconnects and pertinent provisions of the Washington Administrative Code related to the winter moratorium, if governed by that ruling;
10. Make records available for review by authorized staff of the agency and Washington State Department of Commerce and the U.S. Department of Health and Human Services.

Required records for audit purposes.

The vendor will keep records showing the following:

1. Name and address of households who received LIHEAP payments.
2. Amount of assistance accrued to each household.
3. Source of payment. (Energy Assistance, Project Help, etc).
4. Amount of the household's credit balance when the benefit payment establishes a line of credit. This credit balance also needs to show on all customer billing documents.

Credit Balances

In the event that a customer has a credit balance and no longer needs service from the energy vendor, the vendor shall:

1. Forward a check, in the amount of any remaining credit balance directly to the customer, or, if directed by the customer, forward a two-party check for this balance to the customer in the customer's name and the name of the new home heating energy vendor.
2. If the customer passes away leaving a credit balance resulting from a LIHEAP payment, the remaining credit becomes part of the customer's estate.

LOW-INCOME HOME HEATING ENERGY VENDOR AGREEMENT

OCTOBER 1, 2020 – SEPTEMBER 30, 2021 PROGRAM YEAR

This agreement, dated as of October 1, 2020, is entered into by and between Coastal Community Action Program, and City of McCleary, supplier of home heating energy.

PURPOSE

Funding for Low-Income Home Energy Assistance Program (LIHEAP) payments is governed by Federal Law 42 U.S.C. 8624: Low-Income Home Energy Assistance Act of 1981, and subsequent amendments. This act requires that certain assurances be satisfied before energy assistance payments are made, on behalf of eligible individuals, to suppliers of home heating energy. This agreement defines the conditions that the Energy Vendor must agree to so that the Agency can make energy assistance payments to the Energy Vendor on behalf of eligible households.

Agency Responsibilities

The Agency shall:

1. Accept and review client applications and determine eligibility of households for LIHEAP payments.
2. Follow procedures that minimize the time elapsing between the receipt of LIHEAP funds and their disbursement to vendor.
3. Make payments in a timely manner to the vendor on behalf of eligible households between October 1 and September 30, of the program year for the term of this agreement.
4. Follow sound fiscal management policies, including, but not limited to segregation of LIHEAP funds from other operating funds of the agency.
5. Notify customer and/or vendor of the customer's eligibility and total benefit amount.
6. Incorporate policies that assure the confidentiality of eligible household's energy usage, balance, and payments.
7. Upon request from vendor, provide a statement verifying income of an eligible household for the sole purpose of determining moratorium eligibility, within the statutory guidelines of confidentiality.

3. The energy vendor shall dispose of all unclaimed credit balances according to customary procedures or applicable Washington State law.

Other Provisions:

Term of Agreement

This agreement is effective from the date of execution.

Termination

This agreement may be terminated by either party with a thirty (30) day written notice to the other party. Termination shall not extinguish authorized obligations incurred during the term of the agreement. If LIHEAP funding is withdrawn, reduced, or eliminated by Commerce, the agency has the right to terminate this agreement immediately.

Assignment of Agreement

Neither party may assign the agreement or any of the rights, benefits and remedies conferred upon it by this agreement to a third party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

The vendor and the agency do hereby agree to the conditions set forth in this agreement.

Agency	Vendor
Signature	Signature
Greg Claycamp	Brenda Orffer
Printed Name	Printed Name
HCS Director	Mayor
Title	Title
Coastal Community Action Program	City of McCleary
Name of Company	Name of Company
8-26-2020	09-09-2020
Date	Date

Recommendation:

We recommend the City review its programs to ensure the programs it offers, collectively, make some form of energy assistance available to households considered “low-income” under CETA.

To do this, we recommend the City review and update annually a comparison table to identify income levels representing the greater of 80% AMI or 200% FPL, adjusted for household size.

We identified a best practice the following analysis comparing income levels by household size to identify the appropriate eligibility thresholds applicable to the City of McCleary. We shared this workbook with the City during the examination:

Purpose:		Determine the greater of income levels at 80% AMI or income levels at 200% FPL, by household size.		
Source:		HUD (AMI), HHS (FPL) - links below		
Conclusion:		Income levels at 80% AMI are higher than income levels at 200% FPL for household sizes 1-4 Income levels at 200% FPL are higher than income levels at 80% AMI for household sizes 5+		
Household size	AMI (80%)	2021	2021	2021
1	39,500	39,500	39,500	39,500
2	50,800	50,840	50,840	51,420
3	50,850	43,920	43,920	21,960
4	56,500	53,000	53,000	26,500
5	61,050	62,080	62,080	31,040
6	65,550	71,160	71,160	35,580
7	70,100	80,240	80,240	40,120
8	74,600	89,320	89,320	44,660

Green highlight = higher of the two

AMI:		Income Limits HUD USER						
FPL:		Prior HHS Poverty Guidelines and Federal Register References ASPE						
Year	Income Limit	Median Family Income	2021 Income Limit	Category	1	2	3	4
	AM	Median Family Income	2021 Income Limit	Category	1	2	3	4
Grayson County, WA	991,500	Click for More Details	Very Low (150%) Income	20,750 28,270 31,800 35,360 39,150 40,950 43,800 46,800	5	6	7	8
		Click for More Details	Extremely Low Income	14,870 17,420 21,960 24,500 31,040 35,580 40,120 44,660	17	18	19	20
		Click for More Details	Low (100%) Income Levels	20,550 25,200 30,850 34,500 41,050 45,550 50,100 54,650	21	22	23	24
		Click for More Details	Low (80%) Income Levels	20,550 25,200 30,850 34,500 41,050 45,550 50,100 54,650	25	26	27	28

HHS Poverty Guidelines

Year	First Person	Each Additional Person	(Four-Person Family)	Page with Complete Details
2021	\$12,880	\$4,540	(\$26,500)	Federal Register 2021

Sources: *AMI = Income Limits | HUD USER*

FPL = Prior HHS Poverty Guidelines and Federal Register References | ASPE

Our independent analysis of 80% AMI compared to 200% FPL, adjusted for household size, using 2021 HUD and federal information shows for 2021:

Income levels at 80% AMI were greater than income levels at 200% FPL for household sizes 1-4.

Income levels at 200% FPL were greater than income levels at 80% AMI for household sizes greater than 5.

Criteria *(Emphasis added by auditor)*

RCW 19.405.120 - Energy assistance for low-income households.

(2) **An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021.** Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section. To the extent practicable, priority must be given to low-income households with a higher energy burden.

RCW 19.405.020 - Definitions

(25) "Low-income" means **household incomes as defined by the department** or commission, **provided that the definition may not exceed** the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size.

WAC 194-40-030 - Definitions

"Low-income" means household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.

Auditor note: We considered a household with an income level that does not exceed the higher of 80% AMI or 200% FPL, adjusted for household size, a low-income household, consistent with the department's definition.

Energy assistance for low-income households – Biennial reporting

2. a. The City did not retain support for the statistics and program information reported.

The City did not retain support the “Low-Income (200% FPL and 80% AMI)” and “Limited-English Speakers” statistics the City reported in the “Outreach targeting and effectiveness” section of the assessment report:

Outreach and targeting effectiveness.

This section is meant to provide a gap analysis of service from current programs. If quantitative or qualitative data is not available, please provide as much anecdotal information as possible in the space provided, including insights from Community Action Councils/Partnerships and other community partners.

Using the DOE LEAD tool, Census, American Community Survey or utility data:
Report the percent of **customers in your service territory** who belong to the following segments:

1. Low-income (200% FPL or 80% AMI)
2. High energy burden (over 6%)
3. Renters
4. Limited English speakers
5. Seniors (65+)

Enter response here.

1. Low-income (200% FPL or 80% AMI)- 12.6%
2. High energy burden (over 6%)- 0
3. Renters- 33.8%
4. Limited English speakers- 2.1%
5. Seniors (65+)- 17.1%

Using the DOE LEAD tool, Census, American Community Survey or utility data:
Report or estimate the percent of **program participants** that belong to the 5 segments in the previous section. Please comment on the makeup of program participants vs. all customers and identify clearly underserved customer segments.

Participants in the LIHEAP and ARPA program are within the low income and senior segment. We have renters apply for assistance through different programs but are unable to determine how many.

Geographical equity: To understand the accessibility of programs please provide information on the geographic component of service provided.

Compare the number of low-income program participants in different geographical areas to the geographical distribution of your customers (e.g. by zip code, city or census tract). Please identify any regions, cities or communities that appear underserved by the program and comment on potential causes. You may include a narrative response for this answer.

We do not have the ability or resources to track.

Peterson, Heather (SAO) ... d
Per Utility (B.4.13) they could not provide support for the statistic

Reply

Bernard, Thomas (SAO) ... d
This would be determined from the LEAD Tool dataset Commerce provided utilities to estimate their current energy assistance need (excess energy burden).
September 10, 2023, 9:42 AM

Reply

Peterson, Heather (SAO) ... d
Agreed to support (B.3.14)

Reply

Peterson, Heather (SAO) ... d
Per Utility (B.4.13) they could not provide support for the statistic

Reply

Peterson, Heather (SAO) ... d
Agreed to support (B.3.14)

Reply

8. Could you provide source support for the highlighted statistics below from the “Outreach and targeting effectiveness” section on page 23 of the low-income assessment below?

Outreach and targeting effectiveness.

This section is meant to provide a gap analysis of service from current programs. If quantitative or qualitative data is not available, please provide as much anecdotal information as possible in the space provided, including insights from Community Action Councils/Partnerships and other community partners.

Using the DOE LEAD tool, Census, American Community Survey or utility data:
Report the percent of **customers in your service territory** who belong to the following segments:

1. Low-income (200% FPL or 80% AMI)
2. High energy burden (over 6%)
3. Renters
4. Limited English speakers
5. Seniors (65+)

Enter response here.

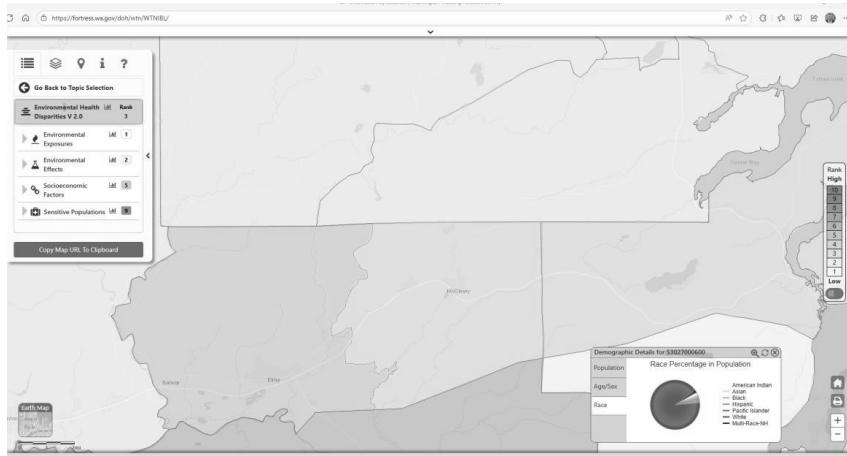
1. Low-income (200% FPL or 80% AMI)- 12.6%
2. High energy burden (over 6%)- 0
3. Renters- 33.8%
4. Limited English speakers- 2.1%
5. Seniors (65+)- 17.1%

Response: The basis used to determine statistics listed above is indeterminate due to staff turnover.
Likely source of information the Federal Bureau of Labor Statistics, and/or information supplied by the State Department of Commerce.

Discussion Draft

Above, the City reported a “0%” rate of households experiencing “**High energy burden (over 6%)**”, inconsistent with LEAD Tool data Commerce provided utilities to estimate the amount and number of units:

The City reported in its CEIP that it serves customers in Census tract 53027000600:



Using Commerce-provided 2018 LEAD Tool dataset, we identified:

FIP	53027000600	<input checked="" type="checkbox"/> <- All low-income brackets have
AMI68	(Multiple Items)	<input checked="" type="checkbox"/>
HFL	(All)	<input type="checkbox"/>
County		
Row Labels	Sum of BurdenedUnits	Sum of Excess
Grays	027	331 99,046
Grand Total	331	99,046

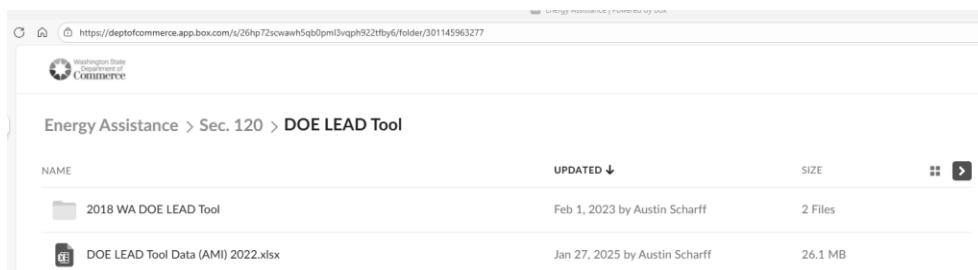
Source: 2018 WA DOE LEAD Tool | WA AMI Census Tracts 2018 2021-04-29.xlsx

Using Commerce-provided 2020 LEAD Tool dataset, we identified:

COUNTY (AMI)	53027	<input type="checkbox"/>
Row Labels	<input checked="" type="checkbox"/> Sum of TOTAL EXCESS BURDEN (AMI)	Sum of BURDENED UNITS (AMI)
Grays Harbor County	\$300,645.01	375
53027000600	\$300,645.01	375
Grand Total	\$300,645.01	375

Source: AMI-FPL.xlsx (2020 LEAD Tool Data)

Energy Assistance | Powered by Box



A screenshot of a website titled "Energy Assistance | Powered by Box". The page shows a list of files under the heading "Energy Assistance > Sec. 120 > DOE LEAD Tool". Two files are listed: "2018 WA DOE LEAD Tool" (updated Feb 1, 2023) and "DOE LEAD Tool Data (AMI) 2022.xlsx" (updated Jan 27, 2025). The "2018 WA DOE LEAD Tool" file is highlighted with a blue border.

The City was unable to provide support for the number of program participants in the LIHEAP program and did not respond with total bill reduction achieved through the program (the amounts distributed from the program to program participants the City's utility serves).

Program name	LIHEAP	
	2019	2020
Total Number of program participants*	6	12
Total number of low-income program participants*	6	12
Total bill reductions for all participants in dollars*		
What are the annual goals or targets for this program* (e.g. # customers served, energy savings in kW, assistance amount provided). If no goal exists enter "none." You may provide a quantitative value or narrative explanation.*	None	None
For each annual goal or target, what were the program outcomes? Please provide outcomes by occupancy status (e.g., renter vs. owner), if available.		
Subject to availability, please disaggregate the participant bill reductions provided above by:		
1. income bracket		
2. occupancy status (e.g., renter vs. owner)		
Describe successes and challenges of the program to reduce energy burden. (500 words max)*	<p>The success / challenges of the program is always getting customers to follow through and provide with applying for the assistance, as well as providing all required documentation. We as a utility can market and push customers to the program on a monthly basis, but ultimately, it's up to them to complete the application process. The impending disconnection of services will often entice customers to apply, but now always. Many are also prideful and believe they do not need assistance and can make it on their own, even as they struggle each month to pay their bill.</p>	
A utility may report additional metrics for a program to demonstrate how the mechanism reduces energy burden. For example, reporting average % reduction of energy burden or energy bill for households in program.		

Peterson, Heather (SAO) Could not materially agree to support (B.3.9); 13% variance

Bernard, Thomas (SAO) Support @ B.3.9 shows 14 participants in CY 2019

Peterson, Heather (SAO) Could not materially agree to support (B.3.10); 17% variance

Bernard, Thomas (SAO) Support @ B.3.10 shows 33 participants in CY 2020

The City did not retain the support it used to compete its report – Information it provided in response to auditor inquiries did not match the values the City reported.

Program name	Energy Conservation Rebates	
	2019	2020
Total Number of program participants*	7	12
Total number of low-income program participants*	Unknown	unknown
Total bill reductions for all participants in dollars*	Unknown	Unknown
What are the annual goals or targets for this program* (e.g. # customers served, energy savings in kW, assistance amount provided). If no goal exists enter "none." You may provide a quantitative value or narrative explanation.*	The goal is to spend down the EEI budget to ensure that we've assisted all customers that the budget allows for.	The goal is to spend down the EEI budget to ensure that we've assisted all customers that the budget allows for.
For each annual goal or target, what were the program outcomes? Please provide outcomes by occupancy status (e.g., renter vs. owner), if available.	The City successfully spends down a majority the EEI budget	
Subject to availability, please disaggregate the participant bill reductions provided above by:		
1. income bracket		
2. occupancy status (e.g., renter vs. owner)	We did not track this information in 2019 and 2020.	
Describe successes and challenges of the program to reduce energy burden. (500 words max)*	<p>We have good success with our EEI budget, marketing and getting participation from customers. We promote to get low-income participation to be able to assist reducing energy burden for those customers.</p>	
A utility may report additional metrics for a program to demonstrate how the mechanism reduces energy burden. For example, reporting average % reduction of energy burden or energy bill for households in program.		

Peterson, Heather (SAO) Could not materially agree to support (B.3.11); 86% variance

Bernard, Thomas (SAO) Support at B.3.11 was inconclusive as to total number of participants in CY 2019 and if any customers were low-income qualified.

Peterson, Heather (SAO) Materially agreed to support (B.3.12)

Bernard, Thomas (SAO) Support at B.3.12 lists 16 customers but is inconclusive as to whether any of those customers are low-income qualified.

The City did not track low-income participants. However; because the City did not report any low-income specific measures (such as LHVENxxxx) in the energy conservation program reporting in the assessment, there likely were no low-income specific participants to report:

Conservation Programs
Please use the "Conservation Program Calculator.xlsx" available in the CETA EAP website to fill in the following table.

Provide a list or reference of energy efficiency measures offered by the utility.*

Please provide your retail rate, measures, and number of units installed or households served for each measure. Please refer to the Northwest Power and Conservation Council Regional Technical Forum (RTF) to look up the annual savings and estimated useful life for each measure.*

Program year	Measure/BPA reference Number	# of low-income units/households	Per unit annual kWh savings (from RTF**)	Estimated Useful Life (EUL) (from RTF)	Rate (\$/kWh)	Annual bill savings (= kWh savings* rate*# of units)	Lifetime bill savings [= net present value (discount rate***; annual value)]
2020	Windows Air-source Heat Pump	CHVEN20034	unk	337.975	20	0.0848	#VALUE!
2020	Clothes Dryers Any Residential ENERGY STAR Retail (Utility Run)	RELPL13124	unk	72.64	12	0.0848	
2020	Windows Single Family - Existing Prime Windows and Patio Doors Single Pane Base to 0.30 Window Any Electric Heat	RHVEN12410	unk	1342.9068	45	0.0848	
2020	Windows Single Family - Existing Prime Windows and Patio Doors Double Pane Base to 0.30 Window Any Electric Heat	RHVEN12411	unk	362.16	45	0.0848	
2020	Air-Source Heat Pumps with PTCS Single Family - Existing PTCS Conversion of Electric FAF to Heat Pump	RHVHS10370	unk	7235.59	15	0.0848	

pg. 13

The City did not correctly report its energy efficiency program effectiveness. The City did not correctly calculate Annual Bill Savings and Lifetime Bill Savings from each measure.

Discussion Draft

The City did not report the incentive amounts it, or its consultant paid to incentivize customers to participate in its energy efficiency program. It only reported administrative costs paid to its consultant:

2019			
Program Name	Incentive or direct customer assistance expenditure (\$).	Program administration and operation, including marketing and outreach (\$). Reported amount should include expenses for both direct utility funded programs as well as administrative costs or overhead for third party funded programs such as administrative costs from a CAP/utility contract.	If not included in program administration costs, please report utility staffing costs (\$). You may approximate utility staffing FTEs for this program using approximate staff time multiplied by annual salary.
Evergreen Consulting		\$3,022	

2020			
Program Name	Incentive or direct customer assistance expenditure (\$).	Program administration and operation, including marketing and outreach (\$). Reported amount should include expenses for both direct utility funded programs as well as administrative costs or overhead for third party funded programs such as administrative costs from a CAP/utility contract.	If not included in program administration costs, please report utility staffing costs (\$). You may approximate utility staffing FTEs for this program using approximate staff time multiplied by annual salary.
Evergreen Consulting		\$4,052	

Response: Q7C: See "2019 and 2020 Evergreen Consulting payments to" attached.

Recommendation:

We recommend the City contact Commerce for clarifications as to how to complete the report to ensure the information reported is responsive and clearly demonstrates the effectiveness of the program in lowering energy burden on low-income households (bill reductions achieved through the program).

3. The City did not include the required elements in its assessment report:

- a. A cumulative assessment of previous energy assistance funding compared to the levels needed to meet its 2030 and 2050 funding goals**
- b. Its “Plan to increase effectiveness” of its energy assistance programs – no plan**
- c. A description of its outreach and targeting efforts**

a. Cumulative assessment:

The City did not identify it was required to provide this assessment per state law. Commerce omitted this analysis from its 2019 2020 assessment reporting template.

6. Can you provide support showing the City reported to Commerce its cumulative assessment of previous energy assistance funding levels (amounts spent in 2019 and 2020) compared to the 60% and 90% of City's current energy assistance need as required by RCW 19.405.120(4)(a)(iii), including:

- a. Support for the City's current energy assistance need,
- b. Support for the City's 2018 current energy assistance need,
- c. Support for the City's 2030 Goal: the Town's determination as to which amount was higher; 60% of current energy assistance need, or 15% over the amount of energy assistance funding the Town provided in 2018.
- d. The City's 2050 Goal: 90% of current energy assistance need.

Response: No support could be provided to address question 6. It is unclear given staff turnover what support or assistance was offered and if/how goals were set. To our knowledge and based on research, no additional programs were added post 2018 to 2020 to establish goals and targets.

This analysis requires the City estimate its current energy assistance need, or “current EAN” (excess energy burden over 6% of annual household income).

To do this, Commerce provided WA DOE LEAD Tool data for utilities to use to quantify excess energy burden of households in the Census Tracts the utility serves (See summary pivot tables, above).

Per Commerce's suggestion,

- utilities can estimate their 2030 funding goal as the greater of a 15% increase in the amount the City spent in 2018 on energy assistance or 60% of the current EAN; and
- utilities can estimate their 2050 funding goal as 90% of the current EAN

Utilities then compare their actual energy assistance expenditures to the 2030 and 2050 funding goals in the assessment to meet the law's requirement.

We recommend the City refer to Commerce's instructions in its reporting template to ensure it correctly performs the required comparison.

b. "Plan to increase effectiveness"

Part C. Plan to Increase Effectiveness In the space provided below and based on the data provided, provide a plan to improve the effectiveness of energy assistance programs and strategies toward meeting energy assistance <u>need</u> , including concrete actions and discussion of the following: Describe how your utility plans to demonstrate progress towards providing energy assistance pursuant to the goals in RCW 19.405.120(4)(a)(ii): <ul style="list-style-type: none">• Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and• Ninety percent of the current energy assistance need by 2050. (500 words max)* The assessment must touch on the following areas and include the following information in your plan to demonstrate progress: <ul style="list-style-type: none">a. Short-term and sustained energy burden reduction<ul style="list-style-type: none">(i) Changes to short-term programs(ii) Changes to long-term programs(iii) Please describe how the mix of energy assistance programs prioritize short-term versus sustained energy burden reduction.b. Outreach<ul style="list-style-type: none">(i) Program targeting and outreach effectiveness to underserved or vulnerable customers(ii) Program targeting and outreach effectiveness to high burden customers(iii) Customer satisfaction (ease of enrollment, access issues etc.)c. Funding<ul style="list-style-type: none">(i) Program funding from the utility(ii) Program funding from federal or state programs(iii) Program funding from other sources(iv) Please provide information as to the consistency of these funding sources (i.e. if donation based, average year over year variations in total funding available)(v) Program operational efficiency at reducing energy assistance need using available funding <p>The City of McCleary recognizes the need for low-income housing assistance programs and has developed an outline of the various funding sources available to its customers. Current funding available to customers is derived from federal funds passed down through third party program providers such as LIHEAP, administered by Coastal Community Action Program in Grays Harbor County. Tribes also have aided its members to help pay electric bills, in addition to other nonprofit programs. It's important to note that without these funded assistance programs, the City's budget does not have capacity to fund a low-income energy assistance program on its own without having to significantly raise rates.</p>

While the City responded affirming a need for assistance programs, it did not provide its plan for increasing the effectiveness or participation in its programs.

The City stated it did not have the funding capacity to increase effectiveness or participation "without having to significantly raise rates."

Without the required plan, the City is unable to demonstrate the progress required by CETA in reducing energy assistance need of the low-income customers it serves.

c. Outreach and targeting efforts

The City did not respond or present documentation supporting its compliance in performing outreach and targeting during the period to increase low-income customer and vulnerable population participation in its energy assistance programs.

Part D. Outreach and Targeting Data reported in this section can be cross-cutting for all energy assistance programs. Information on individual programs can be included if the utility wants to provide it. Utilities may also use an individual program to highlight specific efforts on outreach and targeting. 1. Describe outreach to low-income households including partnerships with community based organization and Tribes to deliver programs. If applicable, describe how outreach prioritizes households with high energy burden. Narrative should include the following elements: <ul style="list-style-type: none">a. Process. Describe how program design and/or messaging reflects input from eligible communities. Describe any way that outreach is tracked, evaluated, and reported on.b. Design. Describe any way the program is linguistically and culturally appropriate for vulnerable populations, including utility strategies to handle language barriers.c. Targeting. Describe how this program is directed to prioritized communities. Enter response here.
--

Criteria:

RCW 19.405.120 - Energy assistance for low-income households.

(3) Beginning July 31, 2020, the department 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.

(b) Each utility must disclose information to the department for use under this subsection, including:

- (i) The amount and type of energy assistance and the number and type of households, if applicable, served for programs administered by the utility;
- (ii) The amount of money passed through to third parties that administer energy assistance programs; and
- (iii) Subject to availability, any other information related to the utility's low-income assistance programs that is requested by the department.

(c) The information required by (b) of this subsection must be from the electric utility's most recent completed budget period and in a form, timeline, and manner as prescribed by the department.

(4)(a) In addition to the requirements under subsection (3) of this section, each electric utility must submit biennially to the department an assessment of:

- (i) The programs and mechanisms used by the utility to reduce energy burden and the effectiveness of those programs and mechanisms in both short-term and sustained energy burden reductions;
- (ii) The outreach strategies used to encourage participation of eligible households, including consultation with community-based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and culturally appropriate to the customers they serve in vulnerable populations; and
- (iii) A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet:
 - (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.

(b) The assessment required in (a) of this subsection must include a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need.

RCW 19.405.020 - Definitions.

(10) "Consumer-owned utility" means a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual corporation or association formed under chapter 24.06 RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

(14) "Electric utility" or "utility" means a consumer-owned utility or an investor-owned utility.

(15) "Energy assistance" means a program undertaken by a utility to reduce the household energy burden of its customers.

(a) Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household's energy burden.

(b) Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demand-side measures.

(16) "Energy assistance need" means the amount of assistance necessary to achieve a level of household energy burden established by the department or commission.

(17) "Energy burden" means the share of annual household income used to pay annual home energy bills.

WAC 194-40-030 - Definitions.

"Energy assistance need" means the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers.

Clean Energy Implementation Plan

4. The City did not develop its clean energy implementation plan in accordance with CETA.

The City adopted its CEIP via Council Resolution 745 on 2/23/2022:



McCleary Regular City Council Meeting

Wednesday, February 23, 2022 – 6:30 PM

Zoom Virtual Meeting

Minutes

Get them to correct to get the changes made.

4. CEIP Resolution Report

Baun stated this is brand new, for all the electrical utility customers to submit their CEIP Reports. We have this already submitted but would like to have a resolution for this to be accepted. This is a Clean Energy Report through BPA we submit annually. Councilmember Amsbury asked if we have anything we have to worry about coming up at the 3 and 7 year marks, and Baun stated not that he can see, unless BPA changes their method of getting power.

Ordinances and Resolutions

6. Clean Energy Implementation Plan Resolution 745

Mayor Miller stated this is just what we talked about a little bit ago, are there any other questions?

Motion made by Councilmember Huff, Seconded by Councilmember Amsbury.

Voting Yea: Councilmember Amsbury, Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Iversen

The following is a summary of the CEIP reporting requirements with references:

- **“Reasonable opportunity” for the public to participate:** CETA requires utilities provide its customers and interested stakeholders reasonable opportunities to provide input in the development of the report it submitted. To be considered a “reasonable opportunity”, WAC rules require utilities consider barriers (language, cultural, etc). [\[WAC 194-40-050\]](#) [\[WAC 194-40-220\(1\) and \(2\)\]](#).

City of McCleary

Public participation (WAC 194-40-200(4), -220(1))

Provide a summary of the public input process conducted in compliance with WAC 194-40-220. Describe how public comments were reflected in the specific actions under WAC 194-40-200(4), including the development of one or more indicators and other elements of the CEIP and the utility's supporting integrated resource plan or resource plans, as applicable.

The City of McCleary welcomes input from our customers at any time. The City has various contact methods listed on our website at www.cityofmccleary.com. The City maintains a social media presence through Facebook, which is monitored for member reactions and concerns.

The City did not demonstrate how it solicited public input during development and prior to adoption of the CEIP

- Each utility must **propose specific targets** for renewable energy, energy efficiency and demand response.

The specific target amounts the City reported in its CEIP were provided by BPA and were not developed based on an assessment of potential the City expects to acquire in the future:

Interim target: Percentage of retail load to be served using renewable and nonemitting resources

Resource	2022	2023	2024	2025	4-year Period
Renewable	82%	82%	82%	82%	82%
Nonemitting	10%	10%	10%	10%	10%
Total	92%	92%	92%	92%	92%

Describe how the target demonstrates progress toward meeting the 2030 and 2045 CETA standards (not required if the value in cell G6 is 20% or greater):

Specific targets (WAC 194-40-200(3)):

Resource	Amount
Energy Efficiency	281,447 MWh to be acquired over the interim performance period (measured in first-year savings)
Renewable energy	106,964,060 MWh to be used during the interim performance period
Demand response	0 MW to be acquired over the interim performance period

Notes and assumptions made on the data used in this workbook.

1. BPA cannot provide information to fill the narrative sections for the CEIP report.
2. BPA's fuel mix is based on selections made on Fuel Mix Inputs tab of this workbook. Customer resource fuel mix is based on resource type.
3. Above RHWIM load service is based on current 3rd Purchase Period Elections for FY 22-24, and current 4th Purchase Period election for FY 24.
4. Load forecasts and dedicated resources amounts were calculated during the BP 22 Rate Case process.
5. Energy Efficiency amounts are based on an average of the last 4 years (CY 2017-2020) of reported to BPA conservation achievements.
6. Critical generation is assumed for customers' generating resources.

To use something other than critical generation for the Total Dedicated Resource amounts, select a percentage from the drop-down list below.

For Reference

Calendar Year	Total Retail Load	Total BPA Power Purchase	Total Dedicated Resources	BPA % of TRL	Emitting MWhs
2022	32,093,039	32,093,039	0.000	100%	2,654,513
2023	32,516,731	32,516,731	0.000	100%	2,684,171
2024	32,967,717	32,967,717	0.000	100%	2,717,740
2025	33,263,549	33,263,549	0.000	100%	2,736,448

The City reported the following targets. We highlighted those values the City reported that are inconsistent with the amounts BPA reported:

Interim target: Percentage of retail load to be served using renewable and nonemitting resources (WAC 194-40-200(2))

Resource	2022	2023	2024	2025	4-year Period
Renewable	82%	82%	82%	82%	82%
Nonemitting	10%	10%	10%	10%	10%
Total	92%	92%	92%	92%	92%

{Small utilities may enter a single value in cell G6 and leave the remaining cells blank.}

Describe how the target demonstrates progress toward meeting the 2030 and 2045 CETA standards (WAC 194-40-200(2)). This section is not required if the value in cell G6 is 20% or greater:

Does not apply

Specific targets (WAC 194-40-200(3)):

Resource	Amount
Energy Efficiency	281,447 MWh to be acquired over the interim performance period (measured in first-year savings)
Renewable energy	106,964,060 MWh to be used during the interim performance period
Demand response	0 MW to be acquired over the interim performance period

Identify and describe the specific actions the utility will take over the next interim performance period to demonstrate progress toward meeting the utility's interim targets and the 2030 GHG neutral and 2045 clean electricity standard (WAC 194-40-200(1)): Continue utilizing BPA As a BPA load following customer, the City receives the benefit of BPA's hydroelectric system. Fuel mix runs between 91% load following contract. 98% carbon free which is a key component of meeting 2030 and 2045 GHG neutral/free targets.

Specific action proposed Description of how the action demonstrates progress toward meeting interim targets and the standards

Energy Efficiency Program	Decreasing total energy usage will help reduce the need for power generation
---------------------------	--

Energy Efficiency target – To demonstrate utilities have pursued all cost-effective, reliable, and feasible energy efficiency, CETA requires utilities perform an assessment of potential using the methods available under CETA’s WAC administrative rules to support the EE target reported in the CEIP.

Criteria:

RCW 19.405.040 (1) – “... an electric Utility must: (i) **Pursue all cost-effective, reliable and feasible conservation and efficiency resources to reduce or manage retail electric load**, using the methodology established in RCW 19.285.040, if applicable...”

Utilities that are not qualifying utilities under the EIA:

(1) Energy efficiency resources.

(a) Assessment of potential:

(ii) Any utility that is not a qualifying Utility under chapter 19.285 RCW **must establish the amount of energy efficiency and conservation that is available using either of the following methods:**

(A) Use the conservation methodology established in RCW 19.285.040(1) and the rules implementing that subsection; or

(B) Establish the reasonable Utility-level proportion of a conservation potential assessment prepared at a regional or multi-utility level using a methodology that:

(I) Evaluates resource alternatives on a total resource cost basis, in which all costs and all benefits of conservation measures are included regardless of who pays the costs or receives the benefits; and

(II) Includes the social cost of greenhouse gas emissions as specified in WAC 194-40-110.

(b) **Target.** The energy efficiency target for any interim performance period or GHG neutral compliance period must equal or exceed the target that would be calculated using the pro rata share approach specified in RCW 19.285.040(1)(b) and must be sufficient to ensure that the Utility meets its obligation under RCW 19.405.040(6) to pursue all cost-effective, reliable, and feasible conservation and energy efficiency resources.

Qualifying utilities under the EIA:

WAC 194-40-200 (3) (a) (i) – “The CEIP must establish a target for the amount, expressed in megawatt-hours of **first-year savings**, of energy efficiency resources **expected to be acquired during the period**. The energy efficiency target must comply with WAC (1).”

WAC 194-40-330 (1) (a) (i) – “Any Utility that is a qualifying Utility under chapter 19.285 RCW must assess the amount of energy efficiency and conservation that is available **using the conservation methodology established in RCW 19.285.040(1) and the rules implementing that subsection**. The analysis must include the **social cost of greenhouse gas emissions** as specified in WAC 194-40-110.“

RCW 19.285.040 (1) (a) – “By January 1, 2010, **using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in the most recently published regional power plan** as it existed on June 12, 2014, or a subsequent date as may be provided by the department or the commission by rule, each qualifying Utility shall identify its **achievable cost-effective conservation potential** through 2019. Nothing in the rule adopted under this subsection precludes a qualifying Utility from **using its Utility specific conservation measures, values, and assumptions in identifying its achievable cost-effective conservation potential**. At least every two years thereafter, the qualifying Utility shall review and update this assessment for the subsequent ten-year period.”

RCW 19.285.040 (1) (b) – “Beginning January 2010, each qualifying Utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection and meet that target during the subsequent two-year period. At a minimum, **each biennial target must be no lower than** the qualifying Utility’s **pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period.**”

WAC 194-40-110 (1) (a) – “Each Utility **must incorporate the social cost of greenhouse gas emissions** as a cost adder for all relevant inputs when evaluating and selecting conservation policies, programs, and targets; developing integrated resource plans and clean energy action plans; and evaluating and selecting intermediate term and long-term resource options.”

Demand Response target – To demonstrate a utility pursued all cost-effective, reliable, and feasible demand response, CETA requires utilities conduct some form of assessment and ensure the target is consistent with its resource plan reporting.

Criteria:

RCW 19.405.040 (1) – “... an electric Utility must: (i) **Pursue all cost-effective, reliable and feasible conservation and efficiency resources to reduce or manage retail electric load**, using the methodology established in RCW 19.285.040, if applicable...”

WAC 194-40-200 (3):

(b) **Demand response resources.** The CEIP must specify a target for the amount, expressed in megawatts, of demand response resources to be acquired during the period. The demand response target must comply with WAC 194-40-330(2).

WAC 194-40-330:

(2) **Demand response resources:**

(a) **Assessment of potential.** Each utility must assess the amount of demand response resource that is cost-effective, reliable, and feasible.

(b) **Target.** The demand response target for any compliance period must be sufficient to meet the utility's obligation under RCW 19.405.040(6) and must be consistent with the utility's integrated resource plan or resource plan and any distributed energy resource plan adopted under RCW 19.280.100.

RCW 19.405.040 (6):

(6)(a) In meeting the standard under subsection (1) of this section, an electric utility must, consistent with the requirements of RCW 19.285.040, if applicable, pursue all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response. In making new investments, an electric utility must, to the maximum extent feasible:

(i) Achieve targets at the lowest reasonable cost, considering risk;

(ii) Consider acquisition of existing renewable resources; and

(iii) In the acquisition of new resources constructed after May 7, 2019, rely on renewable resources and energy storage, insofar as doing so is consistent with (a)(i) of this subsection.

(b) Electric utilities subject to RCW 19.285.040 must demonstrate pursuit of all conservation and efficiency resources through compliance with the requirements in RCW 19.285.040.

- Identification of vulnerable populations, [WAC 194-40-200(4)(b)] [RCW 19.405.020(39)]:

- CETA requires utilities identify vulnerable populations based on the adverse socioeconomic factors and sensitivity factors **developed through a public process** established by the utility.

A	B	C	D	E
1 City of McCleary				
2 Vulnerable populations (WAC 194-40-200(4))				
3 Please list all socioeconomic factors and sensitivity factors developed through a public process and used to identify Vulnerable Populations based				
4 on the definition in RCW 19.405.020(40):				
5				
6 <i>(40) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to:</i>				
7 <i>(a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health</i>				
8 <i>care, and linguistic isolation; and</i>				
9 <i>(b) Sensitivity factors, such as low birth weight and higher rates of hospitalization</i>				
10				
11 Factors	Details	Source	Date Last Updated	Approximate number of households in service territory (if applicable)
12 Ex. COVID cases	Cases by race and ethnicity	Department of Health COVID-19 data dashboard	2021	1,000
13 Low income/senior	Single Family Residents and Multifamily Residents	City of McCleary customer data; Coastal Community Action Program	updated monthly	150
14 Renter	Single Family Residents and Multifamily Residents	City of McCleary customer data	updated monthly	170
15 Customers with a history of late payments, in arrears, or have received a shut-off notice	Customers with a history of late payments, in arrears, or	City of McCleary Customer Data	updated monthly	20
16				
17				
18 Describe and explain any changes to the factors from the utility's previous CEIP, if any:				
19 No Change				
20				
21				
22				
23				

The City was unable to show it identified other socioeconomic factors and sensitivity factors **developed through a public process it established** to identify vulnerable populations as required by CETA.

- Identification of highly impacted communities,

The City cited the census tract it serves as a “highly impacted community” however the area the City serves did not rank high enough to be considered “highly impacted”, - *This was evident from the information the City reported – not considered a significant issue.*

Overall criteria, grouped by compliance area:



CETA-CEIP_require CETA-LowIncomeEn CETA-GHG_Content
ments.xlsx ergyAssistance_requ _requirements.xlsx



Energy Division - Washington State Department of Commerce

Clean Energy Transformation Act (CETA) – Washington State Department of Commerce

Clean Energy Transformation Act (CETA) – Washington State Department of Commerce (CEIP)

Energy assistance for low-income households – Washington State Department of Commerce