



TPU Affordability and Customer Assistance Programs Update

Presented by **Tacoma Power**, **Tacoma Water**, and **Customer Solutions**
to the **Public Utility Board** on **September 11, 2024**

Measuring TPU Affordability with Benchmarks



Power and water utilities have generally accepted metrics to benchmark utility affordability.

Utility affordability often measures utility bills relative to income, compared against a metric:

- **For Power, the benchmark is set by the Clean Energy Transformation Act (CETA)**

$$\text{Power} = \frac{\text{Annual Power Bill}}{\text{Annual Income}} < 6.0\%$$

- **For Water, the benchmark is set by the Environmental Protection Agency (EPA)**

$$\text{Water} = \frac{\text{Annual Drinking Water Bill}}{\text{Annual Income}} < 2.5\%$$

Measuring TPU Affordability with Benchmarks



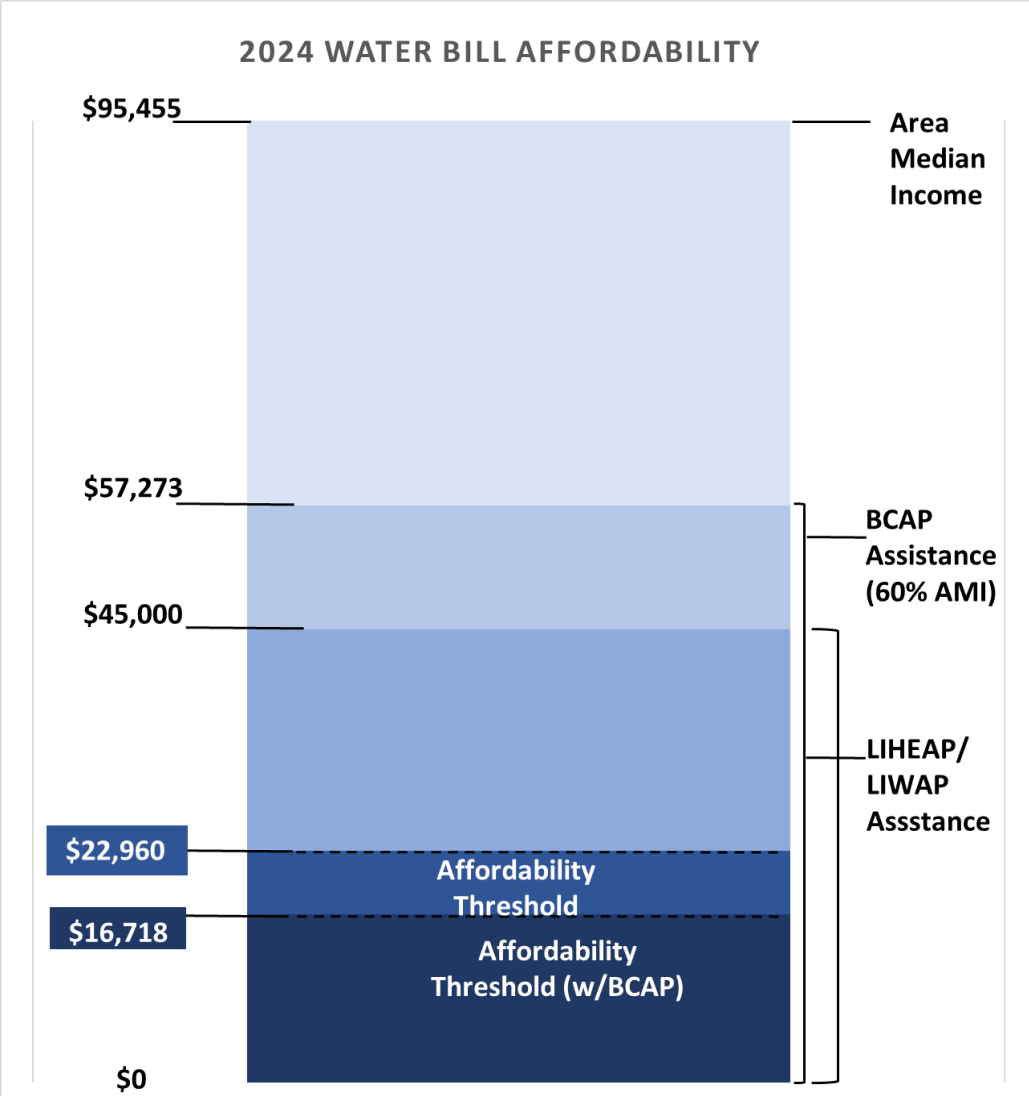
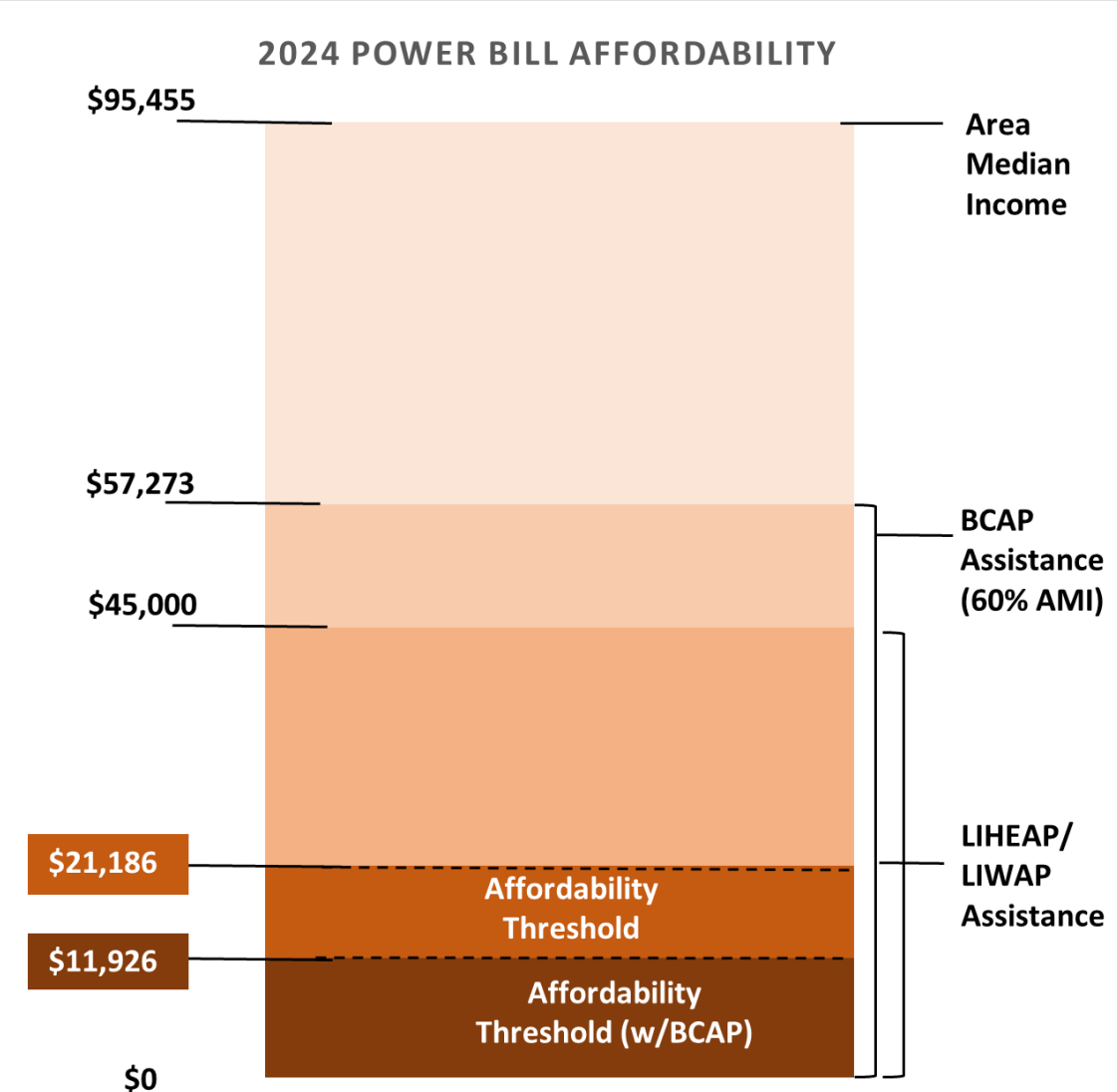
Power and water bills relative to income remain affordable when compared to standard metrics.

Affordability	Power	Water
Average Monthly Bill	\$105.93	\$47.83
Average Annual Bill	\$1,271	\$574
Area Median Income*	\$95,455	\$95,455
Ratio (bill to income)	1.3%	0.6%
Affordability Metric	6.0%	2.5%
Affordability Comparison to Benchmark	1.3% < 6.0%	0.6% < 2.5%
Services Unaffordable at Incomes Less Than	\$21,186	\$22,960

For households with income at or below \$22,960, our services are considered unaffordable.

**Based on 2024 Department of Housing and Urban Development Median Income for 2.5 person household*

Our Rates are Very Affordable, Even for Income Constrained Customers



About 29% of Our Customers Can Qualify for TPU's Financial Assistance Programs

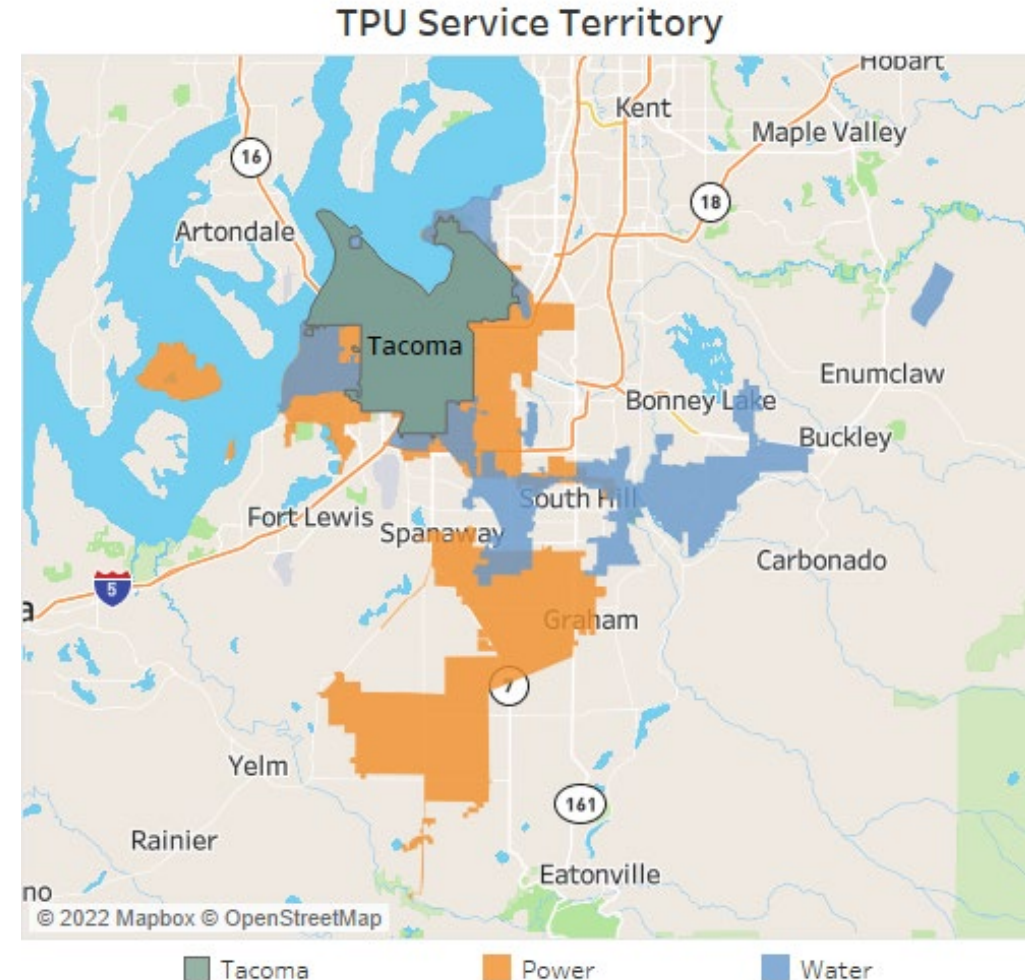


Households under 60% of Area Median Income

29% TPU Service Territory

30% Inside Tacoma

27% Outside Tacoma



Program Improvements since 2022



In 2022, we proposed a program design shift to provide more direct assistance.

- **Beginning in 2022, BCAP Plus customers receive monthly bill credits in two ways:**
 - **Automatic credit.** Households would receive an automatic credit regardless of payment. Credit is available even when customers have payment overdue.
 - Tacoma Power offers a high automatic credit benchmarked at the fixed charge. The credit increases when the fixed charge increases.
 - **Achievable credit.** Additional BCAP Plus credit could be achieved with full, on-time payments.

BCAP Plus (2024)				
Service	Automatic Credit	Achievable Credit	Monthly Total	Annual Total
Power	\$25.30	\$21	\$46.30	\$555.60
Water	\$7	\$5	\$12	\$144

We estimate ~40,000 Power customers and ~23,000 Water customers are eligible for automatic credits.

Program Progress Since 2020



Significant increase in participation since program changes.

2021 Participation Rate

- **5%** participation rate for Power
- **4%** participation rate for Water

2024 Participation Rate

- **17%** participation rate for Power
- **9%** participation rate for Water

Major Gains in Assistance

- **892%** increase in assistance for Power
- **824%** increase in assistance for Water

Bill Credit Assistance Plan (BCAP)				
	Power		Water	
Year	Accounts	Assistance	Accounts	Assistance
2020	1,495	\$173,712	570	\$15,141
2021	1,557	\$165,375	578	\$18,224
2022	1,932	\$193,956	789	\$26,982
2023	5,347	\$1,193,491	1,828	\$88,700
2024*	6,670	\$1,723,901	2,059	\$139,900

* Accounts and Assistance through August 31, 2024

Five Service Credits with BCAP Plus



*Households would receive an automatic credit regardless of payment.
Additional BCAP Plus credit could be achieved with full, on-time payments.*

2025 BCAP Plus				
Service	Automatic Credit	Achievable Credit	Monthly Total	Annual Total
Power	\$28.30	\$21	\$49.30	\$591.60
Water	\$8	\$5	\$13	\$156
Wastewater	\$7	\$8	\$15	\$180
Stormwater	\$3	\$4	\$7	\$84
Solid Waste	\$9	\$6	\$15	\$180
Total *	\$55.30	\$44	\$99.30	\$1,191.60

2026 BCAP Plus				
Service	Automatic Credit	Achievable Credit	Monthly Total	Annual Total
Power	\$31.30	\$21	\$52.30	\$627.60
Water	\$8	\$5	\$13	\$156
Wastewater	\$7	\$8	\$15	\$180
Stormwater	\$3	\$4	\$7	\$84
Solid Waste	\$9	\$6	\$15	\$180
Total *	\$58.30	\$44	\$102.30	\$1,227.60

* The total is an example for eligible residential customers receiving all 5 utility services with full and on-time payments.

Other Customer Assistance Programs: Biennium-to-Date



- **LIE/LID (Low Income Elderly/Disabled)**

Utility	Accounts	Assistance
Power	6,037	\$3,889,897
Water	2,821	\$745,549

- **Water Grant & Loan Program**

- Grant Funds \$108,824
- Deferred Loan Assistance \$48,106
- Standard Loan Assistance \$277,421

- **Energy Efficiency Program**

- Renters Program \$307,835
- Deferred Loan Program \$1,868,621
- Rebates \$618,000

Status of Bill Credit Assistance Program (BCAP)



- **As of August 31, 2024**
 - **Total BCAP Enrollments since January 1, 2023: 7,507**
 - **Total Overall BCAP Enrollments: 8,142**
- **Customer Solutions staff have participated in over 60 outreach events throughout the last two years promoting BCAP**
 - **DSHS Lobby visits**
 - **On-site registrations at various limited income housing complexes**
 - **Farmers markets**
 - **Libraries**
 - **Indoor/outdoor community events**
- **TPU-wide goal to reach 10,000 BCAP enrollment by the end of 2024 is still in place.**

External Financial Assistance Sources



- From January 2023 to August 2024, Customer Solutions applied for more than \$14 million in utility assistance from a variety of sources (federal, state, and local governments, as well as non-profits).
- NEW - State Heating Energy Assistance Program (S-HEAP) for power customers, income threshold is up to 200% federal poverty line.
- LIHEAP will still be available for households up to 150% federal poverty line.
- Customer Solutions is working on the Climate Commitment Act funding provided by the state. We have been allocated \$7.4 million to assist qualifying households with a one-time grant of \$200.

Summary



- **Tacoma Power and Tacoma Water's residential rates remain affordable compared to standard metrics.**
- **BCAP and Senior/Disabled Discount Programs provide valuable financial assistance to income-constrained customers.**
- **TPU has substantially increased BCAP participation rate and fund disbursement.**
- **Customer Solutions team has disbursed large amounts of federal and state grants after pandemic, including the recent grant from the Climate Commitment Act.**
- **TPU will continue to focus on assisting income-constrained customers.**