

## SUMMARY and FISCAL NOTE\*

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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the City Light Department; amending terms and conditions pertaining to the emergency bill assistance program and temporarily expanding access to assistance to certain eligible households for a limited time in response to the Coronavirus Disease 2019 (“COVID-19”) emergency; and amending Section 21.49.042 of the Seattle Municipal Code.

**Summary and background of the Legislation:** The ordinance would temporarily amend the terms of the Emergency Bill Assistance Program which is operated by Seattle City Light (SCL).

Households with income at or below 80% of the State Median Income (SMI) are eligible for assistance. The Emergency Bill Assistance Programs (EBAP) provides a credit toward the customer’s current outstanding balance, up to a maximum dollar limit set in SMC. The credit cannot exceed the customer’s outstanding balance.

Under normal program operation, households without minor children are eligible for one credit per year and households with minor children are eligible for two credits per year. Through Ordinance 126493, SMC 21.49.042.E SCL amended EBAP to allow all income-eligible households—with or without eligible minor children—to access two EBAP credits through the end of 2022. This time-limited change was designed to help SCL customers who experienced financial hardships resulting from the local, regional, and national economic impact of COVID-19. Due to the prolonged impact of COVID and the extension of the City of Seattle’s Utility Disconnection Moratorium until April 15, 2022, Seattle City Light has not resumed the full credit cycle, including disconnects as originally planned for early 2022. SCL anticipates resuming the full cycle in mid-2022.

This proposed ordinance authorizes City Light to extend the eligibility for two credits to all income-eligible households through the end of 2023. For customers eligible to receive two credits in one calendar year, the Department, at its discretion, may grant one credit exceeding the maximum single credit amount under subsection 21.49.042.C so long as the total amount credited to a customer during a calendar year does not exceed two times the single maximum credit. the Department may at its discretion apply these credits to customer bills up to the total maximum dollar amount from these two credits.

In 2021, SCL provided \$1.8M in EBAP assistance to 3,500 customers to help reduce their past due balanced. With the resumption of regular collection activities including sending ten-day disconnect notices slated for mid-2022, SCL anticipates additional customer demand for emergency assistance. Industry-wide, receiving a disconnection notice remains the primary

driver behind most customers reaching out to their utility to inquire about payment arrangements and other assistance programs. SCL projects that there are likely several thousand additional eligible residential customers currently in arrears who would benefit from expanded access to up to two EBAP credits.

As SCL initiates intensive customer outreach efforts to connect customers with payment arrangements as well as one-time and ongoing payment assistance programs, interest in the EBAP will likely increase. The expanded allocation of two EBAP credits for all customers, along with access to additional assistance efforts, will help avert economically vulnerable customers from disconnection for non-payment. The state of Washington has also committed \$1 million in state funds for utility arrearages for income eligible customers during 2022 and 2023.

## 2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?       Yes  No

## 3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget?       Yes  No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No.

Is there financial cost or other impacts of *not* implementing the legislation?

No.

## 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?  
No.
- b. Is a public hearing required for this legislation?  
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?  
No.
- d. Does this legislation affect a piece of property?  
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?  
Seattle City Light's Emergency Bill Assistance Program provides support to lower-income households in paying their electricity bill, reducing their outstanding debt, and preventing

disconnection of electric service for non-payment. People of color, people with disabilities, and historically disadvantaged communities are disproportionately represented in lower income households. According to information provided by Pew Research Center, COVID-19 has disproportionately impacted BIPOC households. Job losses have increased more quickly among BIPOC households than white households and BIPOC households are much less likely to have financial reserves to cover expenses in the case of emergencies.

As part of its Road to Recovery effort, Seattle City Light will be evaluating our overdue receivables in an intentional way, comparing delinquencies at the census tract level with American Community Survey/Census income and language data.

**f. Climate Change Implications**

**1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**

No.

**2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

No.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

The goal is to reduce the number of lower income households who have overdue balances and thereby reduce the number of lower income households who will be impacted when Seattle City Light resumes disconnection for non-payment. This legislation would temporarily increase assistance to income-eligible customers who have been disproportionately affected by the negative economic impacts of COVID-19.

**List attachments/exhibits below:**