

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 126317, SMC 21.49.042.E was amended to allow all income-eligible households— with or without eligible minor children—to access two EBAP credits through the end of 2021. 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 the COVID Delta variant, Seattle City Light did not resume the full credit cycle, including disconnects in 2021 as originally planned. SCL anticipates resuming the full cycle in early 2022. This proposed ordinance would extend the eligibility for two credits to all income eligible households through the end of 2022.

The estimated financial impact of this ordinance is difficult to assess. Historic participation in the Bill Assistance Program has been (and remains) low, with fewer than 1,000 households accessing the credit each year between 2016 and 2020—despite estimates indicating more than 90,000 households are income eligible. Even with additional communication in 2021, only 164 customers proactively availed themselves of the Emergency Bill Assistance Program through October 22. Another 829 were helped through City Light’s process to distribute Federal Emergency Rental Assistance. Ongoing low participation may be due to the fact SCL has not yet resumed sending ten-day (disconnect) notices. 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.

The Department does not know who among those with overdue balances are income eligible and outreach efforts around bill assistance programs have met with varying levels of success. Even with concerted efforts to let customers know about our Utility Discount Program, participation has never risen above 45% for the estimated income-eligible population, Seattle City Light's Road to Recovery effort will look for opportunities to support customers with payment arrangements as well as one-time and ongoing payment assistance programs such as EBAP as disconnections resume.

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: