

April 16, 2021

MEMORANDUM

To: Seattle City Council
From: Brian Goodnight and Eric McConaghy, Analysts
Subject: Utility Emergency Assistance Program Changes:
CB 120035, Seattle City Light and CB 120036, Seattle Public Utilities

On April 19, the City Council will consider and possibly vote on two Council Bills (CB) that would amend Seattle Municipal Code (SMC) sections governing the emergency assistance programs for Seattle City Light (SCL) and Seattle Public Utilities (SPU). [CB 120035](#) would amend language in [SMC 21.49.042](#) governing SCL's emergency assistance program. [CB 120036](#) would amend language in [SMC 21.76.065](#) for SPU's emergency assistance program. The primary purpose of these bills is to expand emergency assistance for the remainder of 2021 in response to the economic crisis caused by the COVID-19 pandemic.

Currently, both programs offer emergency assistance to households with income at or below 80 percent of the State Median Income (SMI)¹ to help pay delinquent balances. Income-qualifying households may access the emergency assistance once per calendar year. If there are minor children in the house, income-qualifying households can access the assistance twice per calendar year. The amount of emergency assistance offered each time a program is accessed is limited by SMC, although the limits are adjusted annually to reflect the average growth in utility bills. The current limit for SCL assistance is \$218, and the current limit for SPU assistance is \$461.

The proposed amendments would allow all income-qualifying households to access the emergency assistance twice per calendar year. This expansion would apply to the programs offered by both utilities and would be available from the effective date of the ordinances to December 31, 2021.

For SCL, passage of CB 120035 would also make a few additional changes to its program:

- The emergency assistance limit would be increased to \$500;
- Customers will no longer be required to enter into an agreement to pay at least 50 percent of their delinquent balance as a condition of receiving the emergency assistance; and
- Customers are eligible to receive emergency assistance if they have a delinquent balance greater than \$250, whereas they are only currently eligible if they have received a ten-day shut-off notice.

¹ In 2021, 80 percent of SMI for a household of four is approximately \$82,000.

Cost Impacts

SCL estimates that the cost impact of the provisions of CB 120035 could be as high as \$1.5 million in 2021, assuming that all Utility Discount Program (UDP) customers with overdue balances greater than 90 days and ten percent of non-UDP customers with overdue balances greater than 90 days were to apply and receive both credits. Based on past participation in the emergency assistance program, SCL deems it unlikely the cost impact would reach this level.

SPU estimates that the of the provisions of CB 120036 could result in a 47 percent increase in costs to the emergency assistance program for a total estimated cost impact of \$535,000 in 2021.

Background

In December 1985, the Emergency Low-Income Assistance program (ELIA) was established by [Ordinance 112637](#) to provide emergency, low-income assistance to eligible SCL customers. The Emergency Assistance Program (EAP) was established by [Ordinance 122174](#) in 2006 to provide emergency assistance to low-income customers of SPU.

The City last updated the emergency assistance programs in 2019 with the passage of [Ordinance 125959](#). In general, the 2019 changes made the SCL and SPU programs function more similarly and increased the income eligibility for both programs from 70 percent to 80 percent of SMI.

In addition to the assistance available through the emergency assistance programs, SCL and SPU customers struggling to pay their utility bills may income qualify for long-term assistance through the UDP. The UDP offers a 60 percent discount on SCL bills and a 50 percent discount on SPU bills for customers at or below 70 percent of SMI. Under the current pandemic emergency, customers may self-certify into the programs, bypassing the typical income documentation process.

On April 12, Council passed [Council Bill 120018](#), providing \$1.5 million in federal funding (\$1 million to SCL and \$500,000 to SPU) to renters who are behind on their utility payments. The funding provided in that legislation will assist SCL and SPU customers above and beyond the limits of the emergency assistance programs, although customers will still need to be at or below 80 percent of SMI to qualify.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager