



**Date:** May 20, 2026

**To:** The Honorable Members of the Seattle City Council

**From:** Andrew Lee, General Manager/CEO, Seattle Public Utilities  
Rob Santoff, Interim General Manager/CEO, Seattle City Light  
Tanya Kim, Director, Human Services Department

**Subject:** Utility Discount Program: Response to Statement of Legislative Intent SPU-012S-A-2

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As part of the 2026 Adopted Budget, the City Council adopted Statement of Legislative Intent (SLI) SPU-012S-A-2, requesting Seattle Public Utilities (SPU) work with Seattle City Light (SCL) and the Human Services Department (HSD) to evaluate the impacts on utility rates of maintaining existing Utility Assistance (UA) programs and expanding eligibility of the Utility Discount Program (UDP) to people making 70% or 80% of Area Median Income (AMI) at a lower discount.

Attached is the response to that SLI, which provides information requested in the SLI as well as a proposal to expand income eligibility thresholds for the Utility Discount Program (UDP) and for emergency assistance programs in each utility. Staff from SPU, SCL and HSD and City Budget Office worked together to identify and evaluate options for expanding utility assistance and develop an expansion proposal summarized below.

This proposal is based on policy and program goals that:

- Help customers reduce their utility burden.
- Maintain benefits for customers most in need.
- Comply with State Clean Energy Transformation Act (CETA) requirements.
- Improve enrollment and participation for customers.
- Reduce administrative burden and improve efficiency for staff.
- Create a spectrum of utility assistance services that balances access with overall rate affordability

The proposal expands utility assistance in two phases beginning April 2027:

- Phase One expands access to ongoing assistance from the UDP by increasing the income thresholds from 70% State Median Income (SMI) to 60% AMI; and expands Emergency Assistance offered by both SCL and SPU by increasing the income thresholds from 80% SMI to 80% AMI .
- Phase Two considers developing a tiered discount structure and further expansion of UDP up to 80% AMI once technology and program improvements are in place for implementation in 2029.

The steps required to implement the proposed expansion of utility assistance would be implemented via the SCL 2027-2028 rates and SPU's 2027-29 water rates legislation. SPU's Emergency Assistance Program and SCL Emergency Bill Assistance changes will be coming as separate legislation. All legislation will be transmitted in the coming weeks for Council consideration.



May 20, 2026

## Response to 2026 City Council Statement of Legislative Intent SPU-012-A-2: Utility Discount Program

### Executive Summary

This report responds to the City Council's Statement of Legislative Intent (SLI) SPU-012S-A-2, adopted with the 2026 budget, which requested Seattle Public Utilities (SPU) work with Seattle City Light (SCL) and the Human Services Department (HSD) to evaluate the impacts on utility rates of maintaining existing Utility Assistance (UA) programs and expanding eligibility of the Utility Discount Program (UDP) to people making 70% or 80% of AMI at a lower discount.

This report includes a proposal to expand utility assistance in a way that increases program access and participation and expands income eligibility (p 6-9). While utility costs are not the main driver of affordability, they are a lever that can be used to support affordability in general and provide some stability to low-income households. This proposal is based on policy and program goals that:

- Help customers reduce their utility burden.
- Maintain benefits for customers most in need.
- Comply with State Clean Energy Transformation Act (CETA) requirements.
- Make enrollment and participation simple and low effort for customers.
- Reduce administrative burden and improves efficiency for staff.
- Create a spectrum of utility assistance services that balances access with overall rate affordability

The proposal recommends expanding utility assistance in two phases beginning April 2027:

- Phase One expands access to ongoing assistance from the UDP by increasing the income thresholds from 70% SMI to 60% AMI; and for Emergency Assistance offered by both SCL and SPU by increasing the income thresholds from 80% SMI to 80% AMI.
- Phase Two considers developing a tiered discount structure and further expanding of UDP up to 80% AMI once technology and program improvements are in place for implementation in 2029.

These proposed changes will expand UDP's ongoing assistance to nearly 30% more customers and broaden the utilities' spectrum of customer support by expanding access to emergency assistance to nearly 50,000 more customers. The proposal also meaningfully expands assistance for seniors, increasing the number of eligible senior households and expanding the amount of assistance offered to senior households.

In addition, Council also requested a progress update<sup>1</sup> and next steps on the following:

- Utility Discount Program (UDP) system improvements to increase participation rates (p 9-11)

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<sup>1</sup> Update to the [Utility Assistance Report submitted to City Council](#) in April 2025.

- Actions to ensure people are pre-qualified for UDP if they are enrolled in other City and county affordability programs (p 9-10)
- Efforts to reduce hurdles faced by seniors accessing UDP (p 11-12)

A fuller discussion of options staff analyzed is provided in Appendix A (p 13-14).

## Utility Assistance Overview

SCL and SPU offer a suite of utility assistance programs to residential customers in Seattle and surrounding SCL and SPU service territories (Burien, Renton, Tukwila, SeaTac, Normandy Park, Shoreline, Lake Forest Park and Unincorporated King County) to address customer affordability needs through ongoing bill discounts and episodic emergency support to prevent utility service disconnection.

### Utility Discount Program

The City's Utility Discount Program (UDP) is among the most generous in the country. The UDP currently provides ongoing affordability assistance to SCL and SPU customers with household incomes at or below 70% of State Median Income (SMI). Both utilities are aligned on program design but differ on discount amounts. SCL provides a 60% discount on their bills. SPU provides a 50% discount on SPU bills for customers directly billed for SPU services; customers who receive SPU services but are not directly billed by SPU, receive equivalent SPU assistance via credits on their SCL bill.

As of December 31, 2025, roughly 39,000 customers were enrolled in UDP. SCL and SPU provided \$50.1 million in assistance to customers in 2025 through ongoing UDP bill discounts. SCL and SPU partner with, and fund, the Human Services Department (HSD) to administer UDP by processing applications, completing eligibility verification and reverification, enrolling customers, conducting community outreach, and providing customer support in person or via a help line. The total 2025 program administration budget for HSD was \$3.8 million; \$3.2 million is funded by the utilities, and \$587,374 is funded through the general fund to cover additional labor and operating expenses such as rent. SCL and SPU will begin covering the general fund portion in 2027, which will be a reduced amount due to a new rental agreement which lowered the program's office space rent.

While program improvement work continues in 2026, the UDP participation rate has increased from 32% of eligible customers at the end of 2024 to 36% as of December 31, 2025. The Utility Discount Program is currently providing assistance to roughly 39,000 SCL and SPU customers.

### Emergency Bill Assistance

In addition, SPU and SCL both offer emergency bill assistance for customers with household incomes up to 80% State Median Income (SMI).

SCL's Emergency Bill Assistance program offers up to \$1,420 in assistance annually to help reduce past due balances. In 2025, SCL's Emergency Bill Assistance served close to 6,000 customers with approximately \$4.2M in assistance.

SPU's Emergency Assistance Program offers up to \$1,074 in assistance annually. In 2025, SPU's Emergency Assistance Program served 1,850 customers with \$1.2M in assistance in 2025.

SCL's Project Share program uses customer donations to provide bill assistance to customers with household incomes up to 80% of Area Median Income (AMI). In 2025, Project Share provided nearly \$500,000 in assistance to almost 2,000 customers.

## Utility Assistance Eligibility Expansion

In considering expansion of utility discount program eligibility and converting to using Area Median Income (AMI) instead of State Median Income (SMI), SCL, SPU, and HSD analyzed the financial and rate impacts of various income levels and discounts compared to the current Utility Assistance (UA) programs, considering the following:

- distribution of customers in the SCL and SPU service territories with household incomes at or below 80% AMI
- utility burden of customers with household incomes at or below 80% AMI
- the rate and bill impact of increases to enrollment and expansion of eligibility
- compliance with the Clean Energy Transformation Act (CETA) regulatory requirements for addressing energy burden
- designing for customer experience and ease of understanding
- technology investments needed to support changes to the program model

## Moving from State Median Income to Area Median Income

The UA Expansion proposal recommends a shift to using AMI as calculated by HUD for the Seattle-Bellevue Metro Area, which is inclusive of King and Snohomish Counties for both SCL and SPU.<sup>2</sup> There is no calculation of AMI for Seattle or King County alone. Shifting to AMI allows the UA programs to better align with other affordability programs in the region and will facilitate streamlined enrollment. Additionally, the Washington State Clean Energy Transformation Act (CETA) passed in 2019 requires electric utilities to provide energy assistance to households up to 80% AMI.

*Figure A* compares the current SMI income thresholds for UDP and Emergency Assistance with relevant levels of AMI. In looking at other benefit programs, we also found that 30% AMI, 60% AMI, and 80% AMI are frequently used as income thresholds and considered these levels in our analysis of tiering.

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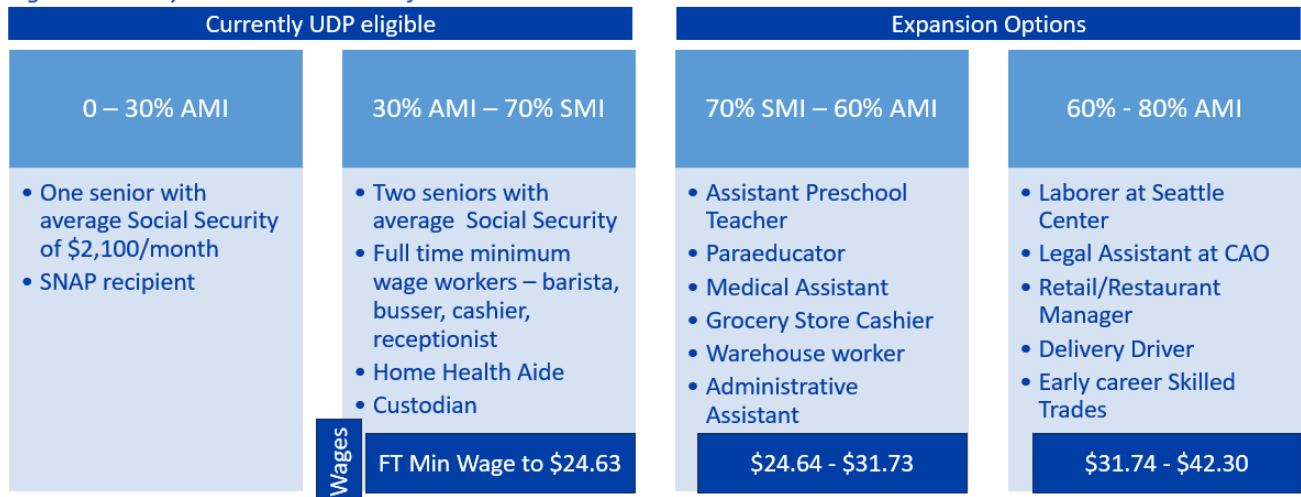
<sup>2</sup> For clarity, HUD calculates two versions of income limits. The Multifamily Tax Subsidy Project (MSTP) version will be used so the UA income limits align with the income limits used by Seattle's Office of Housing and other Low-Income Housing Tax Credit funded housing in the broader utility service territory. MSTP income limits are generally updated on April 1st each year; however, 2026 limits were delayed to May 1. As such, 2025 AMI and 2025 SMI are used throughout this report for consistency of comparison.

*Figure A: Comparing Income Limits of SMI and AMI*

Household Size	Eligible Income Limits				
	UDP 70% SMI	EAP 80% SMI	60% AMI	70% AMI	80% AMI
1	\$ 48,192	\$ 55,068	\$ 66,000	\$ 77,000	\$ 88,000
2	\$ 63,012	\$ 72,012	\$ 75,420	\$ 87,990	\$ 100,560
3	\$ 77,844	\$ 88,956	\$ 84,840	\$ 98,980	\$ 113,120
4	\$ 92,664	\$ 105,900	\$ 94,260	\$ 109,970	\$ 125,680

Figure B grounds these income thresholds in a human context for a one-person household (each additional household member pushes the AMI of a household lower).

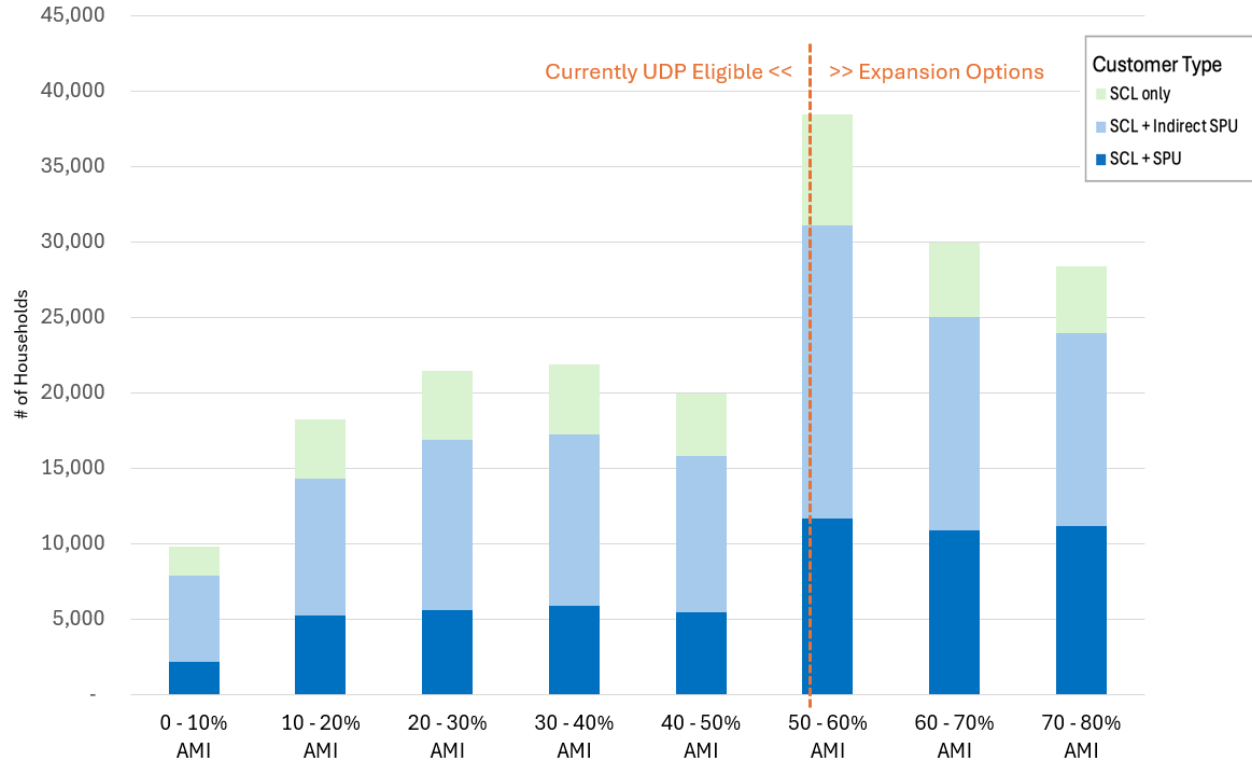
*Figure B: AMI by Income Source or Profession*



In considering UDP expansion, we also looked at how many new customers would become eligible at each AMI level, balancing increasing access with overall rate impact.

Figure C shows the distribution of SCL and SPU customers across the combined service territories by AMI decile, demonstrating the significant increase in eligible population achieved by shifting from 70% SMI to 60% AMI or higher. Moving the income threshold from 70% SMI to 60% AMI adds approximately 31,000 new households. The 60-80% AMI tier would add approximately 48,000 more households.

Figure C: Estimated Population by AMI Decile



### Assessing Energy and Utility Burden

The Clean Energy Transformation Act (CETA) requires electric utilities to provide energy assistance programs for low-income households<sup>3</sup> to help reduce their energy burden to below 6% of household income.

Since UDP is a jointly run program that covers electricity, water, sewer, and solid waste services, SCL and SPU developed a joint metric of looking at combined “utility burden” for SPU and SCL customers. While not a precise metric, it provides directional touchstone to inform decision-making. *Figure D* shows the general impact of SCL and SPU bills on an average customer in each AMI decile.<sup>4</sup> This analysis shows that the current Utility Discount Program is already quite generous. Except for households in the lowest income deciles, SCL and SPU customers are generally well below an average combined utility burden of 6%.

<sup>3</sup> CETA defines “low-income households” for King County as those with incomes below 80% AMI adjusted for household size.

<sup>4</sup> Figure D values indicate median combined SCL and SPU burden for customers within both SCL and SPU’s territory. They do not include SCL customers outside of SPU territory.

Figure D: Average Combined SPU And SCL Utility Burden by AMI Decile

	0 - 10% AMI	10 - 20% AMI	20 - 30% AMI	30 - 40% AMI	40 - 50% AMI	50 - 60% AMI	60 - 70% AMI	70 - 80% AMI
No Discounts - Baseline	35%	15%	9%	7%	5%	4%	3%	3%
0 to 60% AMI SCL = 60% Discount SPU = 50% Discount	16%	7%	4%	3%	2%	2%	3%	3%
60 to 80% AMI No Discount								

Currently UDP Eligible << | >> Expansion Options

## Proposal to Expand Utility Assistance

Staff evaluated multiple options for increasing income thresholds and offering a tiered discount structure. This proposal achieves the City’s policy goals of increasing access to utility assistance while also being mindful of impact of program expansion on the bills of all SCL and SPU customers (including UDP customers.)

This proposal expands utility assistance as follows:

- **Phase One:** Beginning in April 2027, expand the spectrum of utility assistance offerings up to 80% AMI by
  - Expanding access to ongoing assistance from the Utility Discount Program by increasing the income thresholds from 70% SMI to 60% AMI; and
  - Expanding access to Emergency Assistance offered by both SCL and SPU by increasing the income thresholds from 80% SMI to 80% AMI.
- **Phase Two:** Consider developing a tiered discount structure and further expansion of UDP up to 80% AMI once technology and program improvements are in place for implementation in 2029.

In 2027, this proposal expands UDP’s ongoing assistance to nearly 30% more customers and broadens the utilities’ spectrum of customer support by expanding access to emergency assistance to nearly 50,000 more customers. This proposal also achieves the following policy and program objectives:

- aligns income thresholds with Area Median Income, a more common affordability standard that will better align with other benefit programs and will further enable auto-enrollment of pre-qualified customers to increase participation;
- maintains ongoing assistance for customers most in need while expanding emergency assistance to higher income households, providing a fuller spectrum of support;
- allows frontline staff and community partners time to test and adapt to the program improvements in process while also adjusting to the increased volume of applications from eligibility expansion;
- maximizes the administrative ease of a single discount during Phase One while working on technology that could support future tiering of discounts in Phase Two that will help smooth the benefit cliff; and

- moves SCL toward compliance with WA State CETA requirements.

Most importantly, phasing allows SPU, SCL, and HSD time to implement the technology and change management improvements needed to effectively administer a tiered program with a lower discount for households with incomes between 60% and 80% AMI.

The additional tiered models considered are described in Appendix A.

### Utility Discount Program Expansion – Phase 1

This proposal increases the income threshold for UDP from 70% of SMI to 60% AMI beginning in April 2027. This expansion increases the eligible population by 31,000 customers. With 1-person household income increasing by 37% and 2-person household income increasing by 20%, an additional 8,800 senior-only households become eligible. Since 60% AMI is the highest income served by Low-Income Housing Tax Credit funded affordable housing, this expansion also allows further streamlining of enrollment for pre-qualified affordable housing residents.

This first phase of expansion maintains the current program’s discount level, offering a 60% SCL bill discount and a 50% SPU bill discount. It also allows the system and staff time to absorb the increased volume of application and outreach while also testing program improvements in community to ensure historical barriers are being remedied.

#### Financial / Rate Impacts

The financial assistance provided to UDP customers in the form of a discount is considered “contra revenue” that is calculated in the setting of the utilities’ rates and paid for by SCL and SPU ratepayers, including those customers enrolled in UDP before their discount.<sup>5</sup> *Figure E* below outlines the financial and rate impacts of expanding UDP to households with incomes at or below 60% AMI based on a 35% participation rate:

*Figure E: Estimated Financial and Rate Impacts of Expanding UDP to 60% AMI*

UDP in 2025 0 - 70% SMI				UDP Phase One Expansion in 2027 0 - 60% AMI					
	Eligible Customers	Bill Discount	Contra Revenue (2025)	Eligible Customers	Bill Discount	Estimated Contra Revenue (2027) <sup>6</sup>	Net Increase over 2025	Rate Impact <sup>7</sup>	Net annual bill impact before discount
<b>SCL</b>	107,000	60%	\$27.0 M	137,500	60%	\$32.0 M	\$5.0 M	0.5%	\$6.00
<b>SPU</b>	84,500	50%	\$23.6 M	108,500	50%	\$37.5 M	\$13.9 M	0.1%	\$3.24
<b>Total</b>			<b>\$50.6 M</b>			<b>\$69.5 M</b>	<b>\$18.9 M</b>		<b>\$9.24</b>

<sup>5</sup> The bill discounts offered in UDP is revenue not collected by SCL and SPU, thus "contra revenue". This reduction in revenue is made up for by an increase to standard rates.

### *Implementation and Administration*

Increasing the income threshold for UDP to 60% AMI requires updates to Seattle Municipal Code Sections 21.49.040 for Seattle City Light and 21.76.030 for Seattle Public Utilities. Changes will be reflected in the SCL six-year Strategic Plan and in both the SCL rates and the SPU water rates legislation that are coming before Council this summer. Corresponding updates will be needed to SPU's [Director Rule CS-700](#) and SCL's [Department Policy and Procedure 500 P III-428](#). Because these changes will increase application volume to the program, the UDP program budget for 2027 will reflect the needed staffing to effectively operate this expansion. SCL, SPU, and HSD are planning for these changes to go into effect in April 2027 to allow for hiring, training, and to be coordinated with the annual release of updated Area Median Income by HUD.

### **Emergency Bill Assistance Expansion – Phase 1**

We are proposing to further expand the suite of utility assistance by increasing the income thresholds for Emergency Bill Assistance to households with incomes up to 80% AMI, beginning in April 2027. This will extend emergency bill assistance to working families who do not usually receive assistance, but find themselves in temporary financial crisis due to, for example, an unexpected expense, a medical emergency, or temporary unemployment.

Expansion from 80% SMI to 80% AMI increases the eligible 1-person household income by 60% and 2-person household income by 40%. This expansion increases the number of households with access to the SCL Emergency Bill Assistance program from 137,000 households to 188,000 households. Access to SPU Emergency Assistance increases from 26,000 to 39,000 households. In addition, SCL and SPU are planning to return to the policy piloted during COVID that allows any household access to the full amount of emergency assistance, regardless of whether there are minors in the household. This change offers additional support to senior households and is responsive to customer feedback.

### *Financial Impacts*

Expansion of eligibility to 80% AMI for the emergency bill assistance programs will likely add another \$1.5M in SCL and \$1M in SPU contra-revenue annually. These financial impacts are not accounted for separately by SCL or by SPU; they are included in the overall UDP contra revenue shown above in Figure E.

### *Implementation and Administration*

Changing the income threshold from 80% SMI to 80% AMI requires updates Seattle Municipal Code Section 21.049.042 for SCL's Emergency Bill Assistance and Section 21.76.065 for SPU's Emergency Assistance Program. Separate legislation will be transmitted to Council that will make this change.

Any staffing needed to address the expansion of emergency assistance will be reflected in SCL and SPU's 2027 annual budgets.

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<sup>6</sup> Assumes 35% of the eligible customers participate in UDP.

<sup>7</sup> SPU has already built \$12.2M of this cost into the existing rates for 2027. SPU rate impact reflects adding another \$1.7M.

### Utility Assistance Expansion - Phase 2:

To prepare for a second phase of expansion, SPU, SCL, and HSD are conducting a technology options analysis to assess the capabilities of the current Utility Assistance Enterprise Content Management System (“UAPA”) against the desired future-state tiered benefit model and considers how UAPA or other IT options could improve customer experience and staff workloads. This options analysis lays the groundwork for investment in a new system or significant improvements to the current system to administer a streamlined program with tiered discounts.

In addition, the SCL, SPU, and HSD staff are also managing the continuous improvement of the significant programmatic changes outlined above, in partnership with frontline staff and community, to ensure the changes advised in the Illume evaluation are meeting customer needs and reducing historic barriers.

Finally, phasing also allows for the collection and evaluation of data on Emergency Assistance usage among households with incomes between 60% AMI and 80% AMI to better inform the necessity and scope of potential program expansion.

### Utility Assistance Program Improvements

In addition to the proposal to expand access to utility assistance by increasing the eligible income thresholds, SCL, SPU, and HSD have been working to address the barriers that prevent successful application and enrollment to UA Programs identified in the 2024 Utility Assistance Programs Evaluation – burdensome income verification and recertification, digital literacy, program awareness, government trust, and language access, to name a few.

As of December 31, 2025, approximately 39,000 SCL and SPU customers are receiving ongoing assistance from the Utility Discount Program. This represents a participation rate of about 36%, with 14% more customers enrolled in December 2025 than December 2024. Over the past year, UA staff in SCL, SPU and HSD (“UA Staff”) have focused on building new community partnerships, leveraging other programs to pre-qualify customers, and ensuring eligible customers are able to maintain access to their benefits. Additional work is currently underway to streamline the income documentation process and redesign the recertification process.

### Express Rate Application Partnerships:

UA staff have worked to create new partnerships with affordable housing providers in the service territory to leverage their income verification processes to streamline enrollment of eligible residents. Through the Express Rate application, residents can be pre-qualified based on verified income data provided by trusted partners, significantly reducing paperwork and eliminating the need for customers to independently submit documentation. This approach accelerates enrollment while maintaining program integrity and data privacy. Since 2025, UA staff have established 20 new partnerships with nonprofit affordable housing providers and have hosted 11 express rate enrollment events to directly enroll affordable housing residents.

UDP is also piloting a new partnership with Public Health of Seattle King County (PHSKC) to expand the Express Rate Application model by allowing verified income data collected through the PHSKC Access

and Outreach team to be used for streamlined UDP enrollment. The Access and Outreach team verifies income and enrolls customers in programs such as Apple Health, ORCA LIFT, and the King County Energize program. By embedding the UDP Express Rate Application into an existing intake process, this partnership reduces duplicative documentation, accelerates enrollment, and improves access for income-qualified households.

Overall, 657 customers were enrolled in UDP via the Express Rate process from early 2025 through Q1 2026, a significant increase over prior years.

### Bulk Enrollment Partnerships:

UDP, with support from the Utilities' Customer Information System Teams and Seattle ITD, has developed an improved, internal process that is facilitating the scaling of auto-enrollment through data sharing agreements with government and community partners, that both directly enroll pre-qualified customers and protect data privacy. The previous process had only been used for Seattle Housing Authority residents and was too labor intensive to scale.

Since implementation, this enhanced process has enabled ongoing expansion of bulk enrollment efforts. In 2025, UDP bulk enrolled nearly 1,000 new customers through this new improved process, including a new partnership with Bellwether Housing and pre-qualified customers receiving energy assistance from the federal LIHEAP program for the first time. This work continues to grow in 2026. A March 2026 bulk enrollment effort resulted in approximately 850 additional customers being enrolled. In the most recent enrollment cycle, partnership was further expanded to include King County Housing Authority, continuing to broaden access to utility assistance for income-qualified customers.

### Increasing Access through Community Partnerships

SPU, SCL, and HSD staff have been working with the Seattle Department of Neighborhoods (DON) and HSD's cohort of Community Connectors to develop an inclusive engagement strategy which includes:

- education and improved processes to better support community organizations who help customers enroll; and
- training a cohort of Community Liaisons to support UA staff with in-language, culturally relevant community engagement; and
- testing program changes and updated communication materials directly with community to inform better outcomes.

Overall, engagement increased by more than 215% in 2025, with 60 events to help build awareness of and participation in UDP. We're continuing to expand engagement in 2026 with 15 events conducted in Q1 2026. This work includes focusing on hard-to-reach communities, partnering with community-based organizations, and expanding language access with DON Community Liaisons.

### Streamlined Eligibility Renewal for SNAP Recipients

UDP changed policy in 2025 to allow SNAP recipients to use their SNAP eligibility to maintain their UDP eligibility. This change addresses a long-standing administrative barrier for SNAP recipients raised by our frontline staff.

### Redesigned Recertification Process – In progress

UA staff are currently in the process of redesigning the UDP recertification process after the Illume evaluation identified substantial barriers for eligible customers in maintaining their benefits. To improve customer retention of benefits, UDP will begin to pilot significant changes to the requirements, communications, and process in Q4 2026 such as:

- ending the recertification requirement for senior-only households over age 65, removing this administrative barrier for more than 2,600 UDP participants each year;
- streamlining processes for households whose income and household composition has not changed;
- using SNAP eligibility as a fast-track to recertification; and
- developing and using new, community co-designed communications to help customers successfully complete the process.

### Streamlined Income Verification Process Effort – In Progress

UA staff have also been working with community partners to better understand the barriers community members face in providing income documentation. Staff are working to streamline requirements based on the minimum documentation necessary and ensure customers do not face unnecessary burden when applying for utility assistance programs.

### Decreasing Hurdles for Seniors

Senior households (age 65 and older) make up approximately 30% of the customers with household incomes below 80% AMI in the SCL and SPU service territory. SPU, SCL, and HSD have been focused on increasing access to utility assistance for seniors through targeted partnerships and outreach, improvements to program policy and processes, and specific consideration in the expansion of program income limits.

UA Staff have been developing targeted partnerships with senior housing providers to expand the use of Express Rate Applications, so their senior residents can use their affordable housing residency to pre-qualify for UDP. Most recently, we established new ERA partnerships with the Senior Housing Assistance Group (SHAG) and the Southeast Seattle Senior Center Foundation's Brighton Development Group and have begun to host on-site enrollment events at their housing locations with exciting results. At a single recent SHAG event, UA Staff enrolled 76 new senior customers into UDP without the burden of having to provide any additional ID or income documentation.

We are further investing in a targeted enrollment campaign to expand on-site enrollment events at senior centers, community centers, senior-focused resource events, and in partnership with other senior-focused programs, such as the King County Property Tax Exemption, to improve reach to seniors and make it easier for seniors to complete applications in person with staff support.

To ease challenges faced by seniors during application and to prevent termination of benefits, we are:

- redesigning and community-testing a new paper application to ensure use of technology is not a barrier;
- adding flexibility to how seniors document fixed income so finding paperwork is not a barrier; and
- removing the requirement for enrolled senior-only households to reverify their income after their 65<sup>th</sup> birthday so benefits are maintained as seniors age.

Finally, the UA expansion proposal also meaningfully expands assistance for seniors. UDP expansion to 60% AMI increases eligible senior households by ~25%, adding 8,800 seniors to the UDP eligible population. Emergency assistance expansion to 80% AMI increases the eligible 1-and 2-person household incomes by 40% and 60%, expanding access to another 10,800 senior households. The proposal also expands the amount of assistance for senior households by allowing any household access to the full amount of emergency assistance, regardless of whether there are minors in the household.

## Appendix A: UDP Expansion Options Considered

As requested by this Statement of Legislative Intent, each utility evaluated the impacts on utility rates to expand the income eligibility for the Utility Discount Program (UDP) up to 70 or 80% Area Median Income (AMI) at a lower discount. All three models considered would help SCL show progress on meeting Washington State CETA requirements by offering energy assistance programs to households up to 80% AMI as required by state law.

In addition to the approach taken in the proposal presented above, the following two- and three-tiered models were considered:

### Two-Tiered Benefit Model

This model builds on the current UDP program by expanding the current discount up to 60% AMI (as presented in the proposal above) and adds a new 10% discount for households with incomes between 60% AMI and 80% AMI.

Adding the 60% - 80% AMI tier with less discount provides some affordability relief to an additional 48,000 households. However, current technology is not configured to support a tiered program. Two tiers may also add administrative complexity and be more difficult for customers to understand the program. Adding the 60% - 80% AMI tier with less discount subsidizes households with lower energy burden at a cost to all ratepayers.

### Financial Impacts

UDP in 2025 0 - 70% SMI				UDP Two Tier Model Tier 1: 0 - 60% AMI Tier 2: 60 - 80% AMI					
	Eligible Customers	Bill Discount	Contra Revenue (2025)	Eligible Customers	Bill Discount	Estimated Contra Revenue (2027)	Net Increase over 2025	Rate Impact	Net annual bill impact before discount
<b>SCL</b>	107,000	60%	\$27.0 M	187,700	Tier 1: 60% Tier 2: 10%	\$34.0 M	\$7.0 M	0.7%	\$8.40
<b>SPU</b>	84,500	50%	\$23.6 M	145,500	Tier 1: 50% Tier 2: 10%	\$40.2 M	\$16.6 M	0.5%	\$16.32
<b>Total</b>			<b>\$50.6 M</b>			<b>\$74.2 M</b>	<b>\$23.6 M</b>		<b>\$24.72</b>

Notes: Contra revenue is based on an assumed participation rate of 35%. SPU has already built \$12.2M of this cost into the existing rates for 2027. SPU rate impact reflects adding another \$4.4M.

### Three-Tiered Benefit Model:

This model was developed to expand access to UDP while minimizing impact on SCL ratepayers through three tiers that reduce energy burden and right size benefit distribution.

The first tier provides a 60% discount to households with incomes less than 30% AMI, increasing SPU's current discount from 50% to 60% to align with SCL. The second tier provides a 30% discount to households with incomes between 30% and 60% AMI, reducing the current SCL discount from 60% and SPU discount from 50%. Like the two-tier model, the third tier provides a 10% discount to households

with incomes between 60% and 80% AMI and extends some affordability relief to another 48,000 customers.

This model aligns the discounts from both utilities across the tiers. However, because it increases SPU’s discount for the first tier, it has a rate impact for SPU customers. In addition, SCL rate impacts are mitigated (and SPUs reduced) by reducing the discount for households in the 30% to 60% AMI tier. Currently enrolled UDP households in this tier would receive a lower discount and see their utility costs rise when they recertify.

Like the two-tiered model, more tiers could add administrative complexity and be more difficult for customers to understand, and current technology is not configured to support a tiered program.

*Financial Impacts*

UDP in 2025 0 - 70% SMI				UDP Three Tier Model Tier 1: 0 - 30% AMI Tier 2: 30 - 60% AMI Tier 3: 60 - 80% AMI					
	Eligible Customers	Bill Discount	Contra Revenue (2025)	Eligible Customers	Bill Discount	Estimated Contra Revenue (2027)	Net Increase over 2025	Rate Impact	Net annual bill impact before discount
<b>SCL</b>	107,000	60%	\$27.0 M	187,700	Tier 1: 60% Tier 2: 30% Tier 3: 10%	\$27.0 M	\$0.0 M	0.0%	\$0.00
<b>SPU</b>	84,500	50%	\$23.6 M	145,500	Tier 1: 60% Tier 2: 30% Tier 3: 10%	\$39.9 M	\$16.3M	0.5%	\$16.32
<b>Total</b>			<b>\$50.6 M</b>			<b>\$66.9 M</b>	<b>\$23.6 M</b>		<b>\$16.32</b>

*Notes: Contra revenue is based on an assumed participation rate of 35%. SPU has already built \$12.2M of this cost into the existing rates for 2027. SPU rate impact above reflects adding another \$4.1M.*

In addition to the two models above, each utility also considered customizing its own benefit program by adjusting discount amounts and income eligibility criteria to better reflect the distinct unique needs of customers across different product lines. However, different programs with different tiers and different benefits were determined to be too administratively complex and confusing to customers and staff to pursue at this time.