

OPALCO

Board Meeting - October 2015

Low Income Needs Assessment

Low Income Needs Assessment Process

Extensive data collection and review

3 stakeholder meetings

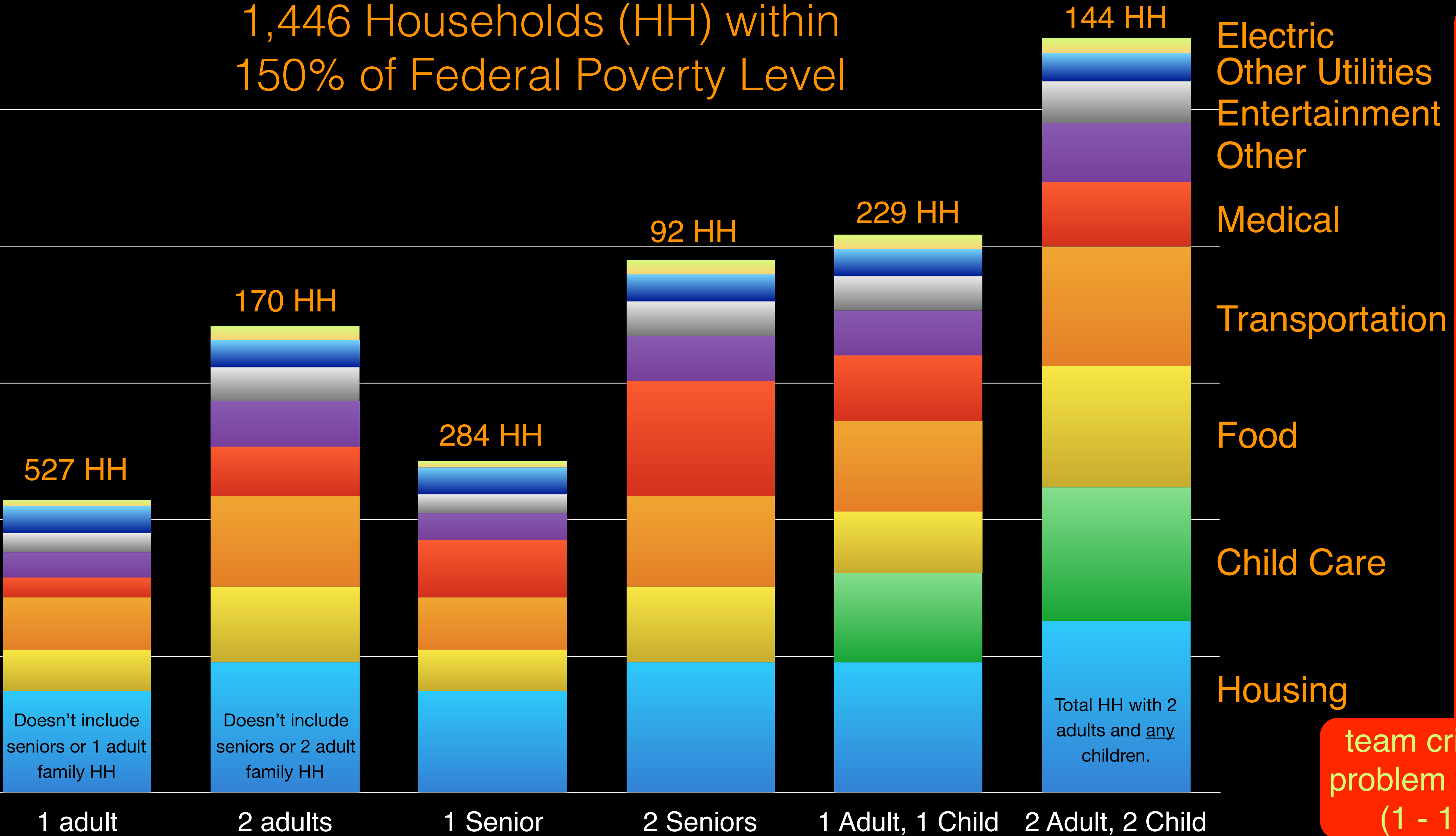
Participants included a mix of County Council, Family Resource Centers, Health and Community Services, Community Foundations, Opportunity Council, Veterans Assistance, and Low Income Housing

OPALCO participants included Foster, Vince, Amy, Nancy, Jon, and Jay

Living Wage Budget

\$6,000
\$5,000
\$4,000
\$3,000
\$2,000
\$1,000
\$0

1,446 Households (HH) within
150% of Federal Poverty Level



team critical
problem score
(1 - 10)

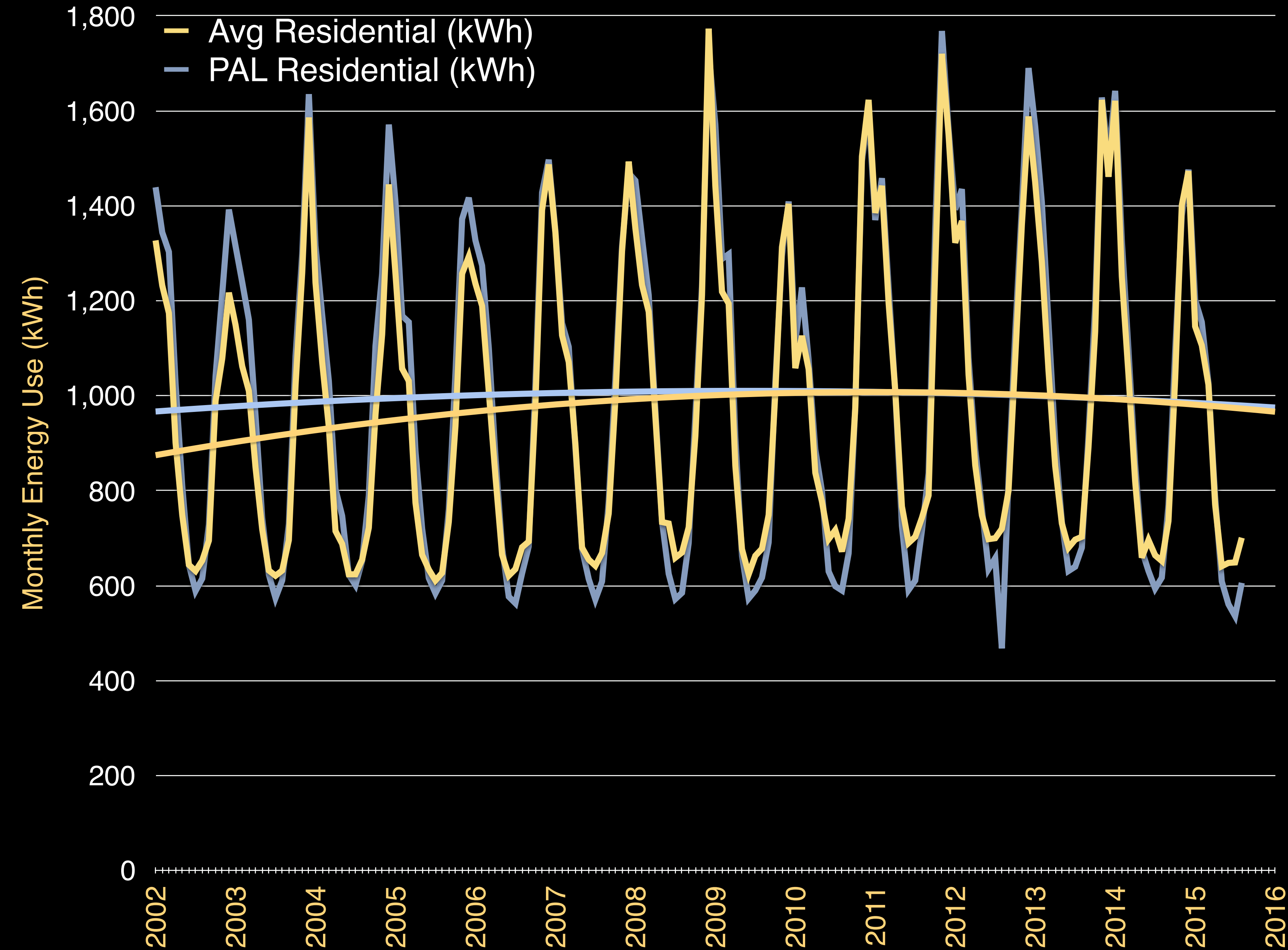
Doesn't include
seniors or 1 adult
family HH

Doesn't include
seniors or 2 adult
family HH

Total HH with 2
adults and any
children.

Electric 5
Other Utilities 8
Entertainment -
Other -
Medical 8
Transportation 5
Food 3
Child Care 6
Housing 11

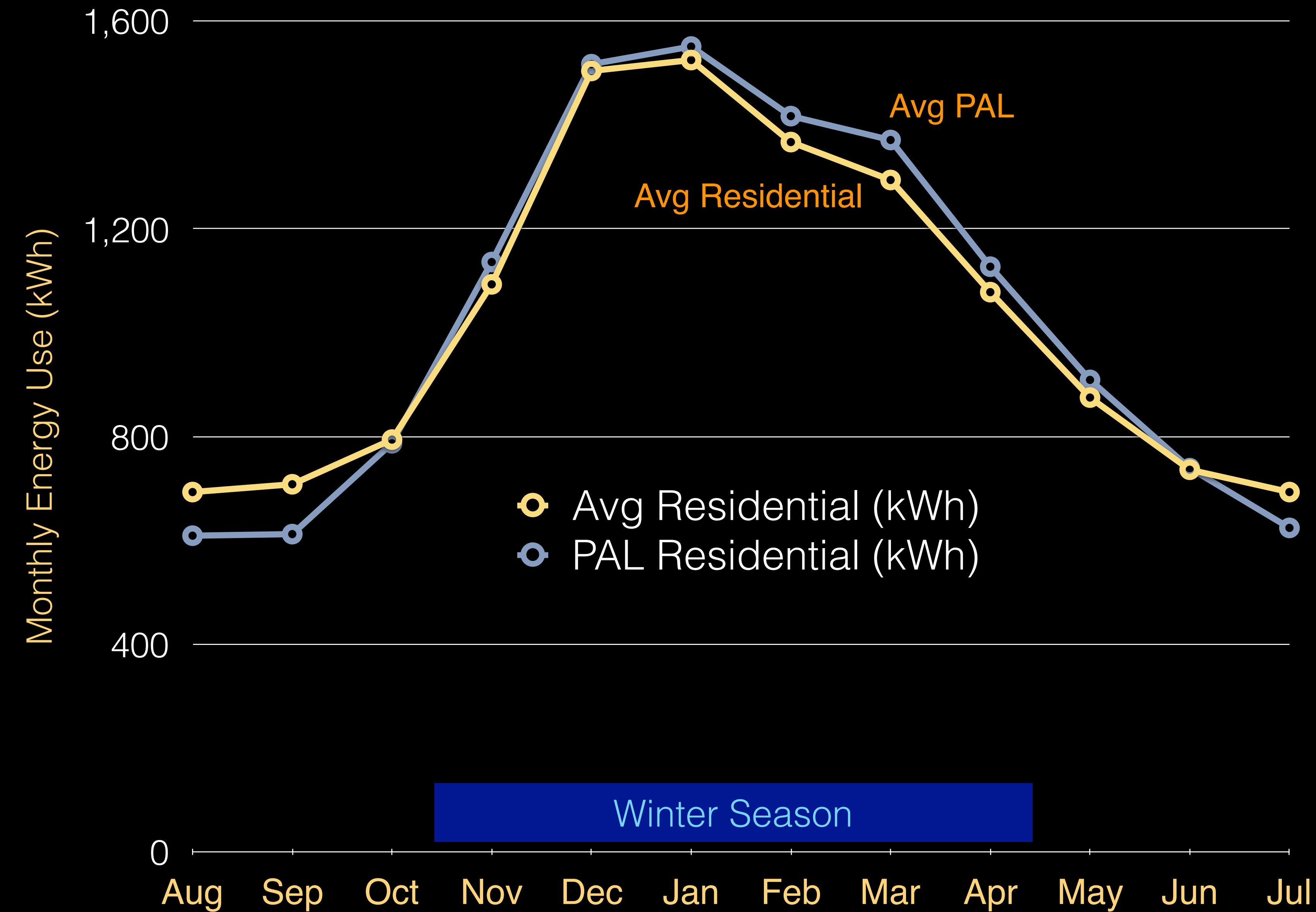
Residential and PAL Energy Usage



Notes

- Trendline peaked in 2010
- PAL member summer use lower, winter use higher
- PAL net summer-winter difference therefore even larger

5 Year Average Energy Use, by Month: Residential and PAL



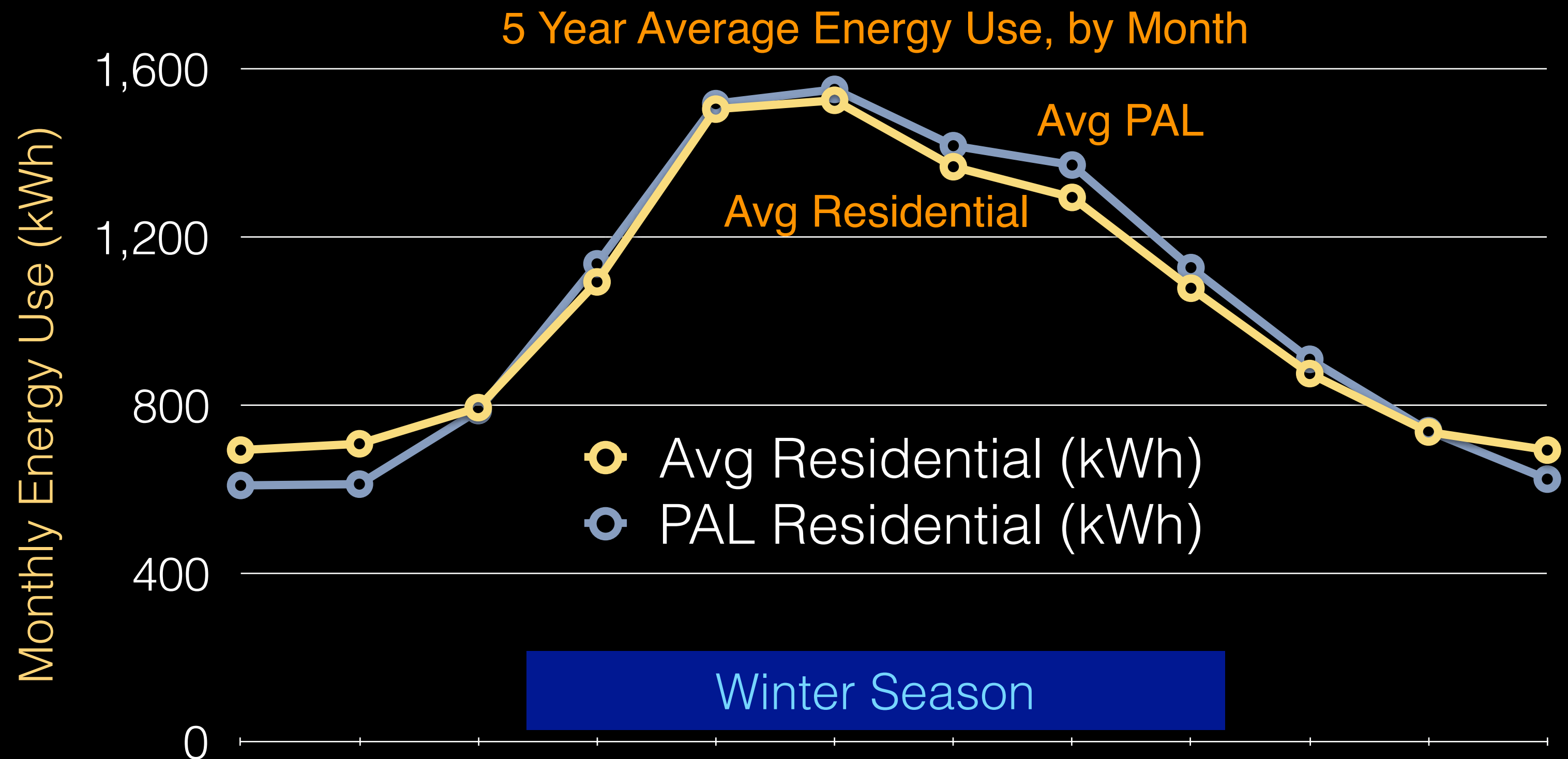
Notes

- PAL member summer use lower, winter use higher
- Therefore, heating use is much higher, relative to lower summer baseline
- Note larger difference in spring, perhaps due to lower wood stove use than in coldest months, and vacant seasonal homes in winter.

Low Income Energy Assistance Programs

Notes

- Simple admin: Use existing eligibility programs e.g. LIHEAP, SNAP, SSI, TANF, SSDI, NSLP, Apple Health
- Income, HH size & type, and energy use determine assistance level
- Progressive grants, up to 150% FPL
- Additive to PAL and LIHEAP
- Not to exceed Facility Charge during winter heating season (maintain conservation signal)



Program	Funding Source	Poverty Level	Participating HH	Approval Source	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LIHEAP	WA, fed	125%	168	LIHEAP program			✓	✓	✓	✓	✓	✓	✓	✓	✓	
OPALCO PAL	member donations	200%	220	PAL committee				✓	✓	✓	✓	✓	✓			
Rate Assistance (new program)	rates	150%	TBD	LIHEAP, SNAP, SSI, TANF, SSDI, NSLP, Apple Health				✓	✓	✓	✓	✓	✓			

Low Income Energy Assistance Programs

Participation Rate and Average Grant

Program	Funding Source	Poverty Level	Participating HH	Participation Rate of 1,500 HH	Average Grant	Eligibility Source
LIHEAP	WA, fed	125%	168	11%	\$483	LIHEAP program
OPALCO PAL	member donations	200%	220	15%	\$159	PAL committee
Rate Assistance (new program)	rates	150%	TBD	TBD	TBD	LIHEAP, SNAP, SSI, TANF, SSDI, NSLP, Apple Health

Estimate of Maximum Participation Cost

From the study, eligible households are in the RED and YELLOW boxes – worst case, adding all the red and yellow together yields 1,740 households. The 1 and 2 person households represent 87% (1,513) of all eligible households.

Household Size(Adults)	Annual Income				
	\$1k - \$15k	\$15k - \$25k	\$25k - \$35k	\$35k - \$50k	\$50k - \$75k
1	742	471	421	628	601
2	107	193	105	294	773
3	8	47	31	111	326
4	1	23	12	32	168
5	1	12	7	20	84
6	1	1	7	7	50
7	0	3	1	4	24
8	0	1	1	0	15
Total by Income	860	751	59	31	39

Total Low Income Assistance: (10% cap)

Household Type	# HH	Participation Rate		
		100%	50%	30%
1 Adult HH		\$419,224	\$209,612	\$125,767
2 Adult HH		\$61,102	\$30,551	\$18,331
Annual Total (87% of all HH)	1,513	\$480,326	\$240,163	\$144,098
Other HH	227	\$71,773	\$35,886	\$21,532
Annual Total Assistance (All HH)	1,740	\$552,099	\$276,049	\$165,630
Monthly Residential Rate Calcs.		Assume 190,000,000 kWh/yr energy sales		
Incremental Rate Increase		\$0.0029	\$0.0015	\$0.0009
Current Usage Rate		\$0.0855	\$0.0855	\$0.0855
Total Rate		\$0.0884	\$0.0870	\$0.0864
% Increase in Usage Charge		3.40%	1.70%	1.02%
Current Avg. Residential Bill	1,000 kWh	\$124.40	\$124.40	\$124.40
New Avg. Residential Bill	1,000 kWh	\$127.31	\$125.85	\$125.27
Monthly Difference		\$2.91	\$1.45	\$0.87

Assistance Options

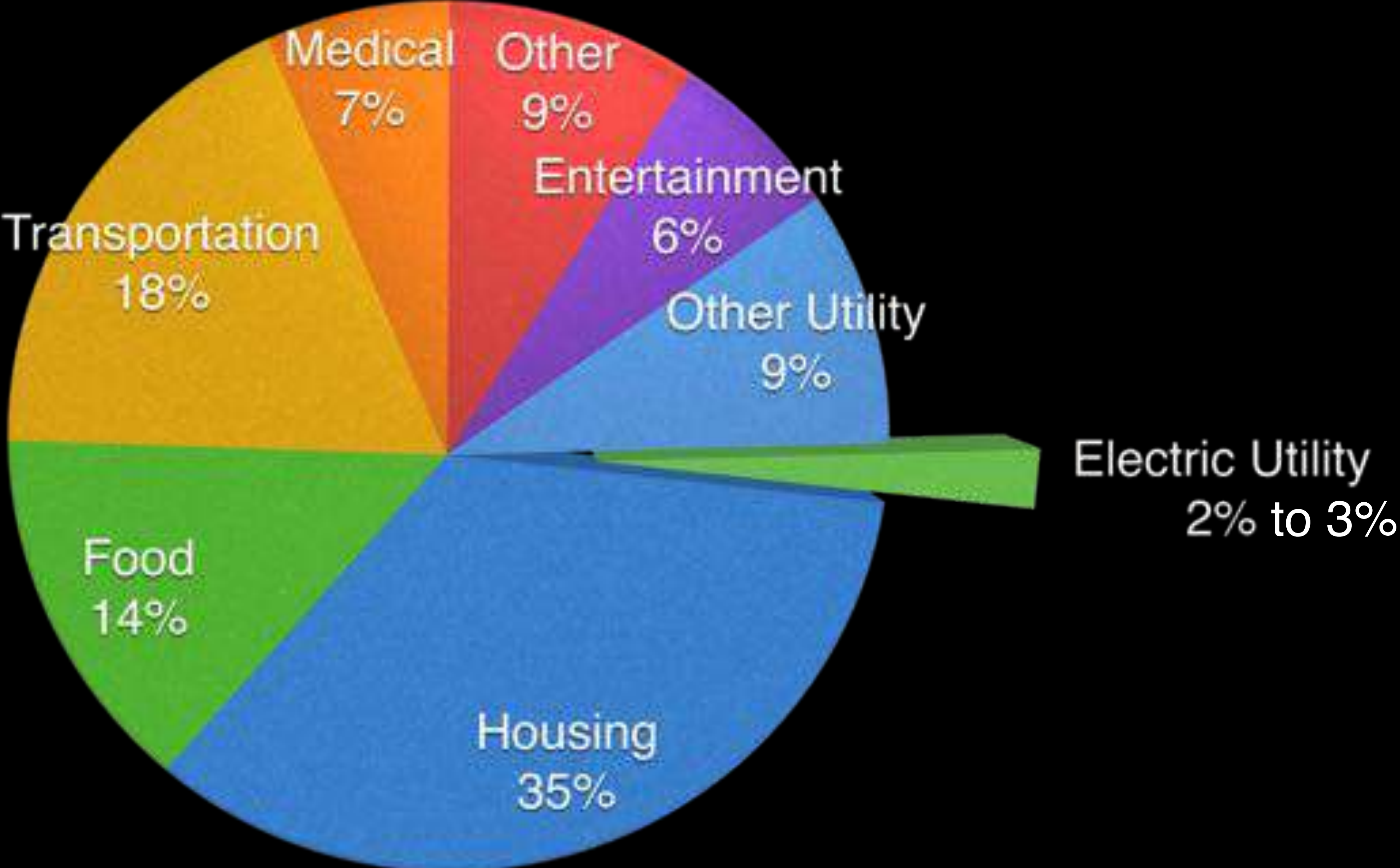
- Continue with 100% member funded PAL
- PAL + added OPALCO G&A funding
- Low income assistance program funded through rates (adding to LIHEAP and PAL assistance, not replacing)

Either way, promote to increase take rate

Overview of San Juan County Utility Low Income and Conservation Programs

			Rates, Charges & Fees				
Utility	Type	Service Area	Connection & Construction	Base Monthly	Usage Monthly	Low Income Assistance?	Conservation Programs?
OPALCO	electric	SJC	\$25 + cost of construction	\$39.00	9.55¢ per kWh	PAL - up to \$150 per month. 50% of funds go to seniors and disabled low income, remainder for family income level up to 200% of the federal poverty income guidelines. \$30,000+ of grants. In 2014, OPALCO invested \$20k, in 2015, \$25k.	Rebates on air sealing, insulation, windows, heat pumps, appliances, free light bulbs and shower heads, educational programs, handouts, energy fairs. Over \$700,000 in rebates, grants, and local renewable energy subsidies last year.
San Juan Propane (division of Amerigas, not local)	propane	SJC	tank + installation	?	national rate + ~10 percent	NO - "Go to LIHEAP." Seniors 5¢ per gallon discount	NO - "Call OPALCO"
Vander Yacht Propane	propane	SJC	tank + installation	?	national rate + ~10 percent	NO - "Go to LIHEAP."	NO - "OPALCO does that."
Interisland Petroleum	heating oil, gasoline	Orcas	tank + installation	?	national rate + ~10 to 20 percent	NO - Budget Pay Plan - spreads winter costs across the year	NO - "I think OPALCO does that."
Island Petroleum Services	heating oil, gasoline	SJI	tank + installation	?	national rate + ~10 to 20 percent	NO - Budget Pay Plan - spreads winter costs across 11 months	NO - "Call OPALCO, they have some great programs."
Eastsound Water	water	Orcas	\$11,200 + \$650	\$39	1.700¢ per gallon over 5,000 gallons	NO	educational handouts
Doe Bay Water	water	Orcas	\$12,387 + \$700 hookup adjusted by CPI since 1947	\$490 annual fee, 85% of revenue	<6000 free, <9k \$3 per k, <12k \$8 per k, >12k \$15 per k - only may through august, 85% of members can keep under 6k GPM	NO - "Plenty of social programs people can turn to."	NO
Friday Harbor Water	water	SJI	\$10,470 + \$544	\$42 in town \$63 out of town	.0072¢ per gallon up to 3,500 gallons, doubling at 10,000+ gallons	YES - 50% off base charge. Roundup program inspired by OPALCO PAL - about \$5,000 per year granted.	educational handouts
Friday Harbor Sewer	sewar	SJI	\$13,254 + \$435	\$100 in town \$150 out of town	2.213¢ per gallon over 4,100 gallons	YES - 50% off base charge. Roundup program inspired by OPALCO PAL - about \$5,000 per year granted.	NO
Eastsound Sewer	sewer	Orcas	\$8,100 to \$10,000	\$48.00		YES, reduced to \$37 per month, member donations, "like PAL"	NO - "Call OPALCO. They have free shower heads."

Living Wage Budget Share



Thank You

Appendix

Estimate of the Distribution of Energy Used by Income: 1 Adult HH

Assume roughly equal distributions along each axis.

1 Adult HH				kWh per month	300	400	500	600	700	800	900	1,000	1,100	1,200
				Annual Bill	\$773	\$875	\$977	\$1,079	\$1,181	\$1,283	\$1,385	\$1,487	\$1,589	\$1,691
# HH	Income	Avg.	10% income											
247	1K-5K	\$2,500	\$250	14	18	22	25	27	29	29	29	29	28	27
247	5K-10k	\$7,500	\$750	14	18	22	25	27	29	29	29	29	28	27
247	10K-15K	\$12,500	\$1,250	14	18	22	25	27	29	29	29	29	28	27
236	15K-20K	\$17,500	\$1,750	13	17	21	24	26	28	28	28	27	27	26
236	20K-25K	\$22,500	\$2,250	13	17	21	24	26	28	28	28	27	27	26
Estimated Subsidy														
247	1K-5K			\$7,185	\$10,964	\$15,786	\$20,618	\$25,363	\$30,256	\$32,688	\$35,366	\$37,772	\$38,837	
247	5K-10k			\$313	\$2,190	\$4,926	\$8,180	\$11,739	\$15,609	\$18,285	\$21,069	\$23,665	\$25,359	
247	10K-15K								\$961	\$3,883	\$6,771	\$9,559	\$11,882	
236	15K-20K													
236	20K-25K													
Total by Income				\$7,498	\$13,154	\$20,712	\$28,798	\$37,102	\$46,826	\$54,856	\$63,206	\$70,996	\$76,078	

1 Adult HH Grand Total = \$419,224.

Estimate of the Distribution of Energy Used by Income: 2 Adult HH

Assume roughly equal distributions along each axis.

2 Adult HH				kWh per month	300	400	500	600	700	800	900	1,000	1,100	1,200
				Annual Bill	\$773	\$875	\$977	\$1,079	\$1,181	\$1,283	\$1,385	\$1,487	\$1,589	\$1,691
# HH	Income	Avg.	10% income											
247	1K-5K	\$2,500	\$250	2	3	3	4	4	4	4	4	4	4	4
247	5K-10k	\$7,500	\$750	2	3	3	4	4	4	4	4	4	4	4
247	10K-15K	\$12,500	\$1,250	2	3	3	4	4	4	4	4	4	4	4
236	15K-20K	\$17,500	\$1,750	5	7	9	10	11	12	11	11	11	11	11
236	20K-25K	\$22,500	\$2,250	5	7	9	10	11	12	11	11	11	11	11
Estimated Subsidy														
247	1K-5K			\$1,047	\$1,598	\$2,301	\$3,005	\$3,697	\$4,410	\$4,764	\$5,155	\$5,505	\$5,660	
247	5K-10k			\$46	\$319	\$718	\$1,192	\$1,711	\$2,275	\$2,665	\$3,071	\$3,449	\$3,696	
247	10K-15K								\$140	\$566	\$987	\$1,393	\$1,732	
236	15K-20K													
236	20K-25K													
Total by Income				\$1,093	\$1,917	\$3,019	\$4,197	\$5,408	\$6,825	\$7,995	\$9,213	\$10,347	\$11,088	

2 Adult HH Grand Total = \$61,102.