



Avista Corp.

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Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3612

Re: UM 2211 – Comments of Avista Utilities Regarding HB 2475 Implementation of Differential Rates and Programs in Oregon

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in response to the “Strategy Update and Interim Action Straw Proposal” (Proposal) filed by the Staff of the Public Utility Commission of Oregon’s (Commission) in Docket No. UM 2211 on December 22, 2021. Avista appreciates Staff’s update regarding its HB 2475 implementation strategy and looks forward to continued work on this approach within UM 2211.

Interim Action Framework

With regards to Staff’s proposed interim action framework, Avista notes the sentiment that while “Electric utilities should propose interim differential rates or programs for implementation by Q2 2022...Gas utilities [should] focus on proposing enhanced bill assistance for interim relief by Q1 2022 to address winter heating balances that will accrue before an interim rate can be put in place[.]” (Proposal at pg. 5) and more specifically that “Gas utilities may look to alternatives to differential rate design that could enhance bill assistance (such as those utilized in the UM 2114 arrearage management plans) and have the greatest effect on eligible customers.” (Proposal at pg. 8). With this guidance in mind, Avista suggests that, for its part, the Company has already taken interim action as desired by Staff and stakeholders through making permanent an Arrearage Management Program (AMP) for qualifying low-income customers, offered as a part of its Low-Income Rate Assistance Program (LIRAP).¹ In addition to the traditional energy assistance provided through LIRAP, which may be combined with the federal Low Income Home Energy Assistance Program (LIHEAP) to address affordability and customers’ energy burden, the AMP

¹ See Docket No. ADV 1254/Advice No. 21-02-G.

is an incentive-based program which helps customers with their arrears in a manner that is more manageable.

Therefore, rather than focusing its efforts in designing an additional interim program or components of LIRAP to implement in the short term, Avista should instead concentrate its efforts on designing a comprehensive Bill Discount Program to be made effective with the new LIRAP program year beginning October 1, 2022.

Of particular interest to the Company regarding the design of any forthcoming Bill Discount offerings is how to determine a meaningful level of relief for its customers. In designing its Washington Bill Discount, to be proposed within the Company's upcoming 2022 Washington general rate case, Avista tailored its Bill Discount tiers to its specific customer base by first assessing the energy assistance need and energy burden of its customers. As Avista does not have the internal resources to provide such an assessment, the Company contracted with an independent third-party to provide an evaluation of these issues. The Company believes that a similar approach would be required in Oregon to provide a baseline for any differential rates. As such, The Company will likely propose that such an assessment should be funded through LIRAP.

Proposed Baseline Evaluation Criteria for

Avista is supportive of many of Staff's proposed baseline evaluation criteria, with the exception of various bundling provisions and a few clarifications that it feels necessary for efficacy, as follows:

- The Company fully supports efforts to streamline eligibility through options such as self-attestation or auto enrollment, but actual verification of income remains important for the integrity of the proposed program.
- Avista is hesitant to require the bundling of an energy efficiency *requirement* into such offerings, as not all customers will willingly participate in such an offering and approximately 65% of LIRAP recipients are renters. In addition, the suggested Energy Trust of Oregon (ETO) auto-referral is not a valid application of this principle for Avista, as Avista's low-income weatherization is completed through its Avista Oregon Low-Income Energy Efficiency (AOLIEE) program, not ETO. The Company is open to offering AOLIEE services to energy assistance recipients but would like clarification that it need not be a requirement of participation but rather a complimentary pairing offered to the customer. Conversations regarding such partnerships between energy assistance and weatherization services are more appropriately addressed with the Community Action Agencies (Agencies) serving Avista's customers.
- The Company believes more work should be done regarding expected reporting metrics for the differential rate programs offered. Reporting on individual customers and monthly

by zip code is a laborious task, and value of such reporting should be proven before such a requirement be set in this case. Annual reporting, as required for determining program effectiveness, seems a more reasonable request.

Please direct any questions regarding these comments to me at 509-495-2782 or shawn.bonfield@avistacorp.com

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy