

**AVISTA CORP.**  
**RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/24/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Heather Rosentrater
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	Leona Doege/L. La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC/EP – 031	TELEPHONE:	(509) 495-4710
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**REQUEST:**

With regard to the assumption that three percent of Avista's customers will take additional steps to save energy as a result of having access to their interval usage data and that this will result in a three percent average energy consumption reduction, provide the basis for these assumptions. In your response, identify the basis for your assumption that this result will persist during the business case.

**RESPONSE:**

For an explanation of the basis of the Company's initial estimates, please our response to PC/EP\_DR\_029. For the question of persistence, please see also Avista's response to PC/EP\_DR\_026. In addition to our response to the latter, Avista considered that the persistence of savings for many types of conservation programs is based on the type of program. For example, the duration of savings for some programs is based on assumed average life of the efficiency measure, such as lighting (12+ years with newest technology), HVAC equipment (15 years), insulated windows (45 years), or attic insulation (45 years). As another example, for the conservation savings based on behavioral programs, the Company assumes a savings life of approximately three years. In many ways, the subject savings we have predicted for the AMI business represent a mix of these two types of programs. A particular customer's interest in understanding their energy use is likely to be short term. They could, however, install more efficient appliances as a result of delving into and understanding their energy use, and as a result, the conservation benefit would be sustained for much of the project lifecycle. That customer's approach to energy savings could also be more behavioral in nature, which could diminish over a couple years, or disappear completely if that customer moved away from our service area.

Avista expects that our customers' interest in having access to their energy use information, and taking some action to conserve energy as a result, will not be a "one time" initial response measured around the time the metering system is installed (i.e. access to interval energy use data is novel). This is because the Company will develop new approaches for helping customers reduce their energy use, or achieve some other value, that will involve some aspect of customers having access to interval data and a better understanding of how they use energy. In Avista's experience with conservation programs, customers' interest in this capability will peak each time we focus in some way on conservation savings that can be achieved through the capabilities of advanced metering / interval data. In each instance, we expect to see an increase in adoption that will have a long-term impact on the level of customer engagement, and the persistence of the conservation measures they will undertake. In our experience, this recurring increase in the engagement of our customers will prompt them to invest in conservation measures that will provide embedded savings for a much longer period of time than their response to behavioral programs alone. Through the Company's periodic refocusing of our customers' attention on ways to save energy and money, associated with

the capabilities of advanced metering, we realistically expect to achieve a much greater level of customer benefits over the life of the project, than the very minimal percentage of customers expected to participate and the minimal expected savings than are assumed in the AMI business case.