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January 12, 2023

Mark L. Johnson
 Executive Director and Secretary
 Washington Utilities & Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Re: Docket No. UE-210553 – Comments of Avista Utilities

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments (Notice) issued in Docket UE-210553 on December 14, 2022 relating to the Commission's examination of Decarbonization Pathways.

In the Notice, two assumptions for the study being conducted by Sustainability Solutions Group (SSG) were discussed, which were energy efficiency and moving to carbon free energy resources are both critical. Following discussion of these assumptions, the Notice included two example pathways, electrification and alternative fuels, that the following questions address.

1. Electrification Pathways:

a. Are there any electrification actions not listed that should be considered?

Response: Electrification will no doubt play a part in the Washington's decarbonization goals. The example of increasing the capacity of utilities to store renewable energy make sense, especially if the state can assist with large scale projects (i.e., pumped storage) or in bringing down the costs to make it more cost-effective and economic. Also, requiring some new appliances to be electric may be an ok option.

b. Are there any concerns with the electrification actions listed above?

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Response: There are more concerns than benefits to the electrification pathway, such as, costs, reliability of the electric system, and customer choice. Availability of heat pumps may simply be a near term issue to consider, but if you add additional demand for these items through forced electrification it may not be in error to consider availability issues to the supply of heat pumps. Forcing this pathway will lead to unintended consequences and may actually create more emissions as utilities cannot supply the energy needed without the use of fossil fuels at an affordable price. In our community, over 40% of customers are defined as Asset Limited Income Constrained and Employed, meaning they are low-income or living paycheck to paycheck. No doubt many of the electrification actions will be out of reach for many individuals or make their energy even more unaffordable. Finally, all costs to convert must be included to fully consider the overall cost of electrification including new equipment, panel upgrades, permits and the overall time to convert a single meter to electric. The number of persons needed to do this in the timeframe should be estimated for reasonableness including electricians, permitting process staff and auditors and among other necessary individuals to perform these conversions.

2. Alternative Fuel Pathways:

a. Are there any alternative fuel actions not listed that should be considered?

Response: Using alternative fuels makes sense as we can use the existing natural gas infrastructure, thereby avoiding any stranded assets and not putting upward pressure on electric rates or jeopardizing electric reliability. These technologies may be expensive today, but over time prices will come down just as they did with electric renewable energy resources.

b. Are there any concerns with the alternative fuel actions listed above?

Response: Heat pumps have varying performance in different climate zones. Making them a requirement, rather than a customer choice, is concerning. The remainder of the actions listed do seem viable but may require support from the legislature. Synthetic natural gas should be considered as a resource in addition to Demand Response (DR). Carbon capture and storage should be an additional measure used for an alternative pathway.

3. Equity Considerations:

a. How do you think the actions described above could affect you and others in your community?

Response: The result of any actions taken to decarbonize will affect the costs that people in the community pay for transportation and energy. Much of our community is considered low-income or vulnerable, so adding cost pressure likely will outweigh the benefit of decarbonization. In reality, all of the actions described from both pathways probably have a place. There are certain situations where electrification is and will be

beneficial, and many situations where the use of alternative fuels will be most beneficial. To achieve the state's goals, all of these actions will be needed in some form.

b. How should equity be considered with these pathways?

Response: Equity elements that should be considered in the pathways include affordability, accessibility, health impacts, and Non-Energy Impacts. Each pathway will have varying and disparate equitable outcomes on Highly Impacted Communities, Vulnerable Populations, and low-income customers. It is important to consider any unintended consequences that the pathways may have as well. Consideration should be given to customers switching over natural gas end use items to electric where those higher income customers are able to convert earlier, leaving the capital and overhead costs to a smaller population of customers. These customers would likely be lower income.

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