

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

DIRECT TESTIMONY OF

ANNA M. SCARLETT

REPRESENTING AVISTA CORPORATION

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address and present position with Avista**
3 **Corporation?**

4 A. My name is Anna M. Scarlett, and my business address is 1411 East Mission
5 Avenue, Spokane, Washington. I serve as the Director of Strategy & Transformation for Avista
6 Corporation (Avista or Company).

7 **Q. Would you briefly describe your educational background and professional**
8 **experience?**

9 A. Yes. I am a 1998 graduate of Whitworth University, earning a Bachelor of
10 Communications degree with an emphasis in Journalism. In 2018 I graduated from University
11 of Idaho, earning a Master of Business Administration degree. I started with Avista in
12 September 2008 as a Communications Manager in the Company's Corporate Communications
13 department, where I supported the Company's Energy Resources, Finance and Regulatory
14 areas in both internal and external communications. I began my leadership in Customer Service
15 as manager of Avista's Coeur d'Alene Contact Center in 2013.

16 In 2015 I took a role as District Manager for Avista's St. Maries, Idaho service center,
17 leading the local electric operations and representing Avista in the community. In 2016, I was
18 promoted to Senior Manager, Shared Services, leading Fleet, Facilities, Supply Chain, and
19 Corporate Travel functions, and in 2017, was promoted to Director of Shared Services. In
20 2019, I began an 18-month rotation as Director of Energy Efficiency, and in 2020, I applied
21 for and was awarded the position of Director of Business Transformation. My role was recently
22 expanded, and my current title is Director of Strategy & Transformation. In my time in the
23 position, I have established the office of Transformation and Organizational Change

1 Management, and I lead strategic initiatives for the Company, primarily focusing on broad
 2 change initiatives for better cost management, operational efficiency, and organizational
 3 performance.

4 **Q. What is the scope of your testimony in this proceeding?**

5 A. In my testimony I provide an overview of how the Company is responding to
 6 federal funding opportunities available through the Infrastructure, Investment & Jobs Act (IIJA
 7 or Bi-partisan Infrastructure Bill) and the Inflation Reduction Act (IRA). I will also briefly
 8 address other grant opportunities that the Company is involved with.

9 A table of contents for my testimony is as follows:

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13

14

15 **Q. Would you elaborate on why you are providing testimony on grant
 16 opportunities in this rate case?**

17 A. Yes. In the Company’s last general rate case (Docket UE-220053, et. al.), the
 18 Commission in its Final Order expressed its “imperative” that Avista seek out all funding
 19 opportunities in light of the then-recently passed IIJA and IRA. Specifically the Commission
 20 stated:¹

21 We find it imperative that Avista pursue what opportunities the IRA and IIJA might
 22 offer during the time the MYRP is effective. For that purpose, we find it appropriate
 23 for Avista to record and share its efforts for identifying opportunities for rate
 24 mitigation, its efforts in seeking federal benefits, as well as those benefits it actually
 25 receives under the federal programs.
 26

27 My testimony is responsive to the Commission’s directive in that case and provides details on

¹ Dockets UE-220053 et. al., Order 10/04, ¶84.

1 grant opportunities that may benefit the Company and its customers during the proposed rate
2 effective periods.

3 **Q. Are you sponsoring exhibits in this proceeding?**

4 A. Yes. I am sponsoring Exh. AMS-2 through Exh. AMS-5. Exh. AMS-2 is
5 Avista's Wildfire Risk Mitigation Concept Paper, and Exh. AMS-3 is Avista's Smart Grid
6 Grants Concept Paper. Exh. AMS-4 provides Avista's governance and resourcing structure
7 related to grant opportunities. Finally, Exh. AMS-5 provides Avista's detailed grant tracking
8 matrix.

9

10 **II. FEDERAL GRANT OPPORTUNITIES**

11 **Q. Would you please give an overview of federal legislation that is providing**
12 **opportunities for Avista to receive funding?**

13 A. Yes. The IIJA, also known as the Bipartisan Infrastructure Law², was signed
14 into law by President Biden on Nov. 15, 2021, and is a historic investment allocating a total of
15 \$1.2 trillion of funding over five years to improve the infrastructure of the United States.
16 Funding will be allocated for power, grid, and electrification infrastructure investments through
17 direct and indirect grant funding to utilities, states, tribes, and other entities in both the for-
18 profit and non-profit sectors.

19 President Biden signed the IRA into law on Aug 16, 2022.³ The IRA provides \$370
20 billion in grant and loan programs and other investments for clean energy and climate action,
21 along with tax provisions intended to save families money on their energy bills and accelerate

² <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>

³ <https://www.congress.gov/117/bills/hr5376/BILLS-117hr5376enr.pdf>

1 the deployment of clean energy, clean vehicles, clean buildings, and clean manufacturing.

2 Of all of the funding noted above, \$97 billion will be administered by the U.S.
3 Department of Energy (DOE). The DOE's stated goal is to expand "federal investments in
4 research and development, demonstration, and deployment programs to help to achieve carbon-
5 free electricity in the U.S. by 2035 and a net-zero economy by 2050."⁴

6 **Q. Would you describe why Avista is interested in pursuing opportunities to**
7 **obtain federal funding?**

8 A. Yes. Avista has a history of evaluating and pursuing grant funding when it
9 makes sense, in order to reduce or offset customer costs, drive utility innovation, bolster
10 ongoing efforts related to grid resiliency & modernization, community, and economic
11 development, or for work that the Company either plans to do already or that it couldn't
12 otherwise do because of resource constraints or other limitations. For example, when President
13 Obama signed the American Recovery and Reinvestment Act (ARRA)⁵ of 2009, Avista applied
14 for - and received - grant funding for the Pullman Smart Grid Demonstration Project, which
15 gave the Company invaluable customer feedback and learning before successfully deploying
16 advanced metering infrastructure throughout the State of Washington.

17 **Q. Generally, are the operations of the IJJA and IRA the same?**

18 A. No. It's important to clarify that the IRA is different from the IJJA in that the
19 IRA, generally, is designed to benefit businesses and families in the form of tax credits and
20 incentives, loans and rebates for clean energy, electrification, and energy efficiency. Contrast
21 that with the IJJA, which is a grant-based program, with funds available directly to utilities (and

⁴ <https://www.energy.gov/infrastructure/clean-energy-infrastructure-program-and-funding-announcements>

⁵ <https://www.congress.gov/111/plaws/publ5/PLAW-111publ5.pdf>

1 others) for infrastructure projects. As I will discuss, Avista has been focused more on the IJJA,
2 given the direct benefits for Avista and its customers.

3 **Q. Please provide a detailed overview of the IJJA and how funding might benefit**
4 **Avista and its' customers and communities.**

5 A. The IJJA designates \$550 billion of new spending across core infrastructure
6 priorities—including roads and bridges, rail, transit, ports, airports, the electric grid, water
7 systems, and broadband. Within these priorities, \$65 billion in funding for energy infrastructure
8 will be made available for areas including grid reliability, innovation and resilience, new
9 energy technologies such as carbon capture and clean hydrogen, energy efficiency and energy
10 demonstration projects. A further \$7.5 billion has been designated for electric vehicle charging,
11 including a national electric vehicle infrastructure to facilitate long-distance travel and
12 convenient charging. This program will focus on rural, disadvantaged, and hard-to-reach
13 communities.

14 In addition, the IJJA directed funding to the DOE for the Hydroelectric Production,
15 Hydroelectric Efficiency Improvement, and Maintaining and Enhancing Hydroelectricity
16 Incentive programs. Two of these programs were first authorized by Sections 242 and 243 of
17 the Energy Policy Act of 2005 but were not fully funded. Hydroelectric Efficiency
18 Improvement Incentives (EPAct 243) authorized DOE to provide \$75 million in incentive
19 payments for owners or operators of existing hydroelectric facilities to make capital
20 improvements that can improve their efficiency by at least 3%. The third, “Maintaining and
21 Enhancing Hydroelectricity Incentives Programs” (EPAct 247) was created and funded
22 through IJJA. This program invests \$554 million to enhance existing hydropower facilities for
23 capital improvements directly related to grid resiliency, dam safety, and environmental

1 improvements.⁶

2 The IIJA will also direct funding in the areas of public transit (\$39.2 billion), broadband
3 (\$65 billion), and clean school buses and ferries (\$7.5 billion). While most of these programs
4 will not result in grant funding directly for Avista, projects could impact Avista's operations
5 and/or create opportunities to partner with customers and communities, including tribes and
6 school districts, to support grant applications and awards.

7 **Q. How has Avista approached evaluating and pursuing opportunities for**
8 **grant funding through the IIJA?**

9 A. After IIJA was passed, Avista began reviewing the legislation and identified
10 focus areas where it could be eligible as a direct recipient of grants (Direct), or where it could
11 be impacted by, partner with or benefit through grants received by community partners, states,
12 tribes, or other stakeholders (Indirect). Avista initially identified five broad areas to target for
13 opportunities:

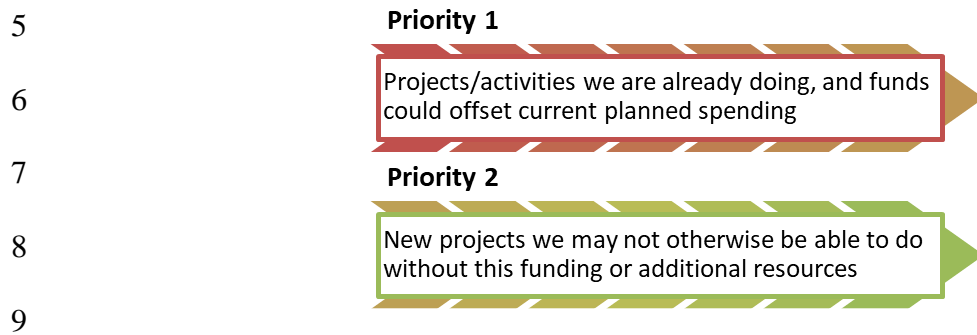
- 14 • Hydropower Incentives Funding (Direct)
15 • Grid Resilience and Innovation Partnerships (GRIP) (Direct)
16 • Broadband (Direct)
17 • Energy Efficiency & Weatherization (Indirect)
18 • Transportation Electrification (Direct & Indirect)
19

20 Since that time, Avista has actively monitored the legislation, and as grant programs
21 are defined and announced, narrowed its focus to hydropower incentives, Grid Resilience and
22 Innovation Partnerships, and Transportation Electrification for Direct funding opportunities,
23 and Energy Efficiency and Transportation Electrification for Indirect funding opportunities.
24 As shown in Illustration No. 1, within these categories, grants that would be prioritized for

⁶ <https://www.energy.gov/gdo/hydro>

1 pursuing align to 1) existing planned work where grant funding could help to offset costs,
 2 thereby reducing the cost of a project to customers, or 2) work Avista would otherwise do, but
 3 doesn't currently have planned because of cost or other resource constraints.

4 **Illustration No. 1 – Funding Priorities for Avista**



10 **Q. Please describe Avista's process for evaluating and applying for a grant**
 11 **opportunity through IIJA.**

12 A. As opportunities are announced for specific grant funding, Avista's process is
 13 to review them first for eligibility. Once Avista's eligibility has been verified, the funding
 14 opportunity is reviewed with Company directors and managers overseeing business units
 15 where projects are located to see what current projects may fit, how much funding is available,
 16 and how the opportunity aligns with the Company's overall grant approach and prioritization
 17 as described above. Before making a formal application, grants are approved by Avista's
 18 executive steering committee.

19 Once Avista has determined to move forward with a grant opportunity, depending on
 20 the specific application requirements, Avista assigns a team to compile any pre-application
 21 requirements and, if approved by the granting agency, submit a full application. For example,
 22 in 2023, Avista applied for two direct grants under the DOE Grid Resilience & Innovation
 23 Partnerships (GRIP) program, under Topic Areas 1 and 2 (detailed later in this testimony).

1 Funding opportunity announcements (FOAs) were issued by DOE in November 2022.
 2 Illustration No. 2 below provides an excerpt of the funding opportunity announcement:⁷

3 **Illustration No. 2 – Funding Opportunity - GRIP**

Topic Area Number	Topic Area Title	Anticipated Number of Awards	Anticipated Minimum Award Size for Any One Individual Award (Fed Share)	Anticipated Maximum Award Size for Any One Individual Award (Fed Share)	Approximate Total Federal Funding Available for All Awards	Anticipated Period of Performance (months)
1	Grid Resilience Grants (40101(c))	10*	N/A	Either the total of the applicant's last three years of resilience investments or \$100 million, whichever is lower**	\$918 Million	60 months
2	Smart Grid Grants (40107)	25-40	N/A	\$50 Million	\$1,080 Million	60 months
3	Grid Innovation Program (40103(b))	4-40	N/A	\$250 Million (Increased award size of \$1 Billion per award for interregional transmission projects only)	\$1,820 Million	60-96 months

17 The DOE required pre-application concept papers to be submitted by December 16,
 18 2022. Upon review, DOE would either “encourage” or “discourage” the filing of a full
 19 application. The DOE received what they described as “unprecedented response to energy
 20 infrastructure needs,” with 244 total concept papers submitted in Topic Area 1. Only 144 of
 21 those were “encouraged” to make a full application. For Topic Area 2, 326 concept papers
 22 submitted, with only 157 being “encouraged” to make a full application. Avista received an

⁷ The full FOA for both the first and second rounds of funding can be found at: <https://www.energy.gov/gdo/grid-resilience-and-innovation-partnerships-grip-program>

1 “encourage” for both concept papers and submitted full grant applications in March and April
2 2023. The concept papers have been provided as Exh. AMS-2 (Wildfire Risk Mitigation) and
3 Exh. AMS-3 (Smart Grid Grants).

4 Unfortunately, Avista received notification in October 2023 that neither of its GRIP
5 applications were selected for grant funding. DOE feedback to Avista was that the applications
6 were generally well written, but that the process was highly competitive, with less than 20%
7 of applications being selected for negotiation across the GRIP program. The DOE also
8 encouraged Avista to apply again in the next round of GRIP funding, which was announced on
9 Nov. 14, 2023. Concept papers for this round of funding are due in January 2024, and as of the
10 writing of this testimony, Avista is evaluating which projects to submit concept papers for.

11 **Q. Why doesn’t Avista pursue each and every grant it may be eligible for?**

12 A. Avista has pursued most grants the Company is eligible for. That said, there are
13 important considerations as to why the Company would be less likely or choose not to pursue
14 a grant. For example, some grants require substantial changes in priorities, resources,
15 administrative processes, or work plans that would likely cost more than the award amount. In
16 some cases a grant category is outside of Avista’s core competency, or upon detailed review,
17 potential Avista projects do not qualify for funding, or other grant requirements make Avista
18 ineligible.

19 It is important to note that the administration of grant applications and managing and
20 complying with grant requirements once received can cause more burden and cost than the
21 grant value. Compliance, particularly with federal grants, can be complex and require extensive
22 changes in practices. For instance, Avista is currently evaluating payroll changes that could be
23 required by the Davis-Bacon Act, which would apply to Avista for any federal grant awards

1 received.⁸ The changes necessary for compliance, in this example, could be significant in terms
2 of scope and cost. This is not to say such regulations are deal breakers, but rather are meant to
3 show that there really is no such thing as “free money”. For these reasons, Avista has
4 established a general minimum threshold of approximately \$2 million for pursuing a grant.
5 With these considerations, Avista has chosen not to pursue some direct broadband grants,
6 cybersecurity grant dollars pegged mostly for smaller organizations, and pumped storage
7 grants.

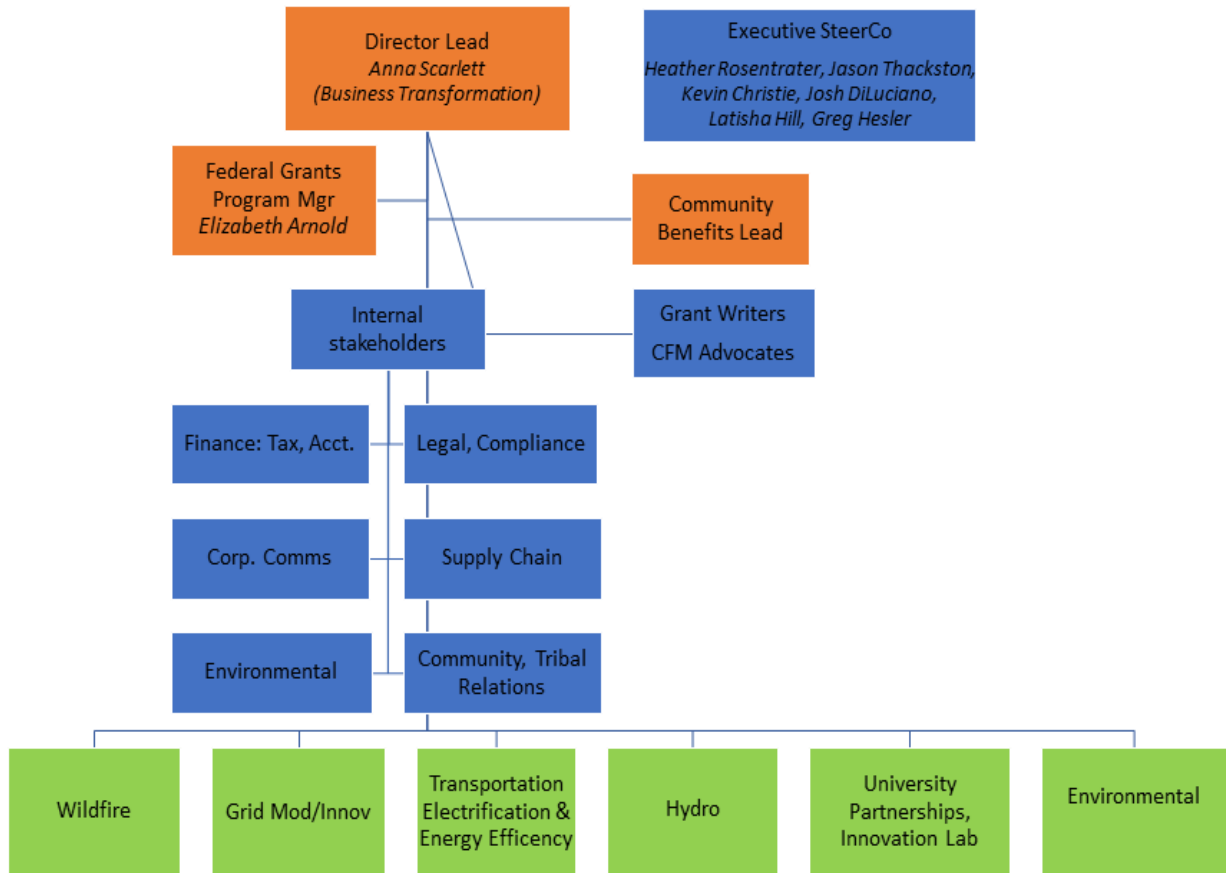
8 **Q. Please describe where in Avista’s organization the federal grant work is**
9 **located and how Avista is resourcing the work.**

10 A. I am responsible for Avista’s federal grant program, which is located in the area
11 of Strategy and Clean Energy, under Senior Vice President, Chief Strategy & Clean Energy
12 Officer, Jason Thackston. The program has evolved since 2021, and now has a full-time
13 program manager and cross-functional governance. See Illustration No. 3 below for the
14 governance and resourcing structure (and Exh. AMS-4 for further details). Over the next two
15 years, Avista will continue to develop our federal grant strategy and program, which the
16 Company anticipates will include management and compliance of a growing number of grant
17 awards.

18

⁸ <https://www.dol.gov/agencies/whd/government-contracts/construction>

1 **Illustration No. 3 – Grant Org Chart**



15 **Q. Will you please list all grant activities Avista is currently involved in?**

16 A. Yes. Please see Table No. 1 below, which is current as of the date of this
 17 testimony. See also Exh. AMS-5, which is a detailed grant tracking matrix (current as of the
 18 date of this testimony.)

1 **Table No. 1 – Grant Summaries**

Direct Grants (Avista is primary grant applicant and recipient)				
Grant	Avista Project	Est. Grant Amount \$	Approximate Match \$	Status
DOE Maintaining & Enhancing Hydroelectricity Incentives Sec. 247	Projects across 3 categories: Dam Safety, Environmental, Grid Resiliency Selected for application: <ul style="list-style-type: none"> Long Lake Modernization Cabinet Gorge Fishway Little Falls Fishing Platform 	Up to \$5M per Project	No	15 Letters of Intent Submitted 6/22, full applications Submitted 10/06, awaiting notification
DOE Hydroelectric Efficiency Improvement Incentives Sec. 243	<ul style="list-style-type: none"> Post Falls Upper Falls Noxon Rapids 	Up to \$5M per Project	No	Submitted 6/20, notified 11/6/23 all three projects were approved for next round of evaluation.
Energy Improvements in Rural or Remote Areas	Spokane Tribe Geothermal Project	Up to \$5M	No	Pre-application submitted 7/13 Not approved to proceed to full application
IIJA & Idaho Office of Energy & Mineral Resources (OEMR)	Idaho Energy Resiliency Grant Program – Various Projects in grid hardening, vegetation management	Up to \$230K	50% Cost-Share	One grant received in Phase 1, Phase 2 applications Due Nov. 2023
DOE Grid Resilience & Innovation Partnerships (GRIP) Round 1	Wildfire Risk Mitigation Program	\$50M (Five Years)	\$50M	Submitted 4/6, Notified in Oct. that we were not awarded in this round – will apply in next round of funding
DOE GRIP Round 1	Community Grid Platform – Digital Substation	\$17M	\$19M	Submitted 3/17, Notified in Oct. that we were not awarded in this round – will apply in next round of funding
WA EV Charging Program	<ul style="list-style-type: none"> Public Charging Fleet Depot & Workplace Charging Multi-Family Housing 	\$64M	No, grant covers cost-share	Applications Due Dec. 1, 2023

WA DOT National Electric Vehicle Infrastructure (NEVI) Formula Program	Avista EV Program	\$10.5M Year 1, \$71M over 5 years		RFP Due Q1 2024
WA Dept of Commerce, DOE Clean Energy Fund 1-4	<ul style="list-style-type: none"> • Energy Storage • Microgrid • Eco-District HUB • Transportation Electrification • Avista/PNNL Digital Lab • Spokane Tribe Microgrid 	\$12M	Typically 50%	Since 2014, we have received various grants.
DOE Connected Communities	EDO/Avista Connected Communities Program	\$1.4M	\$3.2M	Awarded 10/21
Indirect Grants (Avista is a partner or would be a sub-recipient of grant)				
Grant	Project	Est. Grant Amount \$	Avista Role	Status
ZAP (Zero-emissions Access Program) – WA Dept. of Transportation	GU EVs for public and coop rentals	\$240,000	EV Chargers	Awarded
Clean School Bus Program – US EPA	Electric Buses	Up to \$50,000 per site	Outreach, EV chargers	Awarded
DOE Grid Resilience & Innovation Partnerships (GRIP)	Advanced Solutions for Wildfire Mitigation (technology for wildfire mitigation and detection)	\$38M across Wash., Idaho, Oregon, Calif.	Avista is one of several utility subrecipients with UMS Consulting as primary applicant	DOE Selected this grant for negotiation in October
SUSDA Carbon Reduction	Kettle Falls Re-rate Project/Myno	\$40M	Kettle Falls Owner	Awarded, pending NEPA Approval
National Science Foundation	Regional Energy Platform for Grid Resiliency, Innovation and Decarbonization (Intent)	\$1M	Partner	Awarded
Solar Plus Storage for Resilient Communities (WA Dept. of Commerce)	Martin Luther King Jr. Community Center	Up to \$5M	Battery installation	Submitted 3/23, Notified in Aug. that we were awarded \$1.5M
DOE Tribal Formula Grant Funding for Energy Resilience	Spokane Tribe, potentially others grid hardening	\$991,000	Sub-recipient	Submission deadline extended, in-process

1 **Q. Is the Company also looking at other opportunities for grant funding**
2 **outside of IIJA and IRA?**

3 A. Yes. Avista actively evaluates grant opportunities for federal and state funding
4 through this legislation and other legislation. Those opportunities are shown in Table No. 1
5 above and in Exh. AMS-5.

6 **Q. Would you describe how Avista’s grant program is incorporating equity?**

7 A. Yes. Avista is considering energy equity and energy justice a number of ways
8 in developing its federal grant program and strategy. In Spring 2021, Avista formed the Equity
9 Advisory Group (EAG) to advise Avista on equity issues including, but not limited to:

- 10 • Designation of Vulnerable Populations.
- 11 • Designation of Highly Impacted Communities.
- 12 • Development of Customer Benefit Indicators.
- 13 • Recommendations for the equitable distribution of energy and non-energy
- 14 benefits and reduction of burdens to Vulnerable Populations and Highly
- 15 Impacted Communities.
- 16 • Identification of barriers and solutions to public participation
- 17

18 Avista’s EAG includes representatives from organizations such as environmental justice,
19 public health, tribes, Highly Impacted Communities, Vulnerable Populations, youth, and
20 LGBTQ. In developing its grant program, Avista has engaged the EAG and plans to continue
21 to leverage this group to provide feedback.

22 In addition to the EAG, Avista engages with other community partners, such as
23 AHANA, Spokane Workforce Council and Center for Energy Workforce Development,
24 (which seeks to include underrepresented populations during the hiring process) throughout
25 the grant program and as applications are prepared and submitted.

26 For each federal grant application, Avista is required to submit a Community Benefits

1 Plan. As part of the Community Benefits Plan portion of grant applications, Avista must discuss
2 its efforts in Diversity, Equity, Inclusion and Accessibility (DEIA), which includes employees,
3 suppliers, customers and communities, Investing in the American Workforce, Community and
4 Labor Engagement, and the Justice40 Initiative.

5 Federal funding through IJA and IRA is subject to the Justice40 initiative⁹, which
6 requires that 40% of benefits of certain types of federal investments benefit Historically
7 Disadvantaged Communities. For each federal grant application, Avista is required to identify
8 and evaluate benefits from grant-funded projects to these communities. Avista uses the Climate
9 and Economic Justice Screening Tool (CEJST) to identify Historically Disadvantaged
10 Communities within our service territory when considering projects for grant funding
11 opportunities and when compiling applications. Avista has imported the CEJST map and
12 overlaid it in the system to understand where it overlaps with the Company's Washington
13 Named Communities database.

14 **Q. Please give a detailed overview of the Inflation Reduction Act as it relates to**
15 **Avista and Avista's customers and communities.**

16 A. The Inflation Reduction Act provides \$370 billion in grant and loan programs
17 and other investments for clean energy and climate action, tax provisions that will save families
18 money on their energy bills and accelerate the deployment of clean energy, clean vehicles,
19 clean buildings, and clean manufacturing, and energy efficiency & electrification programs.

20 Highlights of the IRA include:

- 21 • Utility Clean Energy
- 22 • \$2 billion for transmission facility financing
- 23 • \$760 million in grants to facilitate the siting of interstate transmission
- 24 lines

⁹ <https://www.whitehouse.gov/environmentaljustice/justice40/>

- 1 • Tax credits for wind/solar development
- 2 • Carbon Capture and Sequestration – tax credits to 2033
- 3 • Grants for hydrogen development
- 4 • Customer-owned Renewables
- 5 • 30% tax credits for installations through 2032
- 6 • Electric Vehicles
- 7 • \$7,500 new and \$4,000 used passenger EV purchase tax credit until
- 8 2032
- 9 • Medium duty commercial tax credits from \$7,500 to \$40,000
- 10 • \$1 billion for clean school buses
- 11 • Energy Efficiency (EE)
- 12 • \$9 billion for EE and electric appliances, tax credit of 30% through 2032
- 13 • \$4.3 billion for whole home EE retrofits
- 14 • \$4.5 billion for high efficiency electric home rebate program
- 15 • Wildfire
- 16 • Grants for fire-resilient forests

17
18 **Q. How has Avista approached evaluating and pursuing opportunities**

19 **available through the IRA?**

20 A. Avista has continued to monitor tax regulations and programs for potential
21 benefits available through the IRA that might impact Avista and its customers, as well as
22 opportunities to partner with states and others. In April, the Internal Revenue Service issued
23 guidance¹⁰ stating the intent of the Department of the Treasury (Treasury Department) and the
24 IRS to propose regulations addressing the application of the rules that taxpayers must satisfy to
25 qualify for the energy community bonus credit under §§ 45, 45Y, 48, and 48E of the Internal
26 Revenue Code (Code). It does not appear Avista has communities in its service territory that
27 meet the definition of an energy community; however, the communities in and around the
28 Company's thermal plants (Colstrip, Coyote Springs II), do meet the definition¹¹. Avista will
29 continue to monitor IRS and Treasury regulations that may apply to the Company and its
30 customers.

¹⁰ <https://www.irs.gov/pub/irs-drop/n-23-29.pdf>

¹¹ <https://arcgis.netl.doe.gov/portal/apps/experiencebuilder/experience/?id=a2ce47d4721a477a8701bd0e08495e1d>

1 On July 27, the U.S. Department of Energy (DOE) released guidance for the IRA’s two
2 home energy rebate programs—the Home Efficiency Rebates Program (previously HOMES)
3 and the Home Electrification and Appliance Rebates Program (previously HEEHRA). While
4 these programs are not available directly to Avista, they are available to states and territories to
5 benefit households through energy efficiency and electrification upgrade programs across the
6 country. The new guidelines aim to make the programs easy to participate in, provide
7 opportunities for programs to begin as soon as this year, and encourage collaboration between
8 utilities and the new programs. Avista participated in DOE’s FOA 0002981, a Request for
9 Information (RFI) for Home Energy Rebates Best Practices, submitting comments on general
10 best practices for this RFI in February of 2023.

11 The application process is expected to take several weeks or months before many States
12 and territories are ready to submit their program applications for DOE approval. The State of
13 Washington expects to receive funding in early 2024 and begin to distribute funding no earlier
14 than mid-2024. The State Energy Office will develop a new high efficiency electric home rebate
15 program, which will allow rebates at the point of sale for income-eligible consumers on a range
16 of highly efficient electric equipment and electrification projects, and an efficiency rebate
17 program, which will provide rebates to homeowners and aggregators for whole-house energy
18 savings retrofits.¹²

19 **Q. How is Avista partnering with the State as it develops its rebate programs?**

20 A. While the programs are still being developed, Avista is very interested in

¹² <https://www.energy.gov/scep/home-energy-rebate-programs-guidance>;
<https://www.commerce.wa.gov/growing-the-economy/energy/federal-funding-for-buildings>;
<https://www.clearesult.com/insights/IRA-utility-collaboration>

1 partnering with the State of Washington and others to understand how best to benefit customers
2 and communities. Avista will engage proactively and as opportunities arise, including through
3 participation in utility roundtables and other forums, including multiple Washington State
4 Department of Commerce Home Energy Rebates Utility Roundtables.

5 **Q. Does this conclude your pre-filed direct testimony?**

6 A. Yes.