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**U-210254**

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Jeff Killip,  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, Washington 98503

**RE: Docket U-210254 - Avista's Response Related to Wildfire Preparedness**

Dear Mr. Killip:

Avista appreciates the opportunity to provide a response to the Commission's Notice of Recessed Open Meeting to discuss Utility Wildfire Preparedness ("Notice"). In the Commission's Notice, it requested Avista, Pacific Power, and Puget Sound Energy to provide information regarding "regulated electric utilities communication plans for the 2024 wildfire season, effectiveness of the plans at the beginning of the season, any lessons learned from prior plans, and ongoing updates to the mitigation and communication plans."

Attached for electronic filing with the Commission is Avista's Wildfire Preparedness presentation for the July 22, 2024 Open Meeting regarding Avista's wildfire preparedness.

In addition, the Commission further asked the utilities to respond to the following questions and requests for information in their responses and be prepared to discuss these at the recessed open meeting. Avista's responses to the Commission's questions and requests for information are provided below.

Please be advised that a portion of the information contained in this filing is confidential in nature, per WAC 480-07-160. The information is considered confidential and constitutes valuable commercial information as defined by WAC 480-07-160(2) and protected under WAC 480-07-160.

**Communication Plans**

**1. Are current communication plans working as intended? Have any gaps been identified already this wildfire season?**

Response: Our wildfire communications goals are to create awareness of Avista's plan to prevent or mitigate wildfire risk, promote the safety and well-being of all customers, and engage customers in programs that impact them and their communities. This year we have done more pre-season

engagement on wildfire than ever before. We announced adding Public Safety Power Shutoff (PSPS) to our wildfire plan in early May, and have continued outreach to customers, encouraging them to update their contact information, especially those who are especially vulnerable, and be prepared for outages. As we enter fire season and enable Fire Safety Mode, we notify customers with an email and a press release to local media.

Each year, especially in our Town Hall meetings with customers, community leaders, and first responders, we gather feedback and input used to continually improve our communications and outreach. This year outreach tactics include:

- **Avista Connections:** Articles in Avista’s mailed and emailed customer newsletter in advance of fire season in June to help educate all customers about Avista’s Wildfire Resiliency Plan and inviting them to our telephone town halls. We also include wildfire-related updates in July, August, and September newsletters.
- **Telephone Town Halls:** Avista uses this platform to communicate broadly with customers in highly impacted communities, including vulnerable populations and medically vulnerable customers, about overall wildfire risk and preparations for fire season. In addition to answering customer questions, this platform also yields helpful information about how our customers are preparing and what is most concerning to them. In these meetings we share updates on our wildfire plan progress and plans for the future. We invite emergency management professionals from the associated region to each town hall. This year we held a total of six Telephone Town Halls events, targeting all electric metered customers in the Avista service territory. The events were held in both June and July and had an option for either Spanish or Russian translation.
- **Print ads:** In July and August we run a series of print ads in more rural communities about our wildfire resiliency efforts, including the addition of PSPS. We ask customers to make sure their contact information is up to date with Avista so we can reach them as needed about changes to operations in their area. More than 130 ads run in 33 different publications, including several in Spanish, and reach a circulation of 250,000.
- **Community Meetings:** Led by our regional business manager team, Avista hosts meetings with emergency management organizations in counties that have the highest wildfire risk in our service territory.

We believe our multi-channel approach is reaching our customers and communities and continue to receive positive feedback from customers and partners.

As we monitor sentiment and comments online and in meetings with customers, we have noticed that PSPS is a complex concept to grasp and has created confusion. We are focusing on additional education in that area to make sure all of our customers are prepared.

## **2. How are communications reaching non-English speakers, deaf, blind, and hard-of-hearing customers?**



Response: We have identified that five percent of Avista customers speak a primary language other than English and of those, 95 percent speak Spanish as their primary language, encouraging us to focus on Spanish. Avista developed a variety of materials in Spanish which are distributed through our outreach channels and community events. We launched our website in Spanish in April of this year. We had a Spanish option for all six of our telephone townhalls this summer. Our ad campaign was also created in Spanish and is running in Spanish publications in our service territory.

We are also working on including additional languages. Avista’s website and outage map are now available in English and Spanish. All wildfire-related print materials are also available in English and Spanish. We have a language line option so that customers can talk to someone in their own language when they call customer service. Avista hosted a booth at Latinos in Spokane’s El Mercadito event to share various programs with the Latino population in Spokane, including wildfire and PSPS. There were two staff fluent in Spanish at the outreach table for this event. Also this year for the Telephone Town Hall Events we provided either Russian or Spanish for the 6 events. There were 79 customers that identified as Russian, and for Spanish, 1,192 customers, providing a total of 1271 non-English speaking customers.

Avista’s notification process for active events involves email, social media posts, web banners, text, and phone callouts. Our videos are also subtitled. We are working with the Department of Social and Health Services (“DSHS”) and the Office of Deaf and Hard of Hearing to further our outreach to this audience and learn how to best translate our messages into American Sign Language. Avista presented its Wildfire Resiliency Plan to approximately 80 staff from DSHS and then collected feedback and answered questions, especially related to customer support around potential PSPS events. Avista is remaining in contact with DSHS to continue to refine and improve our communications in this area.

**3. Explain in detail how your utility is partnering with local emergency managers, first responders, fire districts, neighboring utilities, other critical infrastructure providers (e.g., healthcare, telecom), and the state’s Energy Resilience and Emergency Management Office (EREMO). Have you shared, in writing, your communication plans with the above list of partners? How are the communication channels and procedures working among these entities? Are there any lessons learned so far?**

Response: Since 2022, Avista has been building relationships and partnering with local emergency managers, first responders, fire districts and elected officials across our Washington and Idaho service territories in support of Avista’s Wildfire Resiliency Plan. This includes county and city emergency managers, local emergency planning committees (LEPCs), local public health jurisdictions (LHJs), fire chiefs, critical infrastructure providers, public safety leaders, the Washington Department of Natural Resources (DNR) and Idaho Department of Lands (IDL), and a variety of elected officials in our highest fire threat regions. With the addition of Public Safety Power Shutoffs (PSPS) to our plan in 2024, Avista has again reached out to all of these partners to communicate the changes to our plan and responded to many additional requests for presentations from a variety of government and community groups. This spring the Community Outreach Team conducted meetings with Emergency Managers in 16 counties in addition to telephone town hall meetings with customers to update them on Avista’s Wildfire Resiliency Plans, including PSPS and Fire Safety Mode operations. The Company has also worked with our Regional Business Managers and Account Executives to identify



and engage with critical infrastructure in their areas (such as water, wastewater/sewer, healthcare facilities, and emergency responders).

Interactions with these key public safety partners also include attending meetings to present and discuss this year's wildfire resiliency plan (featuring PSPS), working with municipalities and agencies to identify critical infrastructure with an emphasis on water and wastewater treatment facilities, updating the notification process (who, how and when) for Extreme FSM and PSPS, and working with some of these partners to identify locations for Community Resource Centers (CRCs) in the event of a PSPS. We also invited all of these partners to participate in the June 6 tabletop exercise to continue to build readiness, awareness, and relationships around PSPS, and to participate as guest experts in Avista's series of wildfire Telephone Town Hall meetings (TTHMs) that occurred from June 11 – July 2. Avista continues to engage with these key public safety stakeholders as we enter wildfire season. We have not yet shared our written communication plans with these key public safety partners (they have not requested), but we believe they have a solid understanding of our plans and strategies. We continue to strengthen and expand these partnerships across our service territory.

Avista's solid partnership with Spokane County Emergency Management has led to efforts now underway to use the County's emergency notification system ("Code RED") to notify anyone in the vicinity of a potential PSPS area via the Wireless Emergency Alert (WEA) system. We are currently working through the technical details to stand up this system in Spokane County. We are reaching out to neighboring counties in Washington and Idaho (each with their own emergency notification system) to explore the potential for a similar partnership to help amplify Avista's PSPS communication plan.

The Company also completed identification of critical commercial/industrial customers for notification during elevated Fire Safety Mode protection settings as mentioned above. Recognizing who these customers are, the critical services they provide to customers and to society, and where they are located makes it possible to do as much as possible to protect their energy supply and/or restore their service as quickly as possible in the service of protecting public health and safety. On the utility front, we invited all of our connected utilities to the June 2024 table top exercise and have offered to have joint discussions with all who would like to engage further.

We have been in communication with the state's Energy Resilience and Emergency Management, participating with them in their April PSPS workshop and invited them to participate in our PSPS June exercise. Our two teams have developed joint communication protocols and processes around a PSPS event and believe we have a strong partnership in place. They are aware of our PSPS Plan but have not yet requested it.

Avista's established communication channels and procedures worked well during the 2022 and 2023 wildfire season and we do not anticipate any issues with these channels continuing to work in 2024. As for lessons learned to date, we continue to hear that the biggest concerns of our public safety partners are access to water and concern for medically vulnerable individuals in the event of a summertime power outage. Many municipalities and agencies (especially those in rural areas) do not have back-up generation for critical water and wastewater treatment facilities, which is high cause for concern, and issues we are working to address. And, as we have worked through the process to stand



up the WEA system in Spokane County, we have learned that although each individual county has its own system, not all are as robust as Spokane County so there is room for improvement in that area.

**4. To date, how have communication plans been utilized to communicate with customers, including Highly Impacted Communities, Vulnerable Populations, and medically vulnerable customers this wildfire season overall? Have these plans identified specific wildfire risks or events?**

Response: Avista attends community events throughout our service territory, with a particular focus on Named Communities. Many of these communities are rural or represent limited-income populations. In addition to information on bill assistance options, we also distribute materials on wildfire resiliency and PSPS. We began communicating with customers in February of this year with a bill insert, in both English and Spanish, asking customers with medical needs to contact us so we can reach out to them. We want to ensure we are reaching all customers with medical needs when there are risk events. This goes beyond our life support customers to include all customers with medical equipment that require electricity. In our Town Hall events we ask customers to report themselves or family members if they need specialized assistance.

Avista developed a Community Response for Vulnerable Populations During Outages (CRVP) Stakeholder Group which includes nearly 40 representatives from organizations and agencies that serve vulnerable populations, as well as municipal departments and emergency managers. The vulnerable populations represented by the membership in this group include refugees and immigrants, seniors and aging populations, folks with disabilities, limited-income communities, and those with high health risks. Avista invited the CRVP group to attend a 2-hour workshop at our headquarters focused solely on wildfire. We shared Avista's Wildfire Resiliency Plan, provided handouts on the Public Safety Power Shutoff, and gathered information/feedback on how best to reach our vulnerable communities with this information.

In 2022 we developed an outreach framework for proactively notifying life support customers on elevated (FSM) feeders. We have added a life support customer flag to all the feeder lists, making it possible for Avista to quickly identify these special needs customers and proactively call them to make sure they are aware of potential outages due to the weather and potential wildfire threat and to provide support. The process is very similar to what we do for planned outage notifications, utilizing Avista's Customer Assistance Referral and Evaluation Services outreach teams ("CARES Team"). The CARES Team is a specialized team within Avista's customer contact center that supports our most vulnerable customers by helping them with their Avista account and acting as a liaison between the customer and community partner support networks. They are specially trained to help people who need assistance with their energy bills or other resources such as food, housing, and medical care. Customers with medical equipment in the home are handled with special consideration by this team. In 2022 and 2023 their efforts included identifying and reaching out to our most vulnerable customers.

Community outreach efforts with the tribes included a number of discussion topics including concern for tribal elders and medically vulnerable tribal members. The tribes are partnering with Avista to further identify these vulnerable populations (some tribes already have partial lists) and see what can be done to help support them in the case of an extended power outage.



Avista is also working closely with its Equity Advisory Group to fully develop and identify Highly Impacted Communities and Vulnerable Populations (“Named Communities”) unique to the Company’s service territory. The identification of customer barriers, development of workable solutions, and implementation of an effective multilingual communication strategy is an ongoing process, but one that Avista believes to be integral to the success of the Wildfire Plan as well as PSPS planning and implementation. Avista is steadfast in ensuring that all customers have access to programs and utility-related information. These efforts will be reflected in our wildfire outreach efforts going forward, especially in the areas of public safety and notification, but also in relation to providing information about our Wildfire Plan and its associated programs.

In addition, in 2023 Avista launched an employee team of volunteer Community Response Ambassadors who trained with the Red Cross to provide help and support to our most vulnerable customers.

Avista also offers a battery backup program to qualified Life Support customers.

**5. How are you measuring the effectiveness of communication to your customers regarding wildfire mitigation activities, preparedness and response coordination?**

Response: We monitor effectiveness in a number of ways, including through customer satisfaction research, monitoring open rates of emails, and tracking media mentions and online sentiment. We have seen a positive response from customers and community partners.

**a. Are there any lessons learned so far?**

Response: We need to continue educating people on PSPS, when it might be used, and how it may impact them. Fire Safety Mode and PSPS are complex topics, and some of this will just take time. We plan to work with local media to explain more of the system and how it works during the summer.

**b. If communications were not distributed to all customers, please explain who was excluded and why.**

Response: Communications have been distributed to all customers. However, when projects only impact a certain subset of customers, we will target communications to them. For example, our undergrounding project materials have only been sent to customers who will see an impact.

**Public Safety Power Shutoffs (PSPS)**

**6. Have you finalized your PSPS plan? If so, have you published it for the public to review and understand its potential scope? Have you provided a copy to the EREMO to support the utility in addressing downstream impacts?**

Response: Avista’s PSPS Plan is nearly finalized for the 2024 wildfire season. The operational portions of the plan are complete and have been finalized internally. The only outstanding item is work on a plan appendix related to Community Resource Centers. Once that is complete, the Plan



will be signed internally and published for public consumption. The EREMO has not yet requested a copy of this report, though we recognize and appreciate their offer to provide assistance as needed.

**7. Explain in detail what resources you are providing to customers who will be impacted by a PSPS or emergency de-energization. How is this effort being coordinated and communicated to your customers?**

Response: Avista will be standing up community resource centers (CRCs) in areas impacted by PSPS events. We have partnered with third party contractor Fire Dawg to help assist with CRC setup and operation. CRCs generally include air conditioning, electronic and medical device charging, snacks/water/ice, and information regarding the outage. Avista is also offering a battery backup program to qualified Life Support customers who have been verified through a medical provider. Avista is partnering with Goal Zero to provide a 3000 watt battery at no cost to the Life Support customer. The batteries will be shipped directly to the customers residence. Postcards have begun to go out to Life Support customers regarding the program. A specialized customer support team will assist with the battery order and answer questions about the program.

Avista updated our existing Outage Map to provide additional communications related to a PSPS event. Customers can go onto the outage map to see if they are in an area which could potentially be experiencing a PSPS in the coming days. Up to 7 days out customers would be able to see if they are in a PSPS Watch, at approximately 2 days they would be able to see if they are in a PSPS Warning and they would be able to see if their outage is related to a PSPS event as well.

Regarding communications, prior to an event, Avista will utilize multiple communication channels to reach customers and inform them about a potential PSPS event in their area, including available customer services. This information will also be published to our social media pages and provided to our emergency management partners to disseminate out as well. We will also connect customers with Washington and Idaho 211 services for additional assistance that Avista cannot provide. In addition, we have a robust partnership with access and functional needs population support agencies who will be notified of potential PSPS events in an effort to further support customers.

**8. Can you explain in detail your communication plans for a PSPS, including estimates of the outage duration and time for customer restoration?**

Response: Avista has put together a robust notification plan for PSPS events including email, IVR callouts, press releases, web banners, outage map updates, social media, text alerts (during outage), messages to community-based organizations and communicating with public safety partners. Estimates for outage duration and time for customer restoration depend on the magnitude of the event. These estimates are updated frequently as new information becomes available. If the need should arise, Avista is prepared to call for mutual aid to assist with the restoration process to get power restored as quickly as possible.

**9. What analysis did your utility use to determine your high-risk areas when issuing a PSPS?**



Response: A Top 25 list was developed to identify areas most likely to experience a PSPS event based on the analysis of the risk of the feeder and historic data, however, that list doesn't preclude other feeders on Avista's system from experiencing a PSPS if the risk model indicates such means are necessary to protect life and property. Avista has been continually improving its Fire Weather Dashboard which pulls in weather forecast data, wind speeds, relative humidity, fuel conditions and historic data to produce a risk score associated with a feeder or portion of feeder to assist in determining the risk levels on each individual feeder on our system.

**10. How will your utility document the impact of a PSPS on reliability and cost of operation?**

Response: As this is our first fire season implementing a PSPS, we are looking to industry standards, peer utility strategies, and potential technology/modeling/software to help us define the impacts and costs of a PSPS event. As we experience such an event, we expect to gain insights that will help us identify the use of metrics specifically associated with a PSPS.

**11. How will your utility document and assess the effectiveness of a PSPS in reducing the risk of ignition and the safety of customers and responders?**

Response: Challenges always exist in quantifying the effectiveness of actions that intended to prevent things from occurring (i.e., ignition events). We know based on industry best practice that PSPS is an effective means of reducing risk of utility-caused wildfires because this event proactively de-energizes powerlines ahead of potential ignition situations. That is a primary factor in why PSPS has become a utility standard tool in wildfire mitigation planning. However, we can track the number of circuits that were de-energized for PSPS and the number of customers impacted. We can also track the number of Fire Safety Mode devices that locked out for a sustained fault during a PSPS event, which could be an indicator of a potential for a spark to have occurred. In addition, during our patrols as part of the re-energization process of a PSPS event, we will be documenting any potential ignition sources that are found that were prevented as a result of the PSPS event.

**Insurance Plans**

**12. Please provide a narrative response on whether the utility currently has adequate insurance coverage for potential liability associated with wildfires. In this narrative, please provide information on changes in the cost of coverage and how your insurance provider is calculating risk. [Note: The current litigated cases pertaining to wildfire do not allow for discussions on specific insurance costs or the effect of wildfire risk on borrowing costs.]**

Response: Avista currently carries wildfire limits commensurate with modelled third-party property damage and estimated bodily injury damages. Our level of limits falls within a range comparable with other Pacific Northwest peer investor-owned utilities. The challenge facing today's utilities is that actual damages can very easily exceed modelled scenarios, insurance capacity and/or other risk transfer mechanisms. The current aggressive litigious environment that exists related to wildfire losses has resulted in large demands being filed within days of the occurrence of a fire, often before causation and responsibility has been established. Moreover, they have increasingly included theories that have not been recognized in past wildfire cases in our jurisdictions, most notably claims of inverse condemnation (i.e., strict liability) and demands for non-economic damages (i.e., pain and suffering),





the latter of which can vastly outsize the actual economic losses at issue. The legal uncertainty regarding the viability of these theories provides an added layer of variability and complexity in the assessment of potential risk exposure. All of these factors can result in immediate credit down grades and liquidity issues for utilities and can push them towards bankruptcy, even before all the relevant facts and responsibilities have been determined. This not only makes it more difficult for utilities to obtain the capital necessary for recovery efforts and ongoing operations, but also imperils the on-going viability of utilities facing the aftermath of large wildfires. Solutions to this multi-faceted problem are outside of the sole control of utilities, and will require collaboration among numerous stakeholders, including the state law making bodies, regulatory commissions, and offices of insurance.

Insurers use an array of wildfire risk assessment models to assess risk, which in turn are used in part to establish the premiums they charge. The models incorporate a variety of variables which may include current and historical weather, drought trends, regional historic fire starts and size of fires, proximity and density of structures to the Wildland Urban Interface (WUI), miles of transmission and distribution assets located in or near the WUI, and maturity of a subject utility’s wildfire mitigation plan including existence of Public Power Shutoff Plan (PSPS). Not only are the results of these models used to determine the amount of additional wildfire premium to be charged, but depending on the degree of risk identified, may result in a reduction of limits offered, or even a refusal to provide wildfire coverage in any amount.

Wildfire risk continues to have a significant impact on insurance costs for Avista. For the 2020 year, the last in which Avista did not incur a wildfire premium, our total excess general liability premium accounted for 36.8% for our total insurance spend. Since then, we have incurred additional wildfire premiums every year which have contributed to significant increases in our excess liability and total insurance spends. For 2024, our wildfire premium will surpass our entire insurance program spend of 2020. The total 2024 spend represents an approximate increase of 286% since 2020.

Utilities have minimal ability to influence or mitigate wildfire premiums as they are now driven primarily by macro factors outside of their control. The macro concerns have driven wildfire rate increases for Avista over the last several years as follows:

- [REDACTED]
- [REDACTED]



[REDACTED]

- [REDACTED]

Dynamics of the wildfire insurance market remain fluid and are constantly changing due to such factors as changes in wildfire risk across geographic regions, occurrence of large utility caused wildfires, and overall capital capacity in the marketplace available for wildfire liability insurance. Prior to the occurrence of large wildfires in California in 2017-2018, utilities could typically purchase, if they so chose, wildfire coverage limits of approximately \$1 billion. As insurance companies have decreased the limits they're willing to offer since then, the total available amount of wildfire coverage in the standard commercial market has decreased to limits in the range of \$200 million to \$300 million. Any additional limits above this amount are having to be filled through self-insurance, alternative risk transfer mechanisms such as captive insurance, or some other form of non-traditional risk transfer mechanism which cost even more than current commercial insurance solutions and take more time and effort to arrange.

This year, Avista will be pursuing approval from the Washington state Office of the Insurance Commissioner to establish a captive insurance program. Captive insurance is a risk transfer mechanism that allows the insured to act as its own insurance company. Entities often establish these when they have coverage that's either hard to place, or no longer exists within the marketplace. In Avista's case, a captive is being formed because there are concerns that insurance capacity may not exist at the end of the year for some part of its wildfire insurance program when it is time for Avista to renew its wildfire coverage. This scenario could arise if there have been major fires in the industry



throughout the course of the year and insurance companies decide to no longer deploy capital for that year to insure wildfire risk. A captive will allow Avista direct access to the reinsurance market where it may be able to find alternative coverage. It is also a mechanism whereby Avista could self-insure a portion of the risk.

Avista, along with other utilities, continues to face continual significant premium increases in wildfire coverage. There is currently capacity in the market to provide a modest amount of insurance coverage, but as seen in recent fires in Boulder, CO, Maui, HI, and north Texas, damages from utility caused wildfires can easily surpass limits of coverage available through the commercial insurance marketplace. The continuation of climate warming trends and continued large utility fires creates the very real possibility that wildfire coverage may not be available in the future. The immediate pursuit of litigation following fires also poses an acute problem for utilities as it creates significant liquidity issues and hampers the ability to raise necessary capital to respond to events as well as pursue normal operations. A collaborative approach amongst various industry stakeholders needs to be pursued to initiate the policy changes, liability standards, risk transfer, and liquidity solutions required to maintain utilities as viable operating entities in the ever increasing wildfire risk environment.

If you have any questions regarding this filing, you can contact me at 509-495-8601 or [liz.andrews@avistacorp.com](mailto:liz.andrews@avistacorp.com).

Sincerely,

*/s/Elizabeth Andrews*

Elizabeth Andrews

Sr. Manager of Revenue Requirements

