BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Avista Corporation d/b/a Avista Utilities 2021 Clean Energy Implementation Plan	DOCKET UE-210628

COMMENTS OF THE ENERGY PROJECT

JANUARY 28, 2022

TABLE OF CONTENTS

TABLES

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I. INTRODUCTION

1. The Energy Project (TEP) files these comments regarding Avista's Clean Energy Implementation Plan (CEIP) in response to the Notice Of Opportunity To File Written Comments issued in this docket on October 6, 2021.

2. A basic foundation point for these comments are the Joint Comments on Customer Benefit Indicators (CBIs) developed by Public Counsel, The NW Energy Coalition (NWEC), The Energy Project, and Front & Centered (Joint Advocate (JA) CBIs). The Joint Advocate recommendations consisted of a set of CBIs covering all of the statutory elements required by Clean Energy Transformation Act (CETA), with accompanying metrics. These Customer Benefit Indicators were presented to Avista on July 30, 2021. Upon issuance of the Company Draft CEIP on August 16, 2021, TEP provided detailed written comments to Avista on September 7 regarding the Draft, addressing the JA CBIs in more detail.[1]

3. The current comments to the Commission build on TEP's earlier filings, and emphasize key areas of remaining concern for TEP regarding the CBIs selected by Avista in the final CEIP. In several areas, Avista makes reasonable proposals for CBIs, as noted below. In a number of other areas, however, TEP believes that the CEIP falls short and can be improved. In these areas, TEP proposes specific additional CBIs and metrics for adoption by the Commission as conditions to CEIP approval. These additional CBIs are listed for reference at the end of the comments, and discussed below.

[1] Joint Comments on Customer Benefit Indicators on Behalf of The Energy Project, Front And Centered, NW Energy Coalition, and the Washington State Office of The Attorney General, Public Counsel Unit, July 30, 2021. The comments were also filed with the Commission. ("Joint Advocate CBIs" or "JA CBIs"). In addition, being provided to Avista, the JA CBIs were also filed at the Commission.

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General Points

4. In several areas of TEP concern, Avista offers to discuss an issue with stakeholders over the next four years leading up to the next CEIP. We recognize that the initial CBI development process has been under time pressure but we think that there is still an opportunity to refine the CBIs for inclusion in the final plan. Delaying adoption of reasonable proposals for four years of discussion is an unnecessarily slow timeline. The Energy Project agrees that some areas need further development and stakeholder work and identifies those in the discussion below (e.g., for some non-energy benefit metrics). In those cases, TEP recommends that work should take place in the next two years and that specific modifications to the CEIP be brought to the Commission at the time of the biennial CEIP review filing[2] rather than four years hence. Overall, however, TEP cautions against "kicking the can down the road" on issues where realistic CBIs and metrics can be adopted now. This CEIP will be in place for four years, and requires best efforts for a strong initial framework, rather than a high-level approach with a promise of future more substantive CBIs to be developed after this plan is final.

5. Avista's presentation of its CBIs, as reflected Table 3.1, is organized around CBIs rather than the nine statutory benefit areas.[3] In Table 3.1, each of Avista's CBIs is linked to multiple statutory elements. As a result, it is not always clear which CBIs are intended to measure which statutory elements. In response to this concern, Avista's CEIP indicates in a footnote that Appendix E contains a list of the statutory elements with the appropriate CBI.[4] Avista has

[2] WAC 480-100-640(11).
[3] RCW 19.405.040(8) and WAC 480-100-640(4)(c).
[4] Avista Final CEIP, Table 3.1, n.5.

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clarified in response to a TEP inquiry that this list is not on file in Appendix E, but can be found in a workpaper on the Commission's website.[5] This is important because WAC 480-100-640(4)(c) requires that each utility must include, at a minimum, at least one CBI for each statutory element. Avista's overlapping approach makes it challenging to analyze which CBIs will advance which statutory element and therefore to determine if Avista is in compliance with the rule.

6. The Energy Project's comments use the alternative approach reflected in the July 30 Joint Advocate CBIs. The JA CBI recommendations are organized around the benefit areas identified in the statute and rule, with specific CBIs identified for each element, along with suggested metrics for each CBI. This approach is depicted in TEP's Table 1 (attached). For comparison purposes, Table 1 also presents Avista's draft CBIs next to the benefit area(s) listed by Avista. The Energy Project is not advocating removal of specific Avista CBIs but instead recommends additions or modifications in order to improve the effectiveness of the final product. In addition, Table 2 (attached) provides a comprehensive listing of the JA proposed CBIs, with an indication of whether the CBI and related metrics are addressed in Avista's CEIP.

7. The Energy Project agrees with Avista's concept of, where possible, establishing "baseline" indicators from which progress can then be measured over the term of the plan. The Energy Project agrees that the CBIs should be directional, at a minimum tracking directional movement in indicators so as to yield some conclusion about progress towards statutory goals. In many cases, however, there is a need for more specificity about the metrics used to measure

[5] https://www.myavista.com/about-us/washingtons-clean-energy-future.

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progress.[6] In addition, some important areas are not addressed in the Avista Plan. Avista's CBIs in a number of cases are quite general and high level, perhaps as a result of the filtering and simplification process employed. In some cases, Avista's CBI proposals or related metrics simply reference what Avista is already doing rather than seeking to enhance or accelerate Company efforts. The goal of TEP's recommended CBIs is to add some more practical specificity, measuring improvement in particular tangible areas that reflect whether or not direct benefits are being experienced by customers.

8. One related observation we have about the development of the CBIs is that the original proposals from the Equity Advisory Group (EAG) contain some valuable specific recommendations which were not always captured in the final Avista CBI list, perhaps due to the effort to simplify and consolidate. Specific items from this earlier list which are related to TEP's recommendations are referenced in the appropriate sections below.

II. CUSTOMER BENEFIT INDICATORS AND METRICS FOR STATUTORY BENEFIT AREAS

A. Energy Benefits

9. The Energy Project recommends two CBIs for the Energy Benefit element: (1) improved energy efficiency for low-income housing stock; and (2) access to an increased number of renewable or non-emitting distributed generation (DG) resources. Avista links the following CBIs to Energy Benefits: (1) participation in Company programs, (2) Named Community Clean Energy, and (3) Energy Availability.

[6] There may be areas where baseline history is not available from prior measurements or Avista data history. This should not necessarily be determinative of whether a given CBI is included in the CEIP.

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10. While the related Avista CBIs are reasonable at a high level, TEP recommends adding more detail to the metrics to allow more effective tracking of progress. To track energy benefits from energy efficiency, CBIs should, at a minimum, include specific tracking of (1) conversion to energy efficient appliances, and (2) expanded energy efficiency in rental residential housing stock. The Energy Project notes that conversion to energy efficient appliances was an indicator identified by Avista's EAG.[7] Increased availability of energy efficient appliances is a practical, tangible way of getting clean energy benefits directly to low-income households.

11. The Energy Project also proposes a CBI to monitor access to renewable or non-emitting DG resources. This would be tracked by measuring the increase in number of distributed and community renewable projects, particularly in Named Communities. In its response to this proposal in Appendix F, Avista states "Avista has not adopted these metrics at this time but will evaluate and discuss them with stakeholders in its next CEIP."[8] The Energy Project does not believe this is a satisfactory response. There is current capability of gathering this information. The number of DG and renewable projects serving low-income and Named Communities is a simple and direct measure of whether these types of energy benefits are accruing to those customers as a result of the clean energy transition.

12. Avista's CBI for "Named Community Clean Energy" may have some conceptual overlap with the TEP recommendation but lacks specificity. Avista's description of this CBI highlights only the high-level metric of "percent of non-emitting/renewable energy in named

[7] Avista Final CEIP, Table 3.2, p. 3-10.
[8] Avista Final CEIP, Appendix F, Response to The Energy Project Comments, p. 2 (p. 42 of pdf).

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communities."[9] Avista also proposes a related CBI for "Investment in Named Communities". However, Avista does not identify this CBI as an indicator for Energy Benefit, and the related metrics are not very detailed. Avista states that one of the metrics for this "Investments in Named Communities" CBI would be quantification of energy or non-energy benefits from investments, "if applicable."[10]

B. Non-Energy Benefits

13. As an initial point, Avista identifies five of its thirteen CBIs as relating to the Non-Energy Benefits (NEBs) statutory element.[11] Earlier we discuss that the manner in which Avista outlines its proposed CBIs, with various CBIs related to multiple statutory elements, creating confusion and making it difficult to ascertain whether a given statutory element is given adequate attention. With respect to NEBs, Avista's CBIs largely overlook factors that pertain to the health and well-being of its customers, which is typically considered the core of non-energy benefits, in terms of NEBs that accrue to the individual or household (versus benefits that accrue to the utility, community or society).

14. The Energy Project recommends two CBIs to demonstrate NEBs: (1) improved health and community well-being, and (2) increased community employment opportunities. To measure health and well-being TEP recommends measuring factors such as: (1) reduced number of school and work absences triggered by poor air quality in highly impacted communities; (2) improved housing conditions resulting from weatherization measure installation; (3) increased

[9] Avista Final CEIP, Table 3-1, p. 3-7.
[10] Avista Final CEIP, Table 3.1, p. 3-7; pp. 3-19 to 3-20.
[11] Avista Final CEIP, Table 3.1.

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residential "comfort" factors due to more affordable bills, for example via installation of efficient heat pump technology;[12] (4) increased access to electricity as a transportation fuel, and (5) incorporation of NEBs in utility cost-effectiveness analysis. Avista does include a CBI related to transportation electrification, which pertains more to community well-being as opposed to individual or household health and well-being.

15. In response to our comments regarding NEBs on the Draft CEIP, Avista states that NEBs and their impacts reflect many of TEP's suggestions, but that their study of non-energy impacts (NEIs) was completed too late for inclusion in the CEIP.[13] The NEI study is an important starting point for Avista, and therefore, TEP recommends that the metric "increased incorporation of NEBs in utility cost-effectiveness analyses, particularly for low-income weatherization measures and programs," can appropriately be included as a CBI metric for this initial CEIP. Going forward, some of the other possible metrics related to health and well-being, such as reduced school and work absences due to illness triggered by poor air quality, improved housing conditions, and improved comfort of the home, are metrics that would benefit from greater consideration and development by Avista's advisory groups, particularly the Energy Efficiency Advisory Groups (EEAG). The Energy Project recommends that Avista should be

[12] This includes health and safety factors due to improved air quality. Essentially removing indoor combustion appliances (i.e., gas furnaces) and replacing them with ductless heat pumps allows for increased air quality as well as the opportunity to provide conditioned (cooling) air in summer months when there is smoke, or high levels of other air pollutants in the external ambient air. The concept of "comfort" reflects the ability of a customer to heat/cool their residence as needed to a normal comfort level for daily living, as opposed to privation levels, for example, self-rationing by heating or cooling only certain rooms, or keeping a thermostat at an excessively low level to save money.

[13] Avista Final CEIP, Appendix F, p. Avista responses to The Energy Project Comments, p. 2 (p. 42 of pdf). Appendix F states that the NEI study was conducted by Empower Dataworks, but was actually completed by DNV.

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required to engage with its EEAG and other advisory groups on NEIs, and present an update and proposed metrics as part of its biennial update to this initial CEIP.

16. For the second CBI, "increased community employment opportunities," TEP recommends tracking: (1) increased representation of low-income and vulnerable populations in clean energy apprenticeships and/or training programs in the state; (2) an increase in living wage/union jobs; and (3) increased representation of low-income and vulnerable communities among contractors selected in program delivery. There is some overlap with two Avista CBIs that address this area – employee diversity and supplier diversity.[14] The Energy Project recommends that more specificity and breadth should be included, however, such as by tracking an increase in participation in apprenticeship and training programs, and increased living wage/union jobs sustained. We note that the EAG identified "workforce development programs for local jobs" as a potential CBI, one which received a substantial number of votes but was not selected for final inclusion.[15] This supports the TEP recommendation for specific workforce development metrics.

C. Reduction of Burdens

17. For this statutory element TEP recommends adoption of two Joint Advocate CBIs: (1) reduction in number of customers suffering from high energy burden; and (2) reduction of barriers for program participation.

18. Avista and TEP have substantial agreement on one main aspect of this statutory element.

[14] Avista Final CEIP, Table 3.1, p. 3-7. Avista identifies 'Indoor Air Quality' as a public health related CBI, but indicates the metric is 'in development.' *Id.*

[15] Avista Final CEIP, Table 3. 2, p. 3-10.

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Both the final CEIP and the TEP recommendations identify the reduction in the number of energy burdened households as a CBI to measure "reduction of burden." The Energy Project is pleased that Avista has explicitly included a CBI in its Final CEIP to track the number of households with a high energy burden of greater than six percent. Avista describes this CBI in the following manner:

> This CBI measures how Avista's transition to 100 percent clean energy is impacting affordability for customers. Energy burden measures a household's energy costs as a percent of income. The goal is to reduce the number of customers, especially in Named Communities, with an energy burden of six percent or more. There is a strong focus on affordability and energy burden reduction, not only at Avista, but throughout the utility industry. This metric will ensure a continued focus on energy burden and how Avista's specific actions may reduce it. This metric will be tracked for all Avista electric customers and for Named Communities.[16]

The Energy Project agrees that it is important to track Energy Burden for customers overall, and also specifically for highly impacted communities and vulnerable populations (Named Communities). The CEIP includes energy burden data that was gathered as part of an assessment conducted for Avista. This initial assessment estimates that 20,346 (or 16 percent) of low-income households have an energy burden of six percent or greater. This figure is limited to electric heat customers only, and would likely be doubled if gas heat customers were included as well.[17] The Energy Project appreciates the work Avista has undertaken to gain a better understanding of customer energy burden data prior to CETA implementation. Our only

[16] Avista Final CEIP, p. 3-14.

[17] Avista Final CEIP, p. 3-14, n.11. Certainly, from the customer's perspective, the core issue is having an energy burden greater than six percent, regardless of their primary heat source. In addition, there may be future energy efficiency opportunities to target those customers with high energy burden and gas heat for conversion programs, such as heat pumps. Therefore, tracking customer energy burden for customers with gas heat as well seems prudent.

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recommendation related to this CBI is a minor housekeeping issue. The final listing of the CBIs should clarify that the measurement will track energy burden for all Avista electric customers and for Named Communities, as Avista explains in the CEIP narrative provided above. Table 3.1, showing the CBIs, simply shows the measurement as follows: "Number and Percent of Households; Average excess burden per household."[18]

19. The Energy Project also recommends a second CBI to measure reduction in burden -- reduced barriers for program participation. Except for one item, there is significant overlap between the final CEIP and TEP in this area. Specifically, for this CBI, Joint Advocates recommended these metrics: (1) increased participation in bill assistance, weatherization, and energy efficiency programs and grant opportunities; (2) expanded translation services; and (3) reduced cost disparities for charging EVs. Avista does include increased participation in weatherization and bill assistance programs within its first CBI.[19] In Appendix F, Avista points out that the Company does not have a CBI directly related to reduction of barriers, but that many of these suggested are embedded within the public participation discussion in Chapter 6, and in the CBI related to improved methods and modes of outreach.[20] With regard to translation services, Avista states, "Avista is already taking steps to address language barriers."[21] However, Avista does not propose a specific metric to measure expansion of these services. The Energy Project recommends the final CEIP should include a CBI metric that tracks expansion of

[18] Avista Final CEIP, Table 3-1, p. 3-7.
[19] Avista Final CEIP, Table 3.1, p. 3-7.
[20] Avista Final CEIP, Appendix F, p. Avista responses to The Energy Project Comments, p. 3 (p. 43 of pdf).
[21] *Id.*

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translation services.

D. Public Health

20. Avista's CBIs for the public health element include employee and supplier diversity.[22] While increased employee and supplier diversity goals are important, these CBIs proposed by Avista can also be considered NEBs and don't mention health and well-being (the equity area identified by the EAG[23]) or public health specifically. The Energy Project recommends that a CBI also be adopted for this element to measure "Improved Health Outcomes." Additional CBI metrics related to improved health outcomes should be incorporated in the Final CEIP. The JA recommendations would directly focus on improved health outcomes by tracking: (1) hospital admissions for asthma; (2) decreased wood use for home heating; (3) improvements in indoor and outdoor air quality; and (4) reduction in health care cost burden. Avista also includes mention of indoor air quality as related to the public health statutory element, but as discussed below a CBI has not yet been developed.[24]

21. The Energy Project recommends that the JA CBI metric "decreased wood use for home heating" should be incorporated in the CEIP because it is directly germane to one of Avista's planned specific actions. One of the new programmatic efforts Avista describes in Chapter 4 of the CEIP is a wood stove replacement program, in partnership with the Spokane Clean Air Agency. The CEIP states the program is in the design phase, and the Company anticipates it will lead to improvements in indoor air quality as well as outdoor air quality, but those benefits may

[22] Avista CEIP, Table 3.1, p. 3-7.
[23] Avista CEIP, Table 3.3, p. 3-11.
[24] Avista has included outdoor air quality as a CBI related to the Environmental statutory element. Avista Final CEIP, Table 3-1, p. 3-7.

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be difficult to measure.[25] In light of these program plans, it certainly seems logical to include the "decreased wood use for home heating" metric to measure CBI for public health since it directly pertains to this new program.

22. Avista mentions indoor air quality as a CBI related to public health in Table 3.1 of the CEIP, but also states that it is "in development."[26] In addition, in Appendix F to the CEIP, in response to TEP's recommended CBI metrics regarding public health, Avista states that the Company "has been evaluating hospital admission for asthma and has not completed its evaluation. It will consider this suggestion in its next CEIP."[27] Avista describes challenges of measuring indoor air quality and related challenges to documenting possible correlations with asthma hospitalizations in terms of including specific metrics. Avista concludes this discussion with the following: "Due to the challenges with this metric, Avista will continue to investigate additional methods to track IAQ with health experts, and the EAG among others."[28] The Energy Project recommends the Commission require Avista to actively engage all relevant advisory groups (EAG, EEAG, LIAG), to consider and develop proposed indoor air quality metrics to be included in the biennial CEIP update. While TEP agrees that further development is needed, it is not necessary or desirable to wait a full four years to make progress on this issue. Avista's CEIP points out that the CDC has identified racism as a public health issue.[29] In the U.S., racial and ethnic minorities experience higher rates of poor health outcomes, including asthma, heart

[25] Avista Final CEIP, p. 4-9.
[26] Avista Final CEIP, Table 3.1, p. 3-7.
[27] Avista Final CEIP, Appendix F, Responses to The Energy Project Comments on Draft CEIP, p. 4 (p. 43 of pdf).
[28] Avista Final CEIP, p. 3-32.
[29] Avista Final CEIP, p. 4-35.

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disease, and more.[30] In this regard, requiring Avista to work with its advisory groups on an indoor air quality CBI and related metrics is consistent with the prioritization of "initiatives to address systemic racism," as shown in Table 3.3 of the CEIP.

E. Reduction of Cost

23. For the "reduction of cost" element, TEP recommends adoption of two JA CBIs: (1) expanding the bill assistance program; and (2) reduction in number and amount of arrearages.

24. Beginning with the latter CBI, TEP believes that tracking the number and amount of arrearages is a direct indicator of whether customers are experiencing reductions in their energy costs, and an indication that they are seeing benefits from the transition to clean energy. Specifically, the CBI would measure the reduction in number and percentage of residential customers with arrearages over 90 days past due, with break-outs for customer by zip code/census tract, renter, highly impacted communities, vulnerable populations, known low-income and BIPOC communities. These data are available and are being reported in connection with the COVID-19 docket until March 2022.[31] Analysis of residential arrearage data in the COVID-19 docket underscores the disproportionate impacts of the pandemic for vulnerable populations and highly impacted communities. For Avista, a substantial portion of residential arrearages are concentrated in a few zip codes (58 percent of residential arrearages were in ten of

[30] *See*, "Impact of Racism on our Nation's Health," CDC. Available at: https://www.cdc.gov/healthequity/racism-disparities/impact-of-racism.html.

[31] It would be helpful if these data reporting requirements were extended.

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Avista's 105 zip codes), and the top five zip codes with greatest residential arrearages all contain highly impacted communities.[32]

25. Avista does not include a CBI that makes use of this information as an indicator of reduction in cost. In Appendix F, Avista responds: "Avista does not see this suggestion [CBI re arrearages] as applicable to the transition to clean energy. Affordability is a key equity area with proposed a CBI and associated metrics." This response seems internally contradictory. The relationship between affordability and arrearages seems self-evident. If affordability is a key equity area, it is applicable to the clean energy transition. In that case, how is it simultaneously the case that the status of customer indebtedness is "not applicable" in the CBI context?

26. Affordability is indeed a "key equity area." The arrearage data shows definitively that arrearages are concentrated in geographic areas where there are vulnerable populations and highly impacted communities.[33] The Energy Project urges the Commission to include TEP's recommended CBI regarding arrearages as a means of measuring whether an equitable transition to clean energy is indeed occurring.

27. For this statutory element, Avista proposes a CBI of "participation in company programs" and states that '[t]he purpose of this CBI is to increase the percent of participation for all customers in programs offered by Avista, with special emphasis on Named Communities. Avista will track participation in Energy Assistance and energy efficiency programs."[34] This is a

[32] Docket U-200281, Supplemental Comments of The Energy Project, May 7, 2021, Attachment A, Top Zip Code Analysis: Avista Residential Arrearages & Public and Environmental Health Disparities. This arrearage data analysis examined data through first quarter 2021, thus one full year of the pandemic.

[33] Develop this point with cites to COVID-19 data on file.

[34] Avista Final CEIP 3-12.

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positive component of the Avista CEIP and overlaps with the TEP recommended CBI to "expand bill assistance programs." The Energy Project is also pleased that Avista is planning to track program penetration rates, including for Named Communities, as reflected in their CBI metric "saturation of energy assistance programs (all and Named Communities).[35]

28. A missing aspect, however, is that Avista does not appear to propose tracking the directional change in resources available to provide bill assistance or energy efficiency. The Energy Project proposes an added CBI that expresses the goal to "expand bill assistance and energy efficiency program resources." Specific metrics for this CBI should include: (1) increase both in annual program budgets and in utilization of the budgets.

F. Reduction of Risk

29. The Energy Project recommends including an additional CBI to reflect reduction of risk to customers, specifically: a reduction in numbers of customers with low credit scores, and a reduction in customers sent to collection.

30. As TEP's analysis of the utility arrearage data by zip code in the COVID-19 docket showed, there is strong correlation between customers with arrearages, and zip codes with highly impacted communities and social and health vulnerability measures as identified by the Department of Health Environmental Health Disparities Map. Customers with arrearages, and those with low utility credit code scores, are most at risk of disconnection and are much more likely to disproportionately include communities of color.[36] Avista assigns credit codes to

[35] Avista Final CEIP, Table 3-1, p. 3-7.

[36] Docket U-200281 (COVID-19 Docket), The Energy Project's Supplemental Comments, Filed May 7, 2021, see esp. pp 4-9).

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customers, based on payment history, past due notices, and prior disconnections. Those with the worst credit codes and largest arrearages are most at risk of disconnection.[37]

31. In this regard, TEP's recommended CBI concerning utility credit code scores, which includes a utility review of their credit code score system, is also consistent with the EAG's prioritization of initiatives to address systemic racism. As shown in Table 3.3 of Avista's CEIP,[38] and referenced above in the public health discussion, one of the CBIs prioritized by the EAG in the health and well-being category is "initiatives addressing systemic racism." As discussed earlier, analysis of the arrearage data in the COVID-19 docket shows that communities with high levels of arrearages are correlated with highly impacted communities.

32. Avista's response to the JA and TEP recommended CBI related to collections and utility credit code scores is the statement that: "Avista does not see this suggestion as applicable to the transition to clean energy. Affordability is a key equity area with a proposed CBI and associated metrics."[39] Avista has responded in similar fashion to TEP proposals for CBIs related to arrearages and disconnections. Again, this response is confusing. Avista agrees that affordability is a key issue under CETA, and should be addressed in CBIs. In light of the fact that credit scoring and collections are self-evidently connected to affordability of energy, Avista's position that they are not applicable is internally contradictory.

33. Based on Avista's Table 3.1, it appears that the Avista's own final CBIs included in the CEIP related to this statutory element are: Investments in Named Communities, Named

[37] Docket U-200281, Statements of Shawn Bonfield on behalf of Avista, Commission's May 12, 2021, Open Meeting.

[38] Avista Final CEIP, p. 3-9.

[39] Avista Final CEIP, Appendix F, Responses to TEP comments on Draft CEIP, p. 4 (p. 44 of pdf).

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Community Clean Energy, and Energy Availability. While these general CBIs are of some value, each of them is also tied by Avista to three or four statutory benefit areas (see Table 1 attached).[40] These CBIs are more focused on investments and system operations. Based on the narrative in Chapter 3, Named Community Clean Energy appears to focus on a high-level measure of the percent of clean energy saved or generated as percent of total Washington retail sales.[41] Investment in Named Communities is only described in general terms and the metrics listed are linked to incremental spending and increases in participation.[42] No clear nexus to risk reduction is explained.

34. None of Avista's CBIs for this statutory element, or their related metrics, address customer household-level financial risk. The Energy Project, therefore, recommends including an additional credit score CBI as a more specific measurement that is directly related to whether Avista utility customers are treated equitably with respect to credit and collection. In connection with the CBI, TEP recommends: (1) measuring the reduction in the number and percentage of residential customers with the lowest two tiers of the utility's credit code scoring system, (2) a utility assessment and review of its credit code scoring system, and (3) a reduction in the number and percentage of residential customers sent to collection, with tracking for low-income and vulnerable populations and highly impacted communities. Improvement in this CBI will directly reflect reduction of the risk to vulnerable customers of disconnection or other negative financial consequences of the credit and collection process.

[40] Avista Final CEIP, Table 3-1.
[41] Avista Final CEIP, pp. 3-18,19, Table 3.7.
[42] Avista Final CEIP, pp. 3-19,20.

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G. Energy Security

35. The Energy Project recommends adding two CBIs that relate to the Energy Security element. The first is to measure reductions in residential disconnections. Perhaps the most fundamental measure of energy security is whether a household is able to remain connected to essential utility service. Avista's CBIs and related metrics to not include tracking of disconnections. Avista's response to this recommendation states: "Avista does not see this suggestion as applicable to the transition to clean energy."[43] The Energy Project respectfully disagrees. Experiencing a utility shut-off is the definition of energy insecurity. If disconnections from service show an increase, especially in Named Communities, it would be hard to simultaneously conclude that customers are deriving energy security benefits from the transition to clean energy. In this category, metrics should be adopted to track: (1) reduction in the number and percentage of residential disconnections; and (2) reduction in the number and percentage of residential disconnections by location and demographic information, including Named Communities.

36. For the statutory element of Energy Security, Avista proposes only one CBI, "Energy Generation Location" described as:

> A measure of resource location will monitor energy security for all customers. Avista will track energy generation location and connectivity to measure security. Two metrics will track this CBI. The first is if the generating resource is in Washington State and the second is if it is directly connected to Avista's transmission system.[44]

[43] Avista Final CEIP, App. F, p. 4.
[44] Avista Final CEIP, p. 3-23.

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While in its most general sense, at the system level, this CBI has a relationship to energy security, it is little more than a restatement of the utility's Title 80 obligation to provide safe, adequate, and efficient service.[45] In the CEIP context, as a CBI, it less connected to a customer household's day to day experience of energy security. Adding TEP's recommended CBI for disconnections will provide a measurement directly tied to fundamental energy security – the connection to essential utility service.

37. A second important CBI recommended by TEP to measure energy security is access to reliable clean energy. Avista's only CBI for this element, discussed above, does not cover access to reliable clean energy. It is somewhat unclear from the CEIP whether Avista addresses elsewhere this access in the manner recommended by TEP and the Joint Advocates. Avista's "Named Community Clean Energy" CBI is measure by the "percent of non-emitting energy located in named communities (energy efficiency and renewable energy). As mentioned above, however, this may boil down to only a high-level percentage of retail sales as a metric. Avista's narrative description of Named Community Clean Energy mentions that clean energy resources targeted in Named Communities would provide benefits including "new distributed energy resources may result in faster recovery from outages."[46] However, this anticipated benefit is not expressly reflected in specific metrics within the CBIs.

38. The Energy Project recommends a more targeted metric for this CBI that would look at increased numbers of neighborhoods with storage/back up/ or locally powered centers for

[45] RCW 80.28.010, 80.28.040, 80.28.074.
[46] Avista Final CEIP, p. 3-18.

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emergencies. This metric is consistent with a CBI proposed by the EAG recommending "back up energy sources available in Named Communities,"[47] and is consistent with Avista's anticipated benefits from the Named Community Clean Energy efforts. This would be a practical metric directly making a difference for Named Community energy security and should be added to the CBI metric list.

H. Resilience

39. In order to reduce the frequency and duration of blackouts and brownouts in Named Communities, TEP recommends adoption of a CBI that would track "Reduction of Outage Frequency (SAIFI and Duration (SAIDI)." This would be measured by improvements in SAIDI and SAIFI for Named Communities.[48] This data is already collected and is available. The Energy Project notes that PacifiCorp has been analyzing this information for its service territory in connection with its CEIP development. PacifiCorp's draft CEIP provides SAIDI, SAIFI, and CAIDI data, including major events, for all customers, highly impacted communities and non-HIC areas. For all three metrics, the HIC related data is significantly worse.[49] This is an example of data analysis that can inform development of CBIs, and also inform the utility's specific actions that are expected to lead to improvements in those CBIs.[50]

40. Avista does not have a CBI for outage duration and frequency, instead identifying a more high-level conceptual CBI of "Energy Availability". This would be measured by "average

[47] Avista Final CEIP, Table 3.3, p. 3-9.
[48] Use of CAIDI as a metric may also be appropriate.
[49] Docket UE-210829, PacifiCorp Draft CEIP, p. 44.
[50] *See,* Docket UE-210829, PacifiCorp Draft CEIP, Initial Comments of The Energy Project on PacifiCorp's Draft CEIP, December 3, 2021.

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outage duration" and "planning reserve margin"[51]. Missing from Avista's proposal is measurement of outage frequency, which is readily available from SAIFI data. Reducing the frequency of outages is an important component of resiliency and is a direct benefit to customers. The Energy Project recommends adding a specific CBI for the reduction of outage frequency and duration, and related metrics, particularly for communities with a history of loss of service, and Named Communities.

III. OTHER ISSUES

A. Process Concerns

41. The Commission 's CEIP rules recognize the importance of effective public participation in the utility's development of its CEIP and devote substantial attention to this function.[52] As part of this process, "[t]he utility must involve all advisory groups in the development of its CEIP [.]" The key role of advisory groups is reflected in the detailed requirements for their engagement which are found in the opening section of the public participation rule.[53] The Energy Project has a general concern that Avista's consultation process, in particular with the established low-income and energy efficiency advisory groups, was not adequate. Avista essentially acknowledges this in the CEIP. Appendix F states: "Avista reviewed the [TEP and Joint Advocate] CBIs and noted several overlapped with Avista's proposed CBIs. *Due to when the comments from the Joint Advocates were received, Avista was not able to present their proposed CBIs to their EAG, advisory groups, or with the CEIP workgroup.* Avista will continue

[51] Avista Final CEIP, Table 3.1.
[52] WAC 480-100-655 (Public participation in a clean energy implementation plan).
[53] WAC 480- 480-655(1).

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to work collaboratively with the stakeholders on the development of additional CBIs for future CEIPs."[54]

42. The Energy Project is a member of Avista's low-income and energy efficiency advisory committees, as are Public Counsel and NWEC. As noted earlier, these Avista advisory group members, along with Front & Centered presented a detailed set of CBIs with related metrics to Avista on July 30, 2021, two weeks prior to issuance of Avista's Draft CEIP on August 16 and two months prior to the filing of the final CEIP on October 1. The Energy Project, along with other advisory group members, filed extensive separate written comments on the Draft CEIP on September 7. As Avista itself notes, however, the Company did not significantly engage with its Advisory Group members, or the EAG members, on the specific Joint Advocate recommendations or written comments. Discussion of these recommendations was limited in the low-income and energy efficiency advisory groups and apparently did not occur in the EAG. Avista's most detailed response to the Joint Advocate Comments was presented in Appendix F, after the final CEIP was filed on October 1, 2021.

43. The fact that Avista feels it was unable to give consideration to inclusion of otherwise meritorious CBIs or metrics should not be a barrier to Commission consideration of these recommendations. The Commission has the authority under CETA to approve, reject, or impose conditions on the CEIP.[55] The Commission thus has broad discretion to require additional or modified CBIs or metrics as a condition of approval. The Commission's rules providing for a

[54] Avista Final CEIP, Appendix F, p. 1 (emphasis added).
[55] RCW 19.40.060 (2)(c).

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public comment and a hearing on the CEIP are designed to allow the Commission, inter alia, to hear recommendations from all parties regarding proposed changes to the CEIP.

44. The Energy Project respectfully recommends that the Commission should direct Avista to more fully engage with its Low-Income and Energy Efficiency Advisory Groups on CEIP implementation and development going forward. This process should include communication between all Advisory Groups, including the EAG, when appropriate. Including joint presentations on topics of mutual interest.

B. Specific Actions

45. Another concern based on TEP's review is the need for a clearer understanding of how Avista's planned activities will impact their CBIs, especially in areas that are critical for vulnerable populations and highly impacted communities, including low-income customers. As required, Avista has presented its Specific Actions in tabular format in its Appendix I. The Commission's CEIP rules also require a narrative description of Specific Actions, which must include:

(i) An assessment of current benefits and burdens on customers, by location and population, and the projected impact of specific actions on the distribution of customer benefits and burdens during the implementation period;

(ii) A description of how the specific actions in the CEIP mitigate the risks to highly impacted communities and vulnerable populations [.][56]

[56] WAC 480-100-640(6)(b)(i) and (ii).

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We note that many items in Appendix I are shown as TBD or in development. As a general matter, Avista's narrative discussion in Chapter 4 also lacks specificity in many areas. For CETA to be beneficial there needs to be a clear nexus between the CBIs and the specific actions which are planned. The Energy Project recognizes that in this initial CEIP cycle, development of the CBIs and specific actions have occurred under a somewhat compressed timeframe. Our hope is that moving forward with CETA implementation, the CEIPs will benefit from greater detail regarding the CBIs and their connection with the specific actions, as well as the expected impacts on the CBI metrics as a result of implementing those specific actions.

IV. CONCLUSION AND SUMMARY OF RECOMMENDATIONS

46. The Energy Project respectfully recommends that the Commission condition approval of the Avista CEIP on adoption of the following CBIs and metrics, listed by statutory benefit element:

Energy Benefits

CBI: Improved energy efficiency for low-income housing stock

Metrics: (1) conversion to energy efficient appliances, and (2) expanded energy efficiency in rental residential housing stock.

CBI: Access to an increased number of renewable or non-emitting distributed generation (DG) resources

Metrics: Increase in the number of DG and renewable energy projects for low-income, vulnerable populations and highly impacted communities.

Non-energy Benefits

CBI: Improved health and community well-being

Metrics (current CEIP): Incorporation of NEBs in utility cost-effectiveness analysis.

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Metrics (develop with advisory groups for presentation at biennial CEIP update): (1) reduced number of school and work absences triggered by poor air quality in highly impacted communities; (2) improved housing conditions resulting from weatherization measure installation; (3) increased residential "comfort" factors due to more affordable bills, for example via installation of efficient heat pump technology;[57]

CBI: Increased community employment opportunities

Metrics: (1) increased representation of low-income and vulnerable populations in clean energy apprenticeships and/or training programs in the state; (2) an increase in living wage/union jobs.

Reduction in Burdens

CBI: Track energy burden for all Avista electric customers and for Named Communities

Metric (re reduced barriers): Increased availability of translation services.

Public Health

CBI: Improved Health Outcomes

Metric (current CEIP): Decreased wood use for home heating.

Metrics (develop with advisory groups for presentation at biennial CEIP update): (1) hospital admissions for asthma; (2) improvements in indoor and outdoor air quality; and (3) reduction in health care cost burden.

[57] This includes health and safety factors due to improved air quality. Essentially removing indoor combustion appliances (i.e., gas furnaces) and replacing them with ductless heat pumps allows for increased air quality as well as the opportunity to provide conditioned (cooling) air in summer months when there is smoke, or high levels of other air pollutants in the external ambient air. The concept of "comfort" reflects the ability of a customer to heat/cool their residence as needed to a normal comfort level for daily living, as opposed to privation levels, for example, self-rationing by heating or cooling only certain rooms, or keeping a thermostat at an excessively low level to save money.

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Reduction in Cost

CBI: Reduction in Number and Amount of Arrearages

Metric: Reduction in number and percentage of residential customers with arrearages of 90 days or more, with breakouts by zip code/census tract, renters, vulnerable populations and highly impacted communities, known low-income and BIPOC communities.

CBI: Expand bill assistance and energy efficiency program resources

Metric: Increase both in annual program budgets and in utilization of the budgets.

Reduction in Risk

CBI: Reduction in number of customers with low utility credit scores, reduced number of customers sent to collection

Metrics: (1) reduction in number and percentage of customers in the two lowest tiers of the utility credit scoring system; (2) utility assessment and review of credit code scoring system; (3) reduction in number and percentage of customers sent to collection, with tracking of low-income, vulnerable populations and highly impacted communities.

Energy Security

CBI: Reduced residential disconnections

Metrics: (1) Reduced number and percentage of residential disconnections; (2) Reduced disconnections measured by location and demographic information (zip code/census tract), renter, know low-income, vulnerable populations and highly impacted communities).

CBI: Improved access to clean energy

Metric: Increased number of low-income, vulnerable populations and highly impacted communities with storage, back-up, and/or locally powered centers for emergencies.

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Resilience

CBI: Reduced frequency and duration of blackouts or brownouts in targeted communities

Metric: Reduction in SAIDI and SAIFI for low-income, vulnerable populations and highly impacted communities, and communities with a history of long loss of service.

The Energy Project also respectfully requests that Avista be required to improve the linkage between its identified Specific Actions and its Customer Benefit Indicators. Finally, TEP recommends that Avista be required to improve engagement with its Advisory Groups in the CEIP process.

Respectfully submitted,

47. DATED this 28th day of January 28, 2022.

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