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May 19, 2023

Via UTC Web Portal

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation
Commission
621 Woodland Sq. Loop SE
P.O. Box 47250
Lacey, Washington 98503

Re: Avista's Proposed Time-of-Use and Peak Time Rebate Pricing Pilots and Monitoring and Reporting Plans; Docket UE-230212

Dear Director Maxwell:

On March 31, 2023, Avista filed its proposed time-of-use and peak time rebate pricing pilots with the Washington Utilities and Transportation Commission (UTC or Commission). The Company is proposing two TOU programs and a peak time rebate pilot program as required by the Commission approved Partial Multiparty Settlement Stipulation in the Company's 2020 general rate case.¹

The Energy Project (TEP) has reviewed the Company's filing and finds that it is consistent with the Company's proposal to stakeholders and agreed upon modifications. TEP participated in each of the Company's stakeholder meetings convened to discuss the pilots. TEP commends the Company for creating sufficient space for discussion and being receptive to stakeholder feedback throughout the process. This collaborative effort should continue as the proposed programs move forward and the Company makes modifications to the programmatic reviews.

TEP's interest in participation was to ensure that low-income customers were considered in the design of the program, so as to have sufficient opportunity to benefit from the program and not be disproportionately negatively impacted, and that the

¹ Dockets UE-00900, UG-200901, and UE-200894

program reviews sufficiently focused on impacts to low income customers. TEP believes that the Company's proposed pilots achieve these goals.

First, a key outcome of this collaboration was Avista agreeing to provide a free smart thermostat to all income qualified customers whose HVAC systems meet the eligibility criteria established by the Company. Providing a free smart thermostat removes the cost barriers that could prevent low-income customers from successfully participating in the TOU pilot programs. Improving access to enabling technologies for low-income customers will play a crucial element in ensuring the overall success of pilot programs and the equitable distribution of benefits.

Second, TEP finds the Company's proposal to provide a "price guarantee" such that no customer pays more than 10% above their default rate schedule for the first year to be satisfactory for two reasons. First, the Company agreed to provide a free smart thermostat to all eligible low-income customers. Second, the pilots are "opt-in" and allow participants to opt-out of the program at any point in the program.

A critical factor for TEP's support is the Company's attention to studying low-income customer participation and success in the pilots. Avista has identified an initial set of low-income-focused questions to answer in its evaluations:

- Do low-income customers and/or customers from vulnerable groups participate?
- Do low-income customers and/or customers from vulnerable groups benefit from this option?
- What barriers exist that may prevent low-income customers and/or customers from vulnerable groups from participating?
- What barriers exist that may prevent low-income customers and/or customers from vulnerable groups from benefitting from this option?

TEP agrees that each of these questions should be explored through the Company's evaluations. TEP expects that Avista will continue to engage with interested parties and be willing to adaptively manage its evaluations as needed, should the Company or another party identify an emerging issue or question to explore.

Finally, as the Company rolls out its pilot program, TEP recommends that the Company's marketing strategy prioritizes reaching out to low-income customers for participation and be careful in its marketing to ensure that low-income customers understand the eligibility requirements for a smart thermostat.

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TEP thanks the Commission for the opportunity to submit these comments. If you have any questions about these suggestions, please contact Brad Cebulko at bcebulko@strategen.com or (510) 296-8481.

Very truly yours,

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