

November 30, 2017

Steven V. King,  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250.

**Re: Avista Corporation, Report identifying its ten-year achievable electric conservation potential and its electric biennial conservation target, Docket No. UE-171091**

Dear Mr. King,

The Energy Project respectfully submits these comments in response to the Commission's November 6, 2017, Notice of Opportunity to Comment regarding Avista's 2018-2019 Biennial Conservation Plan (BCP). Our comments are focused on the fuel conversion measures within Avista's low income weatherization program. We recognize that Commission Staff and other stakeholders have raised concerns with Avista's residential fuel conversion program. We do not take a position on the residential fuel conversion program generally, but we do strongly encourage retention of fuel conversion incentives for the low income weatherization program. Low income fuel conversion measures are offered separately from the residential fuel conversion program, and have been found to achieve higher than expected savings. We understand Staff supports retention of low income fuel conversion offerings. These issues are discussed further below.

Avista's low income weatherization program is administered through six Community Action Partnership (CAP) agencies and one tribal organization.<sup>1</sup> In this regard, low income fuel conversion measures are offered separately from Avista's residential fuel conversion program. Weatherization helps low-income customers maintain their electric or natural gas service by lowering energy bills through investments in energy efficiency measures. In some cases, the scope of work on a weatherization project includes fuel conversion from electric to natural gas space heat or hot water heaters. In those cases, utility affordability (based on today's costs per kWh and therm) is a major consideration in assessing fuel switching for potential low income weatherization projects.

Low income fuel conversion represents a modest, but not insignificant component of the low income weatherization program, and is also much smaller scale than the residential fuel conversion program. Avista's BCP

<sup>1</sup> Avista 2018-2019 BCP, Appendix B (2018 Annual Conservation Plan), p. 14.

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for 2018-2019 includes a proposed budget for low income fuel conversions of \$296,672, which is 12% of the \$2.36M total electric low income weatherization budget and slightly less than one percent of the total electric energy efficiency portfolio budget of \$31.5M.<sup>2</sup> Projected savings from low income fuel conversion are 233 MWh, 14% of the total projected savings of 1,696 MWh for the low income weatherization program. The proposed residential fuel conversion program is much larger, with a budget of \$4.9M and projected savings of 25,022 MWh.<sup>3</sup>

Fuel conversion measures in the low income weatherization program have been found to achieve higher than expected energy savings. The electric impact evaluation for the 2014-2015 biennium determined that low income fuel conversion customers experienced savings of almost 10,000 kwh annually. Specifically, Avista projected savings of 3,909 kwh per home, but the impact evaluation found average annual savings of 9,876 kwh per home, a verification rate of 253%.<sup>4</sup>

In the event the Commission considers discontinuation of Avista's residential fuel conversion program, the Energy Project respectfully requests that fuel conversion measures be retained for the low income weatherization program. These measures represent another option to help reduce the energy burden for low income households and should be preserved. In our conversations with Commission Staff, we understand that there is support for the retention of fuel conversion measures within the low income weatherization program. To the extent necessary, modifications to Avista's electric tariff Schedule 90 could be made to clarify that fuel conversion measures for the low income weatherization program are to be retained. A conversation pertaining to this specific topic is underway as part of Avista's submitted Biannual Conservation Plan.

I plan to attend the Commission's December 20<sup>th</sup> Open Meeting and will be available for any questions regarding these comments.

Sincerely,

/s/ Shawn Collins

Shawn Collins  
Director  
The Energy Project

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<sup>2</sup> Avista 2018-2019 BCP, Appendix A.

<sup>3</sup> Avista 2018-2019 BCP, Appendix A.

<sup>4</sup> UE-132054, 2014-2015 Biennial Conservation Report (BCR) of Avista Corp., filed June 1, 2016, Appendix A, Impact Evaluation of Washington Electric 2014-2015 Energy Efficiency Programs, Nexant, Table 6-55, p. 145.