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June 29, 2021

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: **Avista Utilities Tariff WN U-28, Schedule 92, Low-Income Rate Assistance Program**

Dear Mr. Johnson:

Attached for filing with the Washington Utilities and Transportation Commission (Commission or UTC) is an electronic copy of Avista Corporation's, dba Avista Utilities (Avista or the Company), filing of its proposed revisions to the following tariff sheet, WN U-28.

Sixth Revision Sheet 92A
First Revision Sheet 92B

Canceling
Canceling

Fifth Revision Sheet 92A
Original Sheet 92B

The primary purpose of this filing is to revise the Company's electric tariff Schedule 92, "Low-Income Rate Assistance Program" (LIRAP), to align with the intentions of Section 12 of the Clean Energy Transformation Act (CETA)¹ and to satisfy the directive of the Commission's *Notice of Programs and Funding Requirements for Electric Utilities Under CETA* (Notice) issued on April 21, 2021 in Docket No. UE-200269. As stated in the Notice,

Based on the low-income definition currently set by the Commission, utilities must offer at least one energy assistance program that is available to households with incomes that are **the higher of eighty percent of area median income or two hundred percent of the federal poverty level, adjusted for household size.**³ Additionally, since Staff finds that the statute requires that all low-income households have ready access to the program, utilities must either update bill

¹ Codified as RCW 19.405.120.

³ See WAC 480-100-605 and WAC 480-109-060(22).

assistance income eligibility to comply with the statute at this time or file new monetary assistance programs that are available to all low-income customers.

Staff understands that no electric utilities regulated by the Commission currently include income eligibility criteria based on area median income (AMI), and only one investor-owned electric utility (Avista) currently has income eligibility set at 200 percent of federal poverty level (FPL). Therefore, Staff expects Puget Sound Energy and PacifiCorp either to (1) file tariff revisions increasing the income eligibility for their respective bill assistance programs to comply with the low-income definition set in Commission rules or (2) file a new, compliant monetary assistance tariff. **Staff expects Avista either to make a similar tariff filing or submit information to Docket UE-200629 demonstrating that 200 percent FPL, adjusted for household size, is greater than 80 percent AMI throughout its service territory.** [Emphasis Added]

The Company has discussed the requirements of CETA as they pertain to energy assistance with its Energy Assistance Advisory Group (EAAG or Advisory Group) several times since the law's inception, with specific focus on the Commission's Notice at its May 11, 2021 meeting. Further collaborations with the Advisory Group regarding how to best incorporate the new definition of "low-income" occurred three times in June 2021.² Ultimately, the EAAG agreed that the implementation of a \$250 LIRAP Energy Grant, to be made available to customers at 151% FPL to 200% FPL or 80% AMI, whichever is higher, is the best course of action to align Avista's existing LIRAP with CETA's updated low-income standard. It was also decided that this expansion of income eligibility be coupled with a delay of the Company's October 1, 2021 launch of its Percentage of Income Payment Plan (PIPP), for the reasons described herein.

Also included in this filing are revisions intended to expand the Community Partner Network (CPN) that was established for the Company's COVID-19 Debt Relief Program³ to LIRAP as well, so that these entities will be able to continue their work of supporting low-income program outreach and administration by engaging with hard-to-reach and underserved customers well after the funds of the COVID-19 Debt Relief Program are exhausted.

² Meetings were held on June 3, June 14, and June 21, 2021.

³ See Docket Nos. UE-210114 and UG-210115.

Proposed LIRAP Energy Grant

Avista’s current LIRAP is comprised of eight different components, providing a variety of assistance options that address the diversity of need among the Company’s low-income customer population, with assistance available to customers with incomes ranging from 0% FPL to 200% FPL. LIRAP also provides targeted assistance for customers experiencing hardship, those facing potential disconnection from energy services, seniors, or customers with disability. While Avista is the only investor-owned utility currently offering assistance up to 200% FPL, as acknowledged in the Notice above, the Company is aware that the expansion from 200% FPL to 80% AMI, in some instances, may result in a marked increase in the number of customers eligible for LIRAP each program year. Based on information from the Department of Housing and Urban Development (HUD),⁴ the table below illustrates the approximate difference between qualifications based on 200% FPL or 80% AMI within Avista’s Washington service territory.

2021 Avista LIRAP Thresholds									
80% AMI Greater Than 200% FPL									
		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
200% FPL		\$ 25,520	\$ 34,480	\$ 43,440	\$ 52,400	\$ 61,360	\$ 70,320	\$ 79,280	\$ 88,240
80% AMI	COUNTY								
	Adams	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Asotin	\$ 40,050	\$ 45,800	\$ 51,500	\$ 57,200	\$ 61,800	\$ 66,400	\$ 70,950	\$ 75,550
	Ferry	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Grant	\$ 39,950	\$ 45,650	\$ 51,350	\$ 57,050	\$ 61,650	\$ 66,200	\$ 70,750	\$ 75,350
	Franklin	\$ 43,750	\$ 50,000	\$ 56,250	\$ 62,500	\$ 67,500	\$ 72,500	\$ 77,500	\$ 82,500
	Klickitat	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Lincoln	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Pend Oreille	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Skamania	\$ 54,150	\$ 61,900	\$ 69,650	\$ 77,350	\$ 83,550	\$ 89,750	\$ 95,950	\$ 102,150
	Spokane	\$ 43,200	\$ 49,400	\$ 55,550	\$ 61,700	\$ 66,650	\$ 71,600	\$ 76,550	\$ 81,450
	Stevens	\$ 39,550	\$ 45,200	\$ 50,850	\$ 56,500	\$ 61,050	\$ 65,550	\$ 70,100	\$ 74,600
	Whitman	\$ 41,400	\$ 47,300	\$ 53,200	\$ 59,100	\$ 63,850	\$ 68,600	\$ 73,300	\$ 78,050

It is clear that while Area Median Income may be the higher of both options for households comprised of four residents or less, households with a greater number of inhabitants may be better served by FPL depending on which service area they reside in.

In considering incorporation of the 80% AMI threshold into its current low-income programs, it was evident that utilizing an existing methodology, such as the benefit calculator used for the federal Low Income Home Energy Assistance Program (LIHEAP), could potentially cause customers to qualify for a minimal benefit, or no benefit at all. To mitigate this potential outcome,

⁴ <https://www.huduser.gov/portal/datasets/il.html#2021>

the Company proposes to offer its LIRAP Energy Grant as a flat \$250 grant amount to all customers that qualify (i.e. incomes at 151% FPL to 200% FPL or 80% AMI, whichever is higher), and who are not otherwise eligible for other established bill assistance programs such as LIRAP Heat or the Senior/Disabled Rate Discount. While Avista continues to offer additional LIRAP subsets that place emphasis on various populations such as seniors or customers with disability, the Company believes that including the potentially-higher threshold for AMI in the form of a consistent grant amount will provide the most benefit to its customers while also circumventing the possibility that customers in this expanded income range could complete the entire energy assistance application process only to be met with a benefit amount that has little-to-no impact in alleviating their existing energy burden.

As with all other LIRAP offerings, income qualification for the LIRAP Energy Grant will be established by the Community Action Agencies (CAAs) that provide low-income assistance to customers within Avista's service territory.

Suspension of Approved PIPP Implementation

On February 5, 2021, Avista filed revisions to its LIRAP to incorporate an Arrearage Management Plan (AMP) effective April 1, 2021, as well as a Percentage of Income Payment Plan (PIPP) and Past Due Payoff (PDP), to be made available at the beginning of the next program year on October 1, 2021.⁵ At the March 25, 2021 Open Meeting, the Commission allowed the requested LIRAP elements to go into effect on April 1, 2021, and as planned the Company launched its AMP at that time.

Since approval of this filing, however, discussion regarding recently-passed legislation, namely Senate Bill 5295 (SB 5295), has led the Company to propose—and the Advisory Group to agree—that the upcoming October 1, 2021 PIPP/PDP implementation be postponed to allow the EAAG further time to assess the future of LIRAP as it pertains to various rate discount requirements contained in SB 5295. As such, Avista has established a subcommittee within its EAAG, tasked with reviewing the new legislative requirements, establishing criteria for future rate discount program designs, and evaluating the overall existing LIRAP structure to help inform any

⁵ See Dockets UE-210077 and UG-210078.

changes that may be needed to most appropriately unite the needs of Avista's low-income customers with the requirements of SB 5295.

As the work of this subcommittee is ongoing, the Company requests to suspend implementation of the PIPP and PDP, to allow this work to continue without the complication of launching new LIRAP offerings that may, ultimately, be found to be duplicative or misaligned with any future rate discount programs. Avista requests that the suspension of its PIPP/PDP implementation be made indefinitely, until such time the Company files to either reinstate these programs or to permanently remove them in favor of a comparable rate discount offering. To accommodate this proposal, Avista has removed the PIPP and PDP from its LIRAP tariff entirely and will restore or replace these LIRAP components in a future filing as stated above.

LIRAP Community Partner Network

As Avista continuously looks to improve the ease in access to its low-income programs, it has evaluated and implemented various methods of connecting with its customers. One such method, approved by the Commission in Docket Nos. UE-210114 and UG-210115, is the establishment of a Community Partner Network. The CPN, created to ensure that the Company's COVID-19 Debt Relief Program was available to qualifying customers via a variety of access points and from trusted individuals or organizations within their communities, include representation from entities that serve marginalized communities such as rural, immigrant, tribal, and people of color. Incorporation of the CPN as a new administrating source for customer intake is intended to provide increased customer engagement in hard-to-reach and underserved areas by utilizing established representatives within the communities they serve. This approach, overall, enabled Avista to expand its access through non-traditional organizations that represent and support vulnerable populations. Having the CPN now established and well underway, the Company would like to further expand this reach within its LIRAP, for a longer-term approach than the COVID-19 Debt Relief Program allows.⁶

As was the case for its COVID-19 Debt Relief Program, administration and program delivery funds will be provided to the CPN entities on a per-application basis, with compensation set at \$75 per application successfully processed. This means that if a CPN entity has obtained the

⁶ Avista's COVID-19 Debt Relief Program is temporary, to expire once the allotted funds are expended.

necessary customer information that results in a completed application, the CPN entity will receive \$75. An application is considered successfully processed when it results on a LIRAP benefit being applied to a customer's account.

As outlined in the attached Schedule 92, Avista hereby requests that the tariff changes to 1) add a new LIRAP Energy Grant, 2) suspend the October 1, 2021 launch of its PIPP and PDP, and 3) incorporate the CPNs as administration sources for LIRAP, become effective July 31, 2021. While the CPN integration will become effective immediately (July 31st) in order to maintain the existing momentum of these established entities, all other provisions contained within this filing will become operative at the start of the upcoming program year on October 1, 2021. Please direct any questions regarding this filing to Ana Matthews at (509) 495-7979 or Jaime Majure at (509) 495-7839.

Sincerely,

/s/ Shawn Bonfield

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