



UE-240416

Avista Corp.

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Received
Records Management
May 31, 2024

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

Re: **Avista Utilities Schedule 91 – Electric Service Energy Efficiency Rate Adjustment**

Dear Mr. Killip:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities' (Avista or "the Company"), filing of its proposed revisions to the following electric tariff sheets, WN U-28:

Seventh Revision Sheet 91A Canceling **Sixth Revision Sheet 91A**

WAC 480-109-130 provides that "Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances...no later than June 1st of each year with a requested effective date at least sixty days after the filing." The Company's energy efficiency tariff rider mechanism is designed to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections. As such, the primary purpose of this filing is to comply with the above requirement of WAC 480-109-130, requesting an increase in the rates collected through Schedule 91 to more adequately match the costs of the Company's current and projected electric energy efficiency expenditures.

Avista's electric Schedule 91 funds the Company's Energy Efficiency Program (Program), described within the Company's Schedule 90, "Electric Energy Efficiency Programs." All Schedule 91 revenue is applied only to the provision of electric efficiency service, including

programs offered by the Company directly, through designated contractors, or as part of regional electric programs, as well as 3rd party evaluation, measurement and verification (EM&V) contracts and potential assessment studies. The Company’s programs are based on providing a financial incentive, or “rebate,” for cost-effective efficiency measures, in addition to midstream approaches that provide benefits to the distributors themselves. Programs that offer weatherization measures, outreach and education, market transformation via the Northwest Energy Efficiency Alliance (NEEA), and various pilots, behavioral programs, and workforce development offerings are also included in Avista’s electric portfolio.¹

As of April 30, 2024, the Schedule 91 (electric) energy efficiency tariff rider balance was approximately \$9.8 million underfunded. According to actual tariff rider balances and a forecast of expected revenues and expenditures through July 2026,² the current rates being collected through Avista’s tariff rider are insufficient to fund both the ongoing Energy Efficiency Program operations, as well as to recover previous expenditures. The primary driver for this underfunding was an increase in the amount of potential cost-effective conservation to be achieved within the 2022-2023 biennium; with increased conservation targets came an increase in the amount of program offerings and pursuit of higher cost measures to accomplish these goals. The launch of such programs in order to pursue all cost-effective energy savings opportunities includes, but are not limited to, small business direct-install, midstream, and pilots such as Active Energy Management and Clean Buildings Accelerator. Further information about Avista’s Program and can be found within the Company’s Biennial Conservation Plan (BCP) and Annual Conservation Plan, and associated biennial and annual reports (BCR and ACR, respectively).³

Additionally, the establishment of a Named Communities Investment Fund (NCIF) has contributed to the need for additional funding for efficiency program operations.⁴ All programs noted above create more equitable opportunities for customers to participate in Avista’s energy efficiency programs by removing well-known barriers to participation, such as extensive application processes and/ or significant out-of-pocket expenses. In focusing on removing these

¹ For more information regarding Avista’s Energy Efficiency Program, including all annual and biennial conservation planning and reporting documents, please see [How Avista Stays Efficient \(myavista.com\)](https://myavista.com).

² See Attached workpapers.

³ See Dockets UE-210826/UG-210827, or [How Avista Stays Efficient \(myavista.com\)](https://myavista.com) for prior plans and reports.

⁴ As approved in the Company’s 2021-2024 Clean Energy Implementation Plan (CEIP). See Docket UE-210628.



obstacles for customers, Avista's portfolio has become significantly more equitable, and continued funding of these programs will only further provide opportunities to correct program access inequities. Therefore, the Company is proposing to increase rates collected in Schedule 91 by approximately \$12.9 million annually, to bring the forecasted tariff balance close to \$0 by July 31, 2026. The Company will continue to track the progress of this balance, and should the proposed increase in the tariff rider rate either fail to clear an underfunded balance, or lead to an overfunded balance at the end of the next twelve month period, Avista will request a revision to clear that balance in a subsequent filing.

Avista respectfully requests the Commission approve the proposed increase in rates and charges in Schedule 91, effective August 1, 2024, in order for the Company to maintain an appropriate level and sufficient funding for its energy efficiency programs. The estimated annual revenue change associated with this filing is an increase of approximately \$12.9 million. The proposed rate increase will have an average monthly bill impact to residential electric customers (using 945 kWhs) of \$2.29 to their bill, or 2.4%, bringing the average bill from \$97.26 to \$99.55.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Monday, May 13, 2024, and received no additional comments.

The Company has provided in this filing a copy of its customer notice which will be included as a bill insert in the May – June cycle. Attached are the Company's workpapers supporting this proposal.

If you have any questions regarding this filing, please contact Kim Boynton, Manager, Energy Efficiency Analytics, at (509) 495-4744.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Affairs Manager
Avista Utilities

