

the  
Energy  
Project

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**Community Action**

A Community Action Agency  
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**David Danner**  
Executive Director and Executive Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
PO Box 47250  
Olympia, WA 98504-7250

Re: UG-121119, Avista Corporation Schedule 190 Revisions

Dear Mr. Danner,

The Energy Project appreciates the opportunity to make comments regarding Docket No. 121119, Avista Utilities request to close down all their natural gas conservation programs. To make these comments somewhat shorter in length, we concur with the comments that the NW Energy Coalition filed regarding the short-sightedness of this shut down in light of the volatility and relative unpredictability of gas prices and burdening programs with the unnecessary costs of stopping and starting again.

It is not just the utility that experiences the additional cost of stopping and starting the program. This is also a concern for the low-income agencies that provide the low-income energy efficiency work. At least, there will be additional administrative cost to adjust the allocation of available funding to serve electrically heated dwellings. If shutting down the program means reduced funding, it will further exacerbate the loss of the skilled workers that has been occurring since the end of the American Recovery and Reinvestment Act work. Providing energy efficiency work in homes with gas appliances requires an additional set of skills because of the presence of combustion equipment that can deposit by-products in the house atmosphere, as is the case with a stove or oven, or that exhaust by products that can be drawn back into the house atmosphere, as with a gas dryer, water heater, or furnace. For example, unless the measure installer knows to pay attention to house pressure differentials, a clothes dryer can cause a nearby water heater to spill CO<sub>2</sub> in the house. While this is a common element of training crews and contractors in the low-income weatherization programs, it is less commonly practiced in non low-income retrofit work and not as critical in electrically heated dwellings, unless they have a combustion device. Stopping and starting programs like this both loses the staff with the skill set and then requires agencies to search for or train anew when those skills are needed again. As training dollars have only come from the federal funds used to support low-income weatherization, which are now in rapid decline, there can be no certainty that sufficient training related funds will be available in the future.

Insuring combustion appliances vent properly or do not contribute high levels of contaminants to the living space is just one example of a number of health and safety benefits that result from the low-income energy efficiency program. These benefits are greater in the low-income program than in other energy efficiency programs because they address problems that occur with a higher frequency (e.g., mold) and that the occupants would otherwise not have the ability to address. In addition, when energy efficiency reduces the occupant's bill, they now spend more funds in the local economy. Since the

labor and materials for the energy efficiency work are primarily bought locally, the benefit ripples through the local economy as well. As we have pointed out many times, this investment goes to maintain affordable housing stock, which is another community benefit. While these benefits may be difficult to quantify, they are not zero.

While the above benefits impact ratepayers indirectly, there are other benefits that more directly impact ratepayers, though not as energy savings per se. These include reduction in arrearages, the carrying cost of money, bad debt, costs to negotiate payment arrangements and collections, disconnection/reconnection costs, reducing the household's need for bill assistance and spreading the benefit of bill assistance funding to other ratepayers who might not otherwise be able to participate, as well as avoiding the spread of fixed costs from a disconnected customer to remaining rate payers. Again, while a number of studies have produced a range of values for these benefits, the fact that there is not a precise number does not mean that the value is zero.

For the above reasons, we don't feel the current application of the cost tests appropriately captures the value of Avista's natural gas low-income energy efficiency program and request that it is allowed to continue. We appreciate the support of the utility, NWEC, and of Commission staff to continue the low-income program. With regard to Staff's 5-step guidance recommendation, we would offer the following adjustment. The program that the agencies use to calculate a Savings to Investment ratio (SIR) does not adequately account for the aforementioned non-energy benefits any better than the current application of the cost tests does and adds significant time/cost to a project. Recognizing that the point is to make sure some cost controls are involved and do not result in work that is wildly not cost-effective, we would recommend that the SIR calculation not be required so long as the measures that are being installed are restricted to "major" measures – e.g., attic insulation, wall insulation, floor insulation, duct sealing, and air sealing the structure. The Energy Project and the agencies would be happy to work with the Company and Staff to refine exactly how that should work.

In closing, we note that the NWEC comments pointed to the discontinuance of the Company's natural gas programs as a serious hindrance to accomplishing Executive Order 12-06 issued by Governor Gregoire in October. We would go further so say that Executive Order 12-06 and the stated intent of the State Building Code to reduce energy consumption and greenhouse gas emissions in 2031 by 70% over the levels achieved by the 2006 Energy Code (RCW 19.27A.160) indicate the desired state policy for greater energy efficiency. Unfortunately, these orders do not impact most of the buildings that low-income people live in. It is only through retrofit energy efficiency programs such as Avista's low-income program that most of this vulnerable population will see the benefit of energy efficiency in the near term, and for that reason these programs should be continued.

Respectfully submitted,



Charles Eberdt  
Director