UE-220053 & UG-220054 (Consolidated) Avista 2022 General Rate Case March 18, 2022

The Energy Project's Pagnense to Banch Paguest 1

The Energy Project's Response to Bench Request 1

BENCH REQUEST 1:

- (a) Please detail and explain how the overlapping interests represented by The Energy Project and NW Energy Coalition (including low-income and transportation electrification issues) differ and how each intervenor's specific perspectives on these topics are not adequately represented by the other.
- (b) Where the represented interests overlap (including low-income and transportation electrification issues), please explain how the public interest will benefit from the participation and funding of both intervenors.

THE ENERGY PROJECT'S RESPONSE TO BENCH REQUEST 1(a):

1. The Energy Project and NW Energy Coalition's Interest, Perspective, and Constituency

Both The Energy Project (TEP) and NW Energy Coalition (NWEC) have a long history of successful intervention in Washington Utilities and Transportation Commission (Commission) proceedings as separate representatives of their own constituencies' interests.

For over twenty years, TEP has represented the interests of low-income customers and vulnerable populations in proceedings before the Commission, including general rate cases filed by Avista Corporation (Avista). TEP works directly with Community Action Partnership agencies, tribes, and other service providers that deliver bill assistance, energy efficiency services, and other anti-poverty programs to ensure that Avista's low-income customers are able to easily and efficiently access Avista's low-income programs. In general rate proceedings, TEP typically performs a comprehensive evaluation of unmet need; the low-income weatherization program and rate assistance programs' structure, delivery mechanisms, and available budget; rate design; disconnection policies; the impact of special contracts on low-income program funding; the impact of novel policies on customer rates; renewable energy investments and policies; and many other matters that impact low-income and vulnerable populations.

Because TEP is not authorized to speak for NWEC, we point to their own words to describe their interest, perspective and constituency: "NWEC's primary purpose is to promote an energy future that is clean, reliable, affordable, and equitable. NWEC provides technical and policy leadership on energy issues in this region, and seeks to promote the development of renewable energy, energy conservation, and affordable energy services. . . . NWEC has a special interest in this proceeding for the following reasons, including but not limited to: 1) members of NWEC have a direct and substantial interest in Avista's request for a rate change; 2) the proposed rate change and plan could impact Avista's performance related to implementation of Washington climate and clean energy policies; 3) the proposed rate change and plan could impact issues related to Avista's interest in the Colstrip coal-fired power plant in Montana; 4) the proposal could impact Avista's performance metrics and other Senate Bill 5295 implementation issues; and 5) the proposed rate change and plan could impact issues related to customer-side resources, distribution system investment, energy efficiency assistance and other affordability issues for

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low and moderate income customers." NW Energy Coalition is a diverse coalition comprised of 107 organizations and numerous individual members. TEP is just one of a diverse group of 107 organization members of NWEC, along with other nonprofits, utilities, municipalities, and businesses. TEP takes no part in decision-making about NWEC's positions in Commission proceedings.

2. The Energy Project and NW Energy Coalition may disagree due to their different interests, perspectives, and constituencies.

TEP has a broad interest in every issue that impacts low-income customers, while NWEC's interest in low-income issues is more narrow: ensuring that the transformation to clean energy treats low-income customers equitably. For example, as described above, in general rate proceedings TEP typically performs a comprehensive evaluation of unmet need; the low-income weatherization program and rate assistance programs' structure, delivery mechanisms, and available budget; rate design; disconnection policies; and the impact of special contracts on low-income program funding. While NWEC at times addresses an aspect of low-income program design or rate design, it does not have the same focus on, expertise about, or specific interest in low-income customers as TEP. NWEC does not hold itself out as a principal advocate for low-income customers. For this reason, NWEC cannot adequately represent the interests of low-income customers in the same way as TEP.

NWEC has a broad interest in all aspects of transportation electrification, while TEP has a narrow interest in alternative transportation solutions for low-income customers. NWEC focuses on and has expertise in a variety of issues surrounding transportation electrification. TEP, on the other hand, is specifically concerned about the availability of alternative transportation solutions to low-income customers and impact of transportation electrification programs on low-income customers' rates. TEP does not hold itself out as a principal advocate for transportation electrification. TEP does not have the expertise to adequately represent NWEC's broad interest in transportation electrification. On the other hand, NWEC's constituency includes a diverse set of businesses, utilities, and nonprofits whose interests and perspectives sometimes differ from TEP's. For these reasons, NWEC cannot adequately represent TEP's interest.

NWEC has a broad interest in all aspects of the transformation to a clean energy future, while TEP has a narrow interest in ensuring such a transformation is equitable for low-income and vulnerable customers. NWEC focuses on and has expertise in a variety of clean energy topics. TEP, on the other hand, is specifically concerned about the availability of clean energy solutions to low-income customers and impact of the transformation on low-income customers' rates. TEP does not hold itself out as a principal advocate for the clean energy transformation. Indeed, the rate impacts associated with the transformation to a clean energy future have at times resulted in

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¹ Petition to Intervene of the NW Energy Coalition, ¶ 4 (Feb. 8, 2022).

² NW Energy Coalition, NWEC Members, https://nwenergy.org/nwec-members/ (accessed March 17, 2022).

 $^{^3}$ Id.

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TEP and NWEC taking different positions in confidential settlement negotiations and in filings visible to the Commission.

TEP cannot adequately represent NWEC, and NWEC cannot adequately represent TEP, because we could take different positions in this case. TEP and NWEC use our best efforts to work together and avoid disagreements, and these efforts are often successful. However, each organization is responsible to a different constituency and disagreement concerning the issues presented in this case is entirely possible. In the past, TEP and NWEC have taken different positions in both confidential settlement negotiations and in filings visible to the Commission. For example, TEP and NWEC have taken different positions in filings on decoupling.⁴

THE ENERGY PROJECT'S RESPONSE TO BENCH REQUEST 1(b):

There are many facets to the public interest. RCW 80.28.425(1) provides that when "determining the public interest, the commission may consider . . . environmental health and greenhouse gas emissions reductions, health and safety concerns, economic development, and equity, to the extent such factors affect the rates, services, and practices of a gas or electrical company regulated by the commission." As explained above, TEP and NWEC have different foci, perspectives, and constituencies that we take into account when evaluating if a rate filing meets the public interest requirement. For example, NWEC may focus on greenhouse gas emissions reductions while TEP focuses on reasonable rates, equity, health, and safety. There may be overlap between these interests, for example where greenhouse gas emissions impact a vulnerable community's health and safety, however, as explained above the overlap is narrow because the primary focus of each party's participation is distinct and each party represents a different constituency. The Commission acknowledged that:

When it mandated participatory funding, the Legislature recognized the value of diverse voices in Commission regulatory proceedings and the ways in which access to monetary resources can help or hamper equitable representation of those voices. The statute identifies organizations representing low-income . . . customers . . . such as . . . The Energy Project, that we refer to in this statement as "incumbent" organizations . . . The statute provides that incumbent organizations are eligible to receive financial assistance as they continue to appear before the Commission . . . ⁵

The participation of parties with diverse foci, perspectives, and constituencies will help the Commission make a more informed decisions about a rate filing's compliance with the new multifaceted definition public interest found in RCW 80.28.425.

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⁴ See, e.g., Dkt. UG-060518, In the Matter of the Petition of Avista Corporation, D/B/A Avista Utilities, for an Order Authorizing Implementation of a Natural Gas Decoupling Mechanism and to Record Accounting Entries Associated With the Mechanism, Order 04, Final Order Approving Decoupling Pilot Program (February 1, 2007).

⁵ Dkt. U-210595, In the Matter of the Commission's Examination of Participatory Funding Provisions for Regulatory Proceedings, Policy Statement on Participatory Funding for Regulatory Proceedings, ¶ 18 (Nov. 19, 2021).