

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

AVISTA dba

AVISTA CORPORATION

Respondent.

DOCKET NOS. UE-240006 AND UG-
240007 (consolidated)

TESTIMONY OF

CHARLEE THOMPSON

ON BEHALF OF

NW ENERGY COALITION

July 3, 2024

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EXHIBIT LIST

Exh. CT-1T, Response Testimony of Charlee Thompson

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 **A.** My name is Charlee Isabella Thompson, and I am a Policy Associate at the NW
4 Energy Coalition (“NVEC” or the “Coalition”). My business address is 811 1st
5 Ave., Suite 305, Seattle, WA 98104.

6 **Q. Please describe your background and expertise.**

7 As a Policy Associate with NVEC, I support the Coalition’s policy, regulatory,
8 and legislative work in Washington. My portfolio at NVEC includes issues that
9 impact low-income customers and underserved communities, distributed energy
10 resources policy, and utility implementation of the Clean Energy Transformation
11 Act (CETA).

12 I serve on Avista’s Low-Income Advisory Committee (“LIAC”) as well as
13 the LIACs of Avista’s four peer investor-owned utilities regulated by the
14 Washington Utilities and Transportation Commission (“WUTC” or
15 “Commission”). Since July of 2022, I have helped to develop the new bill discount
16 rate (“BDR”) programs of Puget Sound Energy (“PSE”), Avista, and Cascade
17 Natural Gas (“CNG”) as well as the arrearage management programs (“AMP”) of
18 Avista and CNG. I sit on the Washington State Department of Commerce
19 Technical Advisory Group that advises the state on the development of its low-
20 income energy assistance biennial report and have recently advocated for a low-
21 income track in PSE’s targeted electrification pilot. In my previous role with The
22 Energy Project (“TEP”), I advocated for low-income utility customer interests in

1 Clean Energy Implementation Plans and supported the development of TEP's
2 policy positions in rulemakings in dockets U-200281 and U-210800.

3 My background and first-hand experience are the basis for my expertise and
4 qualifications to testify as an expert on the issues raised in my testimony. I have a
5 B.S. in Civil Engineering from the University of Illinois at Urbana-Champaign and
6 a M.P.A. in Environmental Policy from the University of Washington. My CV is
7 included as Exhibit CT-2.

8 **Q. On whose behalf are you testifying?**

9 **A.** I am testifying on behalf of NWEC.

10 **Q. What is the purpose of your testimony?**

11 **A.** My testimony concerns how Avista is advancing energy equity through progress on
12 its existing commitments and what Avista can do to improve current practices and
13 reach further.

14 **Q. Please summarize your testimony.**

15 **A.** My testimony first describes energy equity and its role utility general rate cases
16 and the clean energy system. I then describe what actions Avista is taking to
17 advance energy equity through progress on its 2022 general rate case ("GRC") and
18 2021 Clean Energy Implementation Plan ("CEIP") commitments, facilitation of its
19 energy assistance advisory group, and participation in the Commission docket on
20 equity (A-230217). Finally, my testimony offers four recommendations for
21 continued improvement on the equity front. Avista should: (1) re-incorporate a
22 non-pipes/non-wires alternative (NPA/NWA) metric into its performance-based
23 ratemaking ("PBR") metrics, (2) collect demographic data for customer distributed

1 energy resources (“DER”) programs, (3) maintain its disconnection reduction
2 report; and (4) improve its future energy burden analyses.

3 **II. DEFINING ENERGY EQUITY**

4 **Q. Please define energy equity.**

5 **A.** Energy equity, like many things, is a continuous journey and not a fixed
6 destination. As the energy landscape evolves, we will have to constantly integrate
7 energy equity into new programs and reforms as well as new considerations we
8 haven’t yet encountered. To strive towards this future, energy equity must not only
9 be applied as a lens but must be embraced internally by those who wish to advance
10 it. Energy equity revolves around the fair distribution of benefits and burdens
11 during the production, distribution, and consumption of energy. It is not just about
12 the outcome but is also about the process that led to the outcome. As an essential
13 life service, energy must be provided accessibly, reliably, affordably, and cleanly
14 to all communities.

15 **Q. Why is it important to consider energy equity in a general rate case?**

16 **A.** General rate cases are a periodic opportunity in which all aspects of a utility’s
17 operations and services are considered holistically. The ability to “look under the
18 hood” of the entire utility system is necessary to ensure coordination of every arm
19 of the utility, particularly for dual-fuel utilities. This holistic exercise also presents
20 the clearest picture of how the utility is integrating energy equity into each process,
21 program, and team while offering intervenors an opportunity to evaluate,
22 encourage, and advance it further.

1 **Q. If energy equity is about fair distribution of the energy system’s benefits and**
2 **burdens and the process that leads to these outcomes, what is it not?**

3 **A.** Energy equity can easily become a “checkbox” exercise in which perfunctory
4 efforts are made, often to fulfill minimum requirements and often doesn’t yield
5 meaningful results or strengthen community relationships. Energy equity is not
6 symbolic efforts made without addressing the root causes of disparities within
7 energy service. Nor is it maintaining the status quo of unequal distribution and
8 access. Energy equity requires active, inclusive, and systemic efforts to ensure
9 fairness and justice in the energy sector.

10 **Q. Has the UTC provided guidance on energy equity?**

11 **A.** Yes. On August 23, 2022, the Commission provided guidance in Cascade Natural
12 Gas’s 2021 General Rate Case Final Order 09 that tasks utilities and the
13 Commission with applying equity to every consideration and to provide supporting
14 evidence as to why a certain decision was made. An excerpt is as follows:

15 So that the Commission’s decisions do not continue to contribute to
16 ongoing systemic harms, we must apply an equity lens in all public
17 interest considerations going forward. Recognizing that no action is
18 equity-neutral, regulated companies should inquire whether each
19 proposed modification to their rates, practices, or operations corrects or
20 perpetuates inequities. Companies likewise should be prepared to
21 provide testimony and evidence to support their position. Meeting this
22 expectation will require a comprehensive understanding of the ways in
23 which systemic racism and other inequities are self-perpetuating in the
24 existing regulatory framework absent corrective intervention. It is

1 incumbent upon regulated companies to educate themselves on topics
2 related to equity just as it is incumbent upon the Commission to do the
3 same.¹

4 Importantly, the order states “regulated companies” broadly, meaning the
5 Commission intends for the statement to apply beyond Cascade, and includes
6 Avista.

7 **Q. What other guidance exists on energy equity in Washington state?**

8 **A.** While discussion of energy equity and its implementation appear in multiple
9 relevant forums— such as the Commission docket A-230217 and in PSE’s peer
10 investor-owned utilities’ low-income and equity advisory groups – I would like to
11 highlight two state-level examples.

12 First, the 2021 Clean Energy Transformation Act describes energy equity as
13 a part of its intent in statute:

14 The legislature recognizes and finds that the public interest includes, but
15 is not limited to: The equitable distribution of energy benefits and
16 reduction of burdens to vulnerable populations and highly impacted
17 communities; long-term and short-term public health, economic, and
18 environmental benefits and the reduction of costs and risks; and energy
19 security and resiliency. It is the intent of the legislature that in achieving
20 this policy for Washington, there should not be an increase in
21 environmental health impacts to highly impacted communities.²

¹ *WUTC v. Cascade Natural Gas Corporation*, Docket No. UG-210755, Order 09 at 19, ¶ 20 (Aug. 23, 2022).

² RCW 19.405.010(6).

1 Additionally, the Washington State Office of Equity works with state
2 agencies, including the Utilities and Transportation Commission, to establish Pro-
3 Equity Anti-Racism teams with the intention of shifting internal processes and
4 culture that will be reflected in the agencies internal and external partnerships,
5 processes, and decision-making.³

6 **III. ENERGY EQUITY AT AVISTA**

7 **Q. How does Avista describe its role in relation to energy equity?**

8 **A.** As summarized in Company witness Jason Thackston’s testimony, “Avista has
9 been focused on putting customers at the center of business processes and
10 decisions to drive better customer experiences for many years. Senior leadership is
11 committed to incorporating equity in strategic focus areas in order to drive not only
12 better customer experience, but to better align Avista on its path towards
13 integrating equity into its business practices. In 2022, the Company intentionally
14 developed and launched a comprehensive Equity, Inclusion, and Diversity Strategy
15 (EID) that provides a roadmap for aligning efforts across the Company in these
16 critical areas. The primary focus of this plan is on Avista’s employees,
17 communities, customers, and business processes.”⁴

18 Avista seems to recognize that coordination and improvements across both
19 internal processes and teams along with its communities and customers are
20 necessary to effectively move the utility forward.

21

³ See Washington State Office of Equity, <https://equity.wa.gov>.

⁴ JRT-1T at 13-14:21-4.

1 **Q. From your perspective, what is Avista doing to advance energy equity?**

2 **A.** I will highlight four ways in which I believe that Avista is making meaningful
3 effort and progress in advancing energy equity, including: (1) progress on its 2022
4 GRC settlement commitments; (2) progress on its 2021 CEIP commitments; (3)
5 facilitation of its energy assistance advisory group; and (4) participation in the
6 Commission docket on equity (A-230217).

7 **Q. Which of its 2022 general rate case settlement conditions has Avista made**
8 **progress on that advance energy equity?**

9 **A.** Condition 18 (capital planning), condition 23 (performance-based ratemaking), and
10 condition 24 (low-income).⁵

11 **Q. What progress was made on condition 18 and how does that progress advance**
12 **energy equity?**

13 **A.** Condition 18 (capital planning) requires that, by December 31, 2024, Avista must
14 make a compliance filing with the Commission that demonstrates a plan for
15 Board/senior management to include equity in business planning, templates in
16 business cases that require sponsors to demonstrate their plans for equitable
17 outcomes in the business case, and a plan for tracking impacts for business cases
18 after they have been implemented.

19 While the compliance filing is not due until December 31, 2024, the
20 testimony of witness Jason Thackston explains the progress Avista has already
21 made to achieve condition 18, recognizing this as an opportunity for the Company

⁵ See *WUTC v. Avista*, Dockets UE-220053, UG-220054 and UE-210854 (*consolidated*), Order 10/04, Appendix A (Dec. 12, 2022).

1 to “define and develop a systematic method for incorporating the tenets of equity
2 into capital planning”.⁶ This includes defining the common terminology that Avista
3 will use, the development of a process made to gather customer feedback, a plan to
4 work with the Equity Advisory Group (EAG) on “new measures, metrics, and
5 cost/benefit analysis” as a part of the Equitable Business Planning processes,
6 creating a new project team and responsibilities for existing roles to advance this
7 work, and developing a two-phased process for gradually implementing and
8 iterating upon this work in the coming years.⁷

9 Avista is developing tools for implementing this work, including the
10 creation of a steering committee and development of a draft framework with
11 common definitions, goals, strategies, and actions. Avista is also developing a
12 process and training manual to use its Named Communities map.⁸

13 All of this work appears to keep Avista on track to submit a substantive
14 compliance filing with the Commission by the end of the year. Avista’s progress
15 and plans for internal training and planning is particularly demonstrative of
16 meaningful rooted change on its capital planning processes.

17 **Q. What progress was made on condition 23 and how does that progress advance**
18 **energy equity?**

19 **A.** Condition 23 (performance-based ratemaking) requires that Settling Parties do not
20 implement performance incentive mechanisms (PIMs) or propose performance

⁶ JRT-1T at 14:20-21.

⁷ *Id.* at 14-25.

⁸ *Id.* at 23-24.

1 targets. The condition also requires that Avista track and publish results for 92
2 metrics on its website according to a specified timeline. Finally, the condition
3 requires that the Settling Parties identify and track additional reliability metrics
4 starting in Rate Year 2 of the 2022 GRC (i.e. the current year, 2024).

5 Settling Parties (including Avista) have complied with each provision of
6 this conditions as they have not implemented PIMs or proposed performance
7 targets. Avista has published the data for the 92 metrics on its website and has
8 presented them to interested parties, and Avista has worked with Settling Parties to
9 track and report three additional reliability metrics by Rate Year 2.⁹

10 Avista’s experience gathered since the 2022 GRC final order has helped the
11 Company establish a transparent process for tracking and reporting key metrics that
12 will shape the future of its performance-based ratemaking. Avista’s progress on
13 refining and consolidating its PBR metrics is continuing in the current 2024 GRC.
14 PBR is ultimately being guided by the Commission’s interim policy statement,
15 which states, PBR “provides a framework that includes a suite of tools intended to
16 better align utilities’ financial interest with state policy, and both customer and
17 societal interests.”¹⁰ PBR tools are necessary to encourage and discourage
18 behaviors that will ultimately help ensure the equitable distribution of benefits and
19 burdens of the energy system among all communities. Avista’s work on its own

⁹ The three additional reliability metrics include: CEMI max by census tract, CEMI 0 by census tract, and total outage hours by census tract.

¹⁰ See *WUTC* In the Matter of the Proceeding to Develop a Policy Statement Addressing Alternatives to Traditional Cost of Service Rate Making, Docket No. U-210590, Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms at page 7, ¶16. (April 12, 2024).

1 metrics and in the PBR docket so far leads me to believe that they will continue to
2 work collaboratively and make progress on PBR moving forward.

3 **Q. What progress was made on condition 24 and how does that progress advance**
4 **energy equity?**

5 **A.** As a member of the Energy Assistance Advisory Group (EAAG), I will speak to
6 the terms within Condition 24 (low-income) that specifically requires that Avista
7 collaborate with its EAAG. This includes designing and implementing a bill
8 discount program, determining appropriate future funding for its partner
9 Community Action Agencies, and identifying new renewable energy projects that
10 benefit low-income customers.

11 The EAAG successfully worked with Avista to implement a new bill
12 discount program on October 1, 2023, offering customers 15% to 94% off of their
13 monthly bills depending on household income. We are currently working with
14 Avista to set an appropriate funding structure for Agencies who jointly administer
15 Avista bill assistance programs. Avista has also already discussed with the EAAG
16 which renewable energy projects the group prioritizes for the benefit of low-
17 income communities.

18 Avista's collaborative and amicable partnership with the EAAG resulted in
19 broad support for the current bill discount program and a selection of renewable
20 energy projects that we believe will each directly reach and benefit low-income
21 customers and Named Communities in ways that have never been achieved to this
22 point. If this well-developed partnership between the EAAG and Avista continues,

1 I believe that it will exemplify an effective utility-community partnership and
2 decision-making process.

3 **Q. Are there other processes or dockets in which Avista has incorporated equity**
4 **considerations?**

5 **A.** Yes. NWECC submitted comments in response to the submission of the Company's
6 first Biennial CEIP Update in November, 2023 in docket UE-210628.¹¹ These
7 formal comments followed informal comments sent directly to the Company
8 responding to a draft of the Biennial CEIP Update in October 2023. In each of
9 these comments, NWECC established that we believe that Avista has worked to
10 comply with most of the conditions from the settlement and we offered further
11 recommendations for compliance with conditions five and nine. On March 22,
12 2024, the Commission filed Order 02 approving of the Biennial CEIP Update
13 subject to additional conditions that addressed our remaining concerns.¹²

14 With our concerns addressed in the Biennial CEIP Update, we believe that
15 Avista is making meaningful progress towards equitably achieving its clean energy
16 goals— including through Avista's decision to increase its interim targets in the
17 Biennial CEIP Update, including additional customer benefit indicators, working to
18 expand its identification of vulnerable populations, working with its EAG and
19 EAAG to identify an action that serves a subset of Named Communities and is
20 funded by Avista's Named Community Investment Fund, initiating a distribution

¹¹ See *In the Matter of Avista Corporation Clean Energy Implementation Plan*, Docket UE-210628, Comments on behalf of the NW Energy Coalition (Jan 11, 2024).

¹² See *id.*, Order 02 (March 22, 2024).

1 planning advisory group (DPAG), and publicly listing and regularly updating its
2 list of EAG members.

3 As a member of Avista's EAAG and with colleagues who sit on Avista's
4 DPAG, IRP advisory group, and energy efficiency advisory group (EEAG), I also
5 believe that Avista has made progress on its CEIP conditions through transparent
6 and effective collaboration with its advisory groups. This collaboration and
7 resulting action particularly exemplifies Avista's progress towards advancing
8 procedural justice.

9 **Q. Please explain how you believe Avista's facilitation of its Energy Assistance
10 Advisory Group (EAAG) advances energy equity.**

11 **A.** I have been a member of Avista's EAAG, along with the other four Washington
12 IOU's analogous low-income advisory groups, since July 2022. I have appreciated
13 how Avista facilitates its EAAG, noting that the communications and presentations
14 are concise, yet informative, and are easy to understand. Avista accurately recaps
15 prior decisions from subsequent meetings in its presentation materials for the
16 current meetings. Furthermore, in my experience, advisory group members seem to
17 feel included in the decision-making process and see that their input is valued, as
18 we can see how our ideas are considered by the Company and understand the
19 reasons for their inclusion or exclusion in the final decision. Avista sends meeting
20 agendas and requests/tasks for the EAAG with sufficient time for members to
21 respond. Finally, for in-person meetings, Avista both offers virtual meeting
22 attendance options and travel stipends.

1 **Q. Are there any other dockets that include energy equity considerations that you**
2 **would like to discuss?**

3 **A.** Yes. The Commission opened docket A-230217 with the intent of producing a
4 policy statement that addresses the application of energy equity and justice in the
5 Commission's and regulated utilities' processes and decisions.

6 **Q. Please explain Avista's participation in the Commission's equity docket.**

7 **A.** As of writing this testimony, docket A-230217 ("Equity Docket") has had one
8 round of comments and one workshop, each based on the tenet of procedural
9 justice. Avista submitted comments on October 25, 2023 and participated in the
10 April 30, 2024 workshop. In its written comments, Avista describes the
11 responsibilities of utilities, advocates, and the Commission; calls for the
12 elimination of participation barriers and an evaluation of participatory funding to
13 engage new voices; recognizes that customers' interests and engagement
14 preferences must be prioritized; and recognizes that a one-size-fits-all approach
15 may not work for all utilities. Avista also highlighted the following procedural
16 justice considerations it hopes remain in discussion in the Equity Docket:
17 consolidate efforts across Agencies, determine appropriate level of engagement,
18 develop common standards for data transparency, and understandability/education.

19 **Q. How does Avista's participation in the Equity Docket advance energy equity?**

20 **A.** The first step is showing up. Utilities who show up offer valuable discussion of
21 real-world implementation of current and planned processes and programs from the
22 utility perspective. And at the same time, utilities who are open to learning from

1 community and customer voices and who are open to trying something new is
2 where I believe real change can be made.

3 In its October 25, 2023 comments in A-230217, Avista also acknowledges
4 that it “is not yet an expert on equity and providing services that have been historically
5 offered to its customers through social service agencies and/or Community Based
6 Organizations (CBOs)” and, thus, “recognizes that it has more to learn and more to
7 do.”¹³ The Company’s self-reflection of its need for continuous learning is
8 encouraging. Carrying this mindset will allow Avista to adapt to new challenges
9 integrating equity into the industry, openly collaborate with diverse perspectives, and
10 make decisions that are community-informed.

11 **IV. ADVANCING ENERGY EQUITY**

12 **Q. What can Avista do to further advance energy equity?**

13 **A.** Avista should: (1) re-incorporate a non-pipes/non-wires alternative (NPA/NWA)
14 metric into its PBR metrics; (2) collect demographic data for customer DER
15 programs; (3) maintain its disconnection reduction report; and (4) plan to improve
16 energy burden analysis. I will discuss each in more detail below.

17 **Q. What are non-pipe alternatives and non-wires alternatives?**

18 **A.** Non-pipe alternatives refer to gas utility solutions to meet energy demand and
19 address infrastructure needs without expanding or constructing new gas pipeline
20 infrastructure. Similarly, non-wires alternatives refer to solutions to meet demand
21 and address infrastructure needs without building new transmission or distribution.

¹³ See *Commission Proceeding to Develop a Policy Statement to Address the Application of Equity and Justice in Commission and Regulated Company Process and Decisions*, Docket A-230217, Comments, on behalf of Avista Corporation (Oct. 25, 2023).

1 NPAs and NWAs can enhance system reliability, reduce costs, and support
2 environmental goals by avoiding and deferring the investments and construction of
3 new grid infrastructure. Key types of NPAs and NWAs include energy efficiency,
4 demand response and behavioral programs, distributed energy resources,
5 electrification, and voltage optimization.

6 **Q. What NPA/NWA metrics does Avista currently report as a part of its**
7 **performance-based making reporting?**

8 **A.** Avista reports the following four NPA/NWA metrics within its PBR reporting¹⁴:

- 9 • Metric 26: Percentage of non-pipe alternative+ utility spending that occurs in
10 highly impacted communities and on vulnerable populations (G)
- 11 • Metric 75: Annual utility system CO₂e emissions avoided through non-pipe
12 alternative programs (G)
- 13 • Metric 86: Annual capital expenditures avoided through non-wires alternative
14 programs (E)
- 15 • Metric 92: Annual capital expenditures avoided through non-pipe alternative
16 programs (G)

17 **Q. Which of these metrics does Avista propose to eliminate?**

18 **A.** Metrics 26 and 75.

19
20

¹⁴ Metrics are numbered as they are presented in SJB-2.

1 **Q. Are the remaining NPA/NWA metrics (metrics 86 and 92) sufficient at**
2 **tracking NPA/NWA progress in Avista’s service area?**

3 **A.** No. While metrics 86 and 92 are helpful because they both track capital
4 expenditures avoided through alternatives, neither specifically look at NPA/NWA
5 investments in Named Communities.

6 As Avista works to achieve its clean energy targets mandated by CETA, it
7 is imperative that the Company plan for and balance spending between utility-scale
8 resources and community-level resources that more directly benefit Named
9 Communities. Avista should maintain metric 26 aimed at tracking the progress of
10 NPAs/NWAs in Named Communities. Avista could also consider tracking total
11 spending on NPAs/NWAs and % of margin revenue.

12 **Q. What about metric 75?**

13 **A.** I agree with Avista’s effort to reduce the number of PBR metrics that it must report
14 overall at this time. Metric 75, which tracks annual CO_{2e} emissions avoided
15 through NPA programs, isn’t necessary so long as Avista continues to track metric
16 73: carbon intensity, CO_{2e}/MWh, CO_{2e}/MW, CO_{2e}/electric customer, CO_{2e}/gas
17 customer.

18 **Q. Why is it important to collect demographic data from customers who**
19 **participate in customer-side programs (e.g., bill assistance, DERs)?**

20 **A.** Collecting demographic data from program participants is crucial for identifying
21 and addressing disparities, informing program design and improvement, and
22 measuring impact across different groups. It can ensure compliance with legal
23 requirements, enhance accountability, and enable efficient resource allocation by

1 targeting specific needs. This data also supports better outreach and engagement
2 strategies, promotes inclusivity and equity, and informs policy and decision-
3 making. Additionally, transparently using demographic data builds trust with
4 participants, demonstrating a commitment to understanding and addressing their
5 diverse needs and concerns.

6 **Q. Is Avista already collecting demographic data in any of its customer-side**
7 **programs?**

8 **A.** Yes. Avista collects the following demographic data from customers who apply to
9 its bill discount program. Customers are not required to answer the demographic
10 questions to apply for the bill discount program, and their identity remains
11 anonymous.

- 12 • Heating fuel source: electric, gas, other
- 13 • Homeowner or Renter
- 14 • Ethnicity: Hispanic/Latinx
- 15 • Race: American Indian or Alaska Native, Asian, Black or African American,
16 Native Hawaiian or other, Pacific Islander, White, Multi-Race, Other
- 17 • Education: 0 to 8 grade, 9 to 12 Grade Non-High School Graduate, High
18 School Graduate/GED, 12+ Some Post-Secondary School, 2-4 Year College
19 Graduate
- 20 • Military veteran: yes or no
- 21 • Senior over the age of 60: yes or no
- 22 • Preferred language: English, Spanish, Other
- 23 • Disability Status

1 **Q. Are there other programs in which Avista should collect demographic data?**

2 **A.** Avista should collect the same set of demographic data that it collects for its bill
3 discount program applicants in all of its current and future DER program offerings,
4 including: energy efficiency programs, demand response programs (time-of-use,
5 time-varying rate, managed transportation electrification charging), and
6 residential/community solar programs.

7 Like with its bill discount program data collection, Avista should allow for
8 customers to voluntarily offer their demographic information. Customers' decision
9 to not provide their demographic information should not affect their participation
10 in the program. Finally, Avista should maintain its practice to collect this data
11 anonymously through de-identification and data aggregation.

12 **Q. Please summarize the data collected in Avista's annual disconnection**
13 **reduction report.**

14 **A.** From its 2019 GRC settlement, Avista agreed to track the following nine data
15 points in annual disconnection reduction reports: (1) total disconnections for all
16 purposes, (2) total disconnections for non-payment, (3) total remote disconnections
17 and remote disconnections of low-income bill assistance recipients, (4) total
18 disconnections of customers receiving low-income bill assistance, (5) total
19 disconnections of customers with a medical emergency verified at the service
20 location within the previous two years, (6) number of payments received during
21 field/premise visits to prevent disconnection, (7) amount received during premise
22 visits to prevent disconnection and the mode of payment (cash, check, etc.), (8)

1 number of free pay stations, and (9) number and nature of customer complaints
2 related to disconnection.¹⁵

3 **Q. What does Avista propose in this case regarding the disconnection report?**

4 **A.** Avista proposes ending its Annual Disconnection Reduction Report stating that the
5 information provided in the report is reported in three other areas, including: 1)
6 COVID reporting (UTC docket 200281), 2) Avista’s CEIP, and 3) Avista’s PBR
7 metrics.¹⁶

8 **Q. Do you agree with Avista’s reasoning that the information provided in the
9 annual disconnection reduction report is captured in other filings?**

10 **A.** No. Most of the data points captured in the report are not captured in COVID
11 reporting, the CEIP, or PBR metrics. Only total disconnections for all purposes,
12 and total disconnections for non-payment are captured in each of these three
13 sources.

14 **Q. What do you recommend?**

15 **A.** The Commission should not allow Avista to discontinue its disconnection
16 reduction reports. The data provides useful information regarding demographics of
17 disconnections and much of the currently reported data would be lost without the
18 report.

19

20

¹⁵ See *WUTC v. Avista Corporation*, Dockets UE-190334, UG-190335 and UE-190222 (*Consolidated*), Final Order 09 at ¶58 (March 25, 2020) (“Avista agrees to gather disconnection data as listed in The Energy Project’s prefiled response testimony,” which can be found in Exh. SMC-1T at 19-20).

¹⁶ SJB-1T at 26:12-16.

1 **Q. When was Avista’s most recent Low-Income Needs Assessment (LINA) or**
2 **Energy Burden Analysis (EBA) completed?**

3 **A.** Avista hired Empower Dataworks, to complete a LINA that was submitted to the
4 UTC in September 2021.¹⁷

5 **Q. Do you have recommendations for the next iteration of Avista’s LINA/EBA?**

6 Yes. Avista’s September 2021 LINA was well done and comprehensive. In many
7 ways, it serves as an example for other utilities who would benefit from better
8 understanding which of their customers are low-income, which are energy-
9 burdened, and what the energy assistance need is. At the same time, Avista’s work
10 to better understand its customer energy assistance needs can continue to be
11 expanded and improved. I offer four recommendations to do this in future
12 LINAs/EBAs. Avista should (1) update customer income and usage data with each
13 new LINA/EBA, (2) assess energy burden for customers enrolled in its new bill
14 discount program, (3) include customers with fewer than twelve months of usage
15 data into the energy burden analysis, and (4) simulate energy burden over time as a
16 function of factors that increase customer bills.

17 **Q. Please expand on your recommendation that Avista should update customer**
18 **income and usage data with each new LINA/EBA.**

19 **A.** In order to determine customer energy burden, a utility must know two things: a
20 customer’s income and how much that customer spends on energy bills. Energy
21 burden can then be calculated by dividing annual energy bills by annual household

¹⁷ See Avista’s response to TEP-DR-007 Attachment A for Avista’s Energy Burden Assessment completed in September 2021.

1 income. Households who spend greater than or equal to six percent of their annual
2 income on energy bills are considered to be energy burdened.

3 In its September 2021 LINA, Avista established a baseline indicating that
4 42,000 of its approximately 225,000 households are energy burdened and estimated
5 a total assistance need of \$25 million.¹⁸ However, the number of energy burdened
6 households and assistance need may fluctuate over time due to a variety of factors
7 external to the utility, such as weather patterns, market trends, and
8 epidemics/pandemics. For Avista to most accurately provide assistance to its
9 customers in need, it must know who is energy burdened and what the need is. This
10 requires Avista to update these estimates in each iteration of its LINA/EBA, thus
11 requiring the Company to also use updated customer income and energy usage data
12 in each iteration of its LINA/EBA.

13 **Q. Please expand on your recommendation that Avista should assess energy**
14 **burden for customers enrolled in its new bill discount program.**

15 **A.** Avista's new multi-tiered bill discount program was implemented on October 1,
16 2023. Through the use of self-attestation of income, this program was designed by
17 the Company in collaboration with its EAAG to lower historic barriers to accessing
18 bill assistance that customers are eligible for. Additionally, the program's
19 percentage discount within each of its tiers were selected to specifically reduce a
20 customer's energy burden within each tier to at or below six percent. These two
21 design elements are new approaches to bill assistance within the state of

¹⁸ Avista's September 2021 LINA, page 17.

1 Washington. Avista is already seeing higher enrollments in its bill discount
2 program compared to its legacy grant-based assistance program.¹⁹ It is necessary to
3 assess this program’s effectiveness at reducing energy burden in order to make
4 program design changes that can better serve customers as well as to serve as an
5 example for peer utilities who are also implementing or considering implementing
6 similar programs. To do so, Avista must track the energy burden of its customers
7 enrolled in its new bill discount program.

8 **Q. Please expand on your recommendation that Avista should include customers**
9 **with fewer than twelve months of usage data into the energy burden analysis.**

10 **A.** Some utilities may require at least twelve months of customer energy use data to be
11 considered for analysis in an EBA. However, this excludes energy-burdened
12 customers who have fewer than twelve months of usage data due to frequent
13 moves, often related to housing affordability issues. To capture these customers
14 and other energy burdened customers with fewer than twelve months of usage data,
15 Avista should not set this requirement and should instead consider a lower usage
16 timeline—such as three or six months— for inclusion in its analysis of energy
17 burdened customers.

18 **Q. Please expand on your recommendation that Avista should simulate energy**
19 **burden over time as a function of factors that increase customer bills.**

20 **A.** To my knowledge, no utility currently projects the estimated future energy burden
21 of its customers. However, because utilities can anticipate changes to its bill

¹⁹ See Exh. CT-3, Avista Energy Assistance Advisory Group Presentation, slide 17 (May 2024).

1 assistance programs and future rate increases as well as have climate projections
2 that estimate warmer or colder than average seasons, utilities could simulate how
3 this may affect energy burden. This estimation would be helpful in determining
4 how to prepare for customer outreach and communications related to
5 disconnections and bill assistance options as well as how to support internal utility
6 Staff and partner Community Action Agency staff who assist customers. The
7 Company could work with its EAAG to determine an appropriate methodology for
8 simulating energy burden over time as a function of factors that increase customer
9 bills.

10 **V. CONCLUSION**

11 **Q. Please summarize your testimony.**

12 **A.** In the testimony laid out above, I define and describe energy equity. I then detail
13 what actions Avista is taking to advance energy equity through progress on its
14 2022 GRC and 2021 CEIP commitments, facilitation of its energy assistance
15 advisory group, and participation in the Commission docket on equity (A-230217).
16 My testimony ultimately offers four recommendations that will help Avista and the
17 Commission further its equity goals.

18 **Q. What are your recommendations?**

19 **A.** The Commission should require that Avista:
20 (1) re-incorporate Metric 26: “Percentage of non-pipe alternative+ utility spending
21 that occurs in highly impacted communities and on vulnerable populations (G)” into
22 its PBR metrics;

1 (2) collect the same demographic data that it already collects for its bill discount
2 program for all of its customer DER programs;
3 (3) maintain its annual disconnection reduction report; and
4 (4) improve its future energy burden analyses by updating customer income and
5 usage data with each new LINA/EBA, assessing energy burden for customers
6 enrolled in its new bill discount program, including customers with fewer than
7 twelve months of usage data into the energy burden analysis, and simulating
8 energy burden over time as a function of factors that increase customer bills.

9 **Q. Does this conclude your testimony?**

10 **A.** Yes.