

Agenda Date: July 29, 2021
Item Numbers: A4 & A5

Dockets: UE-210490 / UG-210491
Company: Avista Corporation, d/b/a Avista Utilities

Staff: Molly Brewer, Regulatory Analyst

Recommendation

Take no action, thereby allowing the tariff sheets filed by Avista Corporation in Dockets UE-210490 and UG-210491 to become effective in part on July 31, 2021, and in part on October 1, 2021, by operation of law.

Overview

On June 30, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed revisions to its electric tariff Schedule 92 and its natural gas tariff Schedule 192 Low-Income Rate Assistance Program (LIRAP). There are three revisions included in the tariff filings:

- 1) Expand the LIRAP energy grant to provide a flat \$250 grant to low-income customers with incomes up to the higher of 200 percent of the Federal Poverty Line (FPL), or 80 percent of the Area Median Income (AMI), effective October 1, 2021;
- 2) Suspend the implementation of its Percentage of Income Payment Plan (PIPP) and Past Due Payoff (PDP), previously approved to be effective October 1, 2021; and
- 3) Incorporate the Community Partner Network (CPN) as an administration source for LIRAP, effective July 31, 2021.

Background

First, in this filing, Avista proposes an expansion of the LIRAP energy grant to comply with Section 12 of the Clean Energy Transformation Act (CETA) and 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 UE-200269. The Notice clarifies qualification requirements to make programs and funding available to low-income households by July 31, 2021, pursuant RCW 19.405.120(2). The Commission requires:

1. The utilities must provide at least two low-income energy assistance programs.¹
2. The utilities must provide at least one energy assistance program be readily available to all low-income households.
3. Low-income means household incomes that do not exceed the higher of 80 percent of AMI or 200 percent of FPL, adjusted for household size.

¹ Energy assistance means a program undertaken by a utility to reduce the household energy burden of its customers including weatherization, conservation, and efficiency services; monetary assistance; direct energy resource ownership; and other strategies.

Second, Avista proposes the suspension of the PIPP implementation in response to the passage of Senate Bill 5295 (SB 5295) in the 2020-2021 legislative session, which becomes effective on July 25, 2021. SB 5295 requires that “*each gas or electrical company must propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other low-income assistance programs.*”²

Third, Avista proposes to incorporate the CPN to administer LIRAP. Avista created the CPN to expand the outreach of the Company’s temporary COVID-19 Debt Relief Program beyond the existing community action agencies.³ The individuals or organization in the CPN serve marginalized communities such as rural, immigrant, tribal and people of color. They can help Avista to distribute its bill assistance to hard-to-reach customers. Avista believes that the established CPN is ready to administer its LIRAP for the long term in addition to the COVID-19 Debt Relief Program.

Discussion

Commission staff (Staff) supports the proposed flat \$250 LIRAP energy grant for customers with incomes up to the higher of 200 percent of FPL, or 80 percent of AMI. The approach is designed to provide a reasonable level of financial benefits to households within the upper income range. The table in Appendix A shows the breakdown of which income threshold is higher, by household size and county. Customers in the 0-150 percent of FPL income range use the federal Low Income Home Energy Assistance (LIHEAP) benefit calculator. The calculator provides declining benefits as customers’ income as a percentage of FPL increases. The Company concluded that applying this benefit calculator to the newly extended population could potentially cause customers in the upper range of income to qualify for minimal or no benefit. To mitigate that possibility, this grant is offered as a flat amount. Staff agrees with the Company’s analysis that this design is consistent with the public interest. The expanded income eligibility threshold for LIRAP will align this program with Section 12 of CETA and the Commission’s Notice on income eligibility. The Energy Assistance Advisory Group (EAAG) will continue to discuss the modification of LIRAP going forward, including the benefit level for the newly extended low-income population.

Staff supports the temporary suspension of the PIPP and PDP. The suspension will allow Avista to holistically review all its program offerings going forward. Avista currently offers a multitude of programs to assist low-income customers with their energy bills. The EAAG meets regularly to review how well the various programs are working and to make changes as needed. Upon the passage of SB 5295, the EAAG recognized that as it contemplates a rate discount program in the near future, it has an opportunity to review all the Company’s current offerings to ensure that Avista is appropriately addressing its customers’ needs and eliminating any potentially duplicative programs. Staff supports the Company’s plan to have a subcommittee meet twice per month for the rest of this year to conduct this review and come up with recommendations for

² See RCW 80.28.068(1). SB 5295, § 3(1) (2021).

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

new program designs as needed. Among other programs, the PIPP and PDP will be scrutinized by the subcommittee to determine if or how it can be modified to work in sync with the future rate discount program.

Lastly, Staff supports the Company's proposal to incorporate the CPN as an administration source for the proposed LIRAP energy grant. The CPN has demonstrated its efficacy in the rollout of the temporary COVID-19 Debt Relief Program. With this proposal, the CPN entities can continue their work of supporting low-income program outreach and administration by engaging hard-to-reach and underserved customers.

Conclusion

Staff believes that these tariff revisions are consistent with the public interest. Staff recommends the Commission take no action, thereby allowing the tariff sheets filed by Avista Corporation in Dockets UE-210490 and UG-210491 to become effective by operation of law. Specifically, Avista will expand the LIRAP energy grant to customers with incomes up to the higher of 200 percent of the FPL, or 80 percent of the AMI, effective October 1, 2021; Avista will suspend the implementation of PIPP and PDP; and Avista will incorporate the CPN to administer LIRAP, effective July 31, 2021.

Appendix A

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	