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Kathy Hunter
 Acting Executive Director and Secretary
 Washington Utilities & Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Re: Avista’s Proposed Revisions to Electric Transportation Schedule 77

Dear Ms. Hunter,

Attached for filing with the Washington Utilities & Transportation Commission (Commission or WUTC) is an electronic copy of Avista Corporation’s, dba Avista Utilities (Avista or the Company), proposed revisions to the following tariff sheets, WN U-28:

3 rd Revision Sheet 77	Canceling	Second Revision Sheet 77
3 rd Revision Sheet 77a	Canceling	Second Revision Sheet 77a
3 rd Revision Sheet 77b	Canceling	2 nd Revised Sheet 77b
3 rd Revision Sheet 77c	Canceling	2 nd Revised Sheet 77c
2 nd Revision Sheet 77d	Canceling	First Revision Sheet 77d
1 st Revision Sheet 77e	Canceling	Original Sheet 77e
	New	Original Sheet 77f

The purpose of this filing is to propose adjustments to the Company’s Electric Transportation programs and activities, consistent with the UTC’s Policy and Interpretive Statement Concerning Commission Regulation of Electric Vehicle Charging, Docket UE-160799, and the Company’s Transportation Electrification Plan (TEP), acknowledged by the Commission October 15, 2020, Docket UE-200607.

I. BACKGROUND

On April 26, 2021, in Docket UE-210182, revisions to tariff WN U-28 amending Electric Transportation Schedule 77 became effective, specifying the parameters of the Company’s Electric Transportation programs, as well as the approval of new Schedules 013 and 023, establishing

optional time-of-use (TOU) rate schedules for commercial electric vehicle (EV) charging. Following this, the Company successfully implemented new programs and activities supporting beneficial electric transportation, as summarized in annual reports submitted in Docket UE-200607 on March 31, 2022, and March 31, 2023.

Since the approved changes to Schedule 77 and new Schedules 013 and 023 were approved, overall results of the Company's transportation electrification program have met or exceeded expectations. Light-duty EV adoption has shown steady growth, most recently at an annual rate of over 40% and trending toward a high-adoption trajectory in the Company's service territory.¹ From light-duty EVs alone, an estimated \$4.2 million in regional transportation cost savings were realized in 2022 while avoiding 11,348 tons of CO₂ emissions. Medium- and heavy-duty electrification in the areas of mass-transit and school buses are in-service and moving forward with several customers, resulting in 84% of new charging loads occurring off-peak. Charging programs for both residential and commercial customers continue to achieve high customer satisfaction of 98%, meeting cost expectations, providing key insights and lessons learned regarding equipment reliability, and EV load profiles and load management.

An expanding regional network of reliable Direct Current fast charging (DCFC) sites along travel corridors and in more densely populated urban areas continues to gain momentum, key to meeting customer needs and accelerating adoption. Education and outreach, partnerships with community-based organizations (CBOs), and other community investments in charging infrastructure have also been successful, providing valuable benefits to customers and communities, as well as critical experience for the Company to expand these programs in the future. This is especially made feasible with the support of supplemental funding anticipated through state and federal grants and the state's Clean Fuels Program (CFP).

In order to take advantage of gained experience and keep pace with changing market conditions, a number of program adjustments are now warranted. None of the program adjustments that are being proposed modify the direction of the Company's TEP in terms of strategic objectives and overall budgets. These proposed changes were submitted to the Joint Transportation Electrification Stakeholder Group for review on August 30, 2023. Comments and questions were received from WUTC Staff and Climate Solutions, followed by correspondence, discussion and incorporation of helpful suggestions to the proposals as outlined below and in the attached revisions to tariff Schedule 77 and respective customer agreements.

¹ Based on analysis of vehicle registration data provided by the Washington State Department of Licensing, accessible at <https://data.wa.gov/Transportation/Electric-Vehicle-Population-Size-History-By-County/3d5d-sdqb>.

II. SUMMARY OF PROGRAM ADJUSTMENTS

Residential Charging

The current residential charging program will be discontinued, replaced with a new Smart Charging program utilizing vehicle telematics and/or Advanced Metering Infrastructure (AMI). Participants will receive online energy reports, up to a \$500 sign-up incentive, and additional benefits through optimized charging services that may extend battery life and lower bills when participating in future TOU rate schedules. Additional ongoing incentives that act to maximize off-peak charging may also be offered with up to an additional \$500 per customer over the term of the program. The Company will provide helpful information to assist customers that wish to install an AC Level 2 (L2) charger at their residence, although not a prerequisite for the program as some customers may already have L2 available or prefer to charge at Level 1. Known low-income customers participating in energy assistance programs may receive up to a \$2,000 upfront incentive, which may help significantly defray the cost of Electric Vehicle Service Equipment (EVSE) and/or EV purchases.

This program leverages existing communication and telematics capabilities of the EV itself and/or the Company's AMI, rather than relying upon separate and additional networked charging equipment, communications systems and/or EV programming which have been used in previous programs. A total of less than \$1,000 per customer in up-front and ongoing incentives for the Smart Charging program compares to an average cost of \$1,863 for EVSE and installation, as well as ongoing operational and maintenance costs, of the previous residential charging program. Furthermore, the new program may be more feasibly scaled as the number of participants increases from a few hundred per year to many thousands per year in the future.² In this way, the Smart Charging program is proposed as a more cost-effective and scalable method of gathering charging data and shifting charging loads to off-peak, while providing additional value to customers and supporting beneficial market growth. Approximately 70% of EVs currently purchased by customers are capable of program participation, which may grow over time and is deemed sufficient to achieve objectives for load shifting, cost, and customer satisfaction.

Commercial L2 Charging

Avista-owned L2 installations may be provided to commercial customers covering 75% of installation costs, up to \$5,000 per port and \$50,000 per site location, with 50 or fewer parking spaces and/or tenants. These customers, as well as those with larger facilities, may also have the option to participate in a make-ready program covering 100% of installation costs up to \$5,000

² Avista 2020 Transportation Electrification Plan, pp. 81-3 and 2022 Annual Report, pp. 3-4. Accessible at <https://www.myavista.com/energy-savings/electric-transportation>

per port and \$250,000 per site location. To be eligible for the make-ready program, customers must agree to assign CFP credits to Avista. Avista may also offer rebates to make-ready program customers for customer owned and maintained EVSEs. Charging installations required by new building codes will not be eligible for commercial L2 programs; however, the Company will continue to provide helpful information regarding EV charging to all inquiring customers in the consideration of guidelines and best practices, rate schedules and grid integration.

Overall, the new program's L2 installation costs are expected to remain cost-effective, on par with the 2022 average installation and EVSE purchase cost of \$4,546 per port installed, with some adjustments for inflation, application type, and the use of networked EVSE.³ These program adjustments are helpful in providing more effective solutions for different customer needs and in providing more scalable support for market growth, particularly for the make-ready program best suited for larger and more complex public, Multi-Unit Dwellings (MUD), and Fleet applications. Furthermore, limiting eligibility to exclude EVSE installations required by building codes and providing the make-ready program to larger customers will help lower the Company's operational risks and longer-term maintenance expenses in owning and maintaining EVSE. The Company-owned EVSE option will continue to be offered to smaller commercial customers, which is especially beneficial for those companies with more limited resources to develop and implement charging infrastructure plans and investments.

DCFC

A make-ready fleet option is provided, similar to the make-ready program for public DCFC, in which the Company may invest in charging infrastructure other than the EVSE up to \$20,000 per DCFC site, in addition to the service transformer. This will help encourage fleet electrification in situations where a DCFC is necessary, given the particular fleet operational demands. Further, as automakers are in the process of incorporating the North American Charging Standard (NACS) utilized by Tesla, the NACS connector port will be allowed in addition to the Combined Charging Standard (CCS-1) specified for public DCFC.

The Company will continue to support the development and implementation of the region's DCFC charging network, through ongoing engagement with local stakeholders including the Spokane Regional Transportation Council, Tribes, Municipalities, CBOs, Avista's Equity Advisory Group, and customers, with guidance from the Washington State Department of Transportation and the State's Transportation Electrification Strategy.

³ Avista Transportation Electrification 2022 Annual Report, p. 14. Accessible at <https://www.myavista.com/energy-savings/electric-transportation>

User Fees

Company-owned public EVSE user fees are adjusted to match current market conditions at \$0.42 per kWh for DCFC, \$0.28/kWh for networked L2, and idle fees of \$0.40 per minute after a grace period. This aligns with recent user-fee rates approved for Puget Sound Energy, and results in equivalent costs of gasoline comparable to \$2.08/gallon for L2 and \$3.12/gallon for DCFC.⁴ The proposed user fees thus present a competitive alternative to the cost of gasoline, balanced with a reasonable cost recovery for charging services provided.

Community and Low-Income Support

Updates to the descriptions of different programs and activities in this area include the addition of public libraries and school district partners, support for electrified micro-mobility, ridesharing, and carsharing access to underserved communities and low-income customers, and fleet electrification advisory services for CBOs and others providing transportation services benefiting local communities. The Company is committed to building upon the success of the EV program for CBOs and other community and low-income programs as detailed in its annual reports, aspiring to deploy 30% or more of total funding to these areas of activity.

Market and Technology Monitoring and Testing

This section is added consistent with the TEP to describe certain limited activities in the monitoring and testing of promising market and technology innovations. These may include but are not limited to load management systems, onsite renewable power and energy storage integrated with EV charging, vehicle-to-building and vehicle-to-grid integration, and innovative micro-mobility and ridesharing/carsharing projects.

Program Reporting

Minor adjustments to reporting requirements are proposed in order to streamline regular reporting and updates to the TEP. Annual summary reports are unchanged, with submittals required by March 31st for the prior calendar year. The mid-period report is discontinued as it was already provided. Detailed reporting elements are unchanged, including updates on EV adoption and forecasts, program activities, EV rate schedule participation and results, lessons learned, and program adjustments from the previous TEP.

⁴ Based on equivalent miles driven, assuming average fuel efficiencies of 3.5 miles/kWh for electricity and 26 mpg for gasoline

Funding from Grants and the CFP

Activities and programs may be supported by supplemental funding from grant awards, and/or the CFP as authorized by RCW 70.A.535.070 and administered by the Department of Ecology, in full alignment with the TEP and State policy goals.

III. CONCLUSION

The proposed adjustments to programs under Schedule 77 are intended to build upon the Company's experience, adapt to changing market conditions and opportunities, and continue to achieve results in a cost-effective manner. Partnering with industry, government, communities, and customers, we stand committed and look forward to the hard work and innovation in transportation electrification that will lead to a better energy future for all.

The Company respectfully requests that the proposals described herein be allowed to take effect on January 15, 2024. If you have any questions regarding this filing, please contact Rendall Farley at 509-495-2823 or Paul Kimball at 509-495-4584, or by email at paul.kimball@avistacorp.com.

Sincerely,

/s/ Paul Kimball

Paul Kimball

Manager of Compliance & Discovery