

January 5, 2018

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Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
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Olympia, WA 98504-7250

State Of WASH.
UTIL. AND TRANSP.
COMMISSION

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**Re: Avista Corporation, Report identifying its ten-year achievement in electric conservation potential and its electric biennial conservation target, Docket UE-171091
Low-Income Fuel Conversion**

Dear Mr. King,

The Energy Project respectfully submits these comments as a follow up to our letter dated November 30, 2017. As stated in that letter, we strongly encourage retention of fuel conversion incentives for the Avista low-income weatherization program. We are pleased that Commission Staff also supports retention of low-income fuel conversion, as stated in the Staff Open Meeting memorandum of December 20. Should the Commission decide to terminate or curtail Avista's existing fuel conversion program for non-low-income customers, The Energy Project requests Commission support for any actions necessary to ensure that funding levels for low-income fuel conversions are maintained at existing levels without any gap in offerings. As discussed below, we see two potential pathways for retention of the low-income fuel conversion program offerings.

According to Avista's Biennial Conservation Plan (BCP) budget for 2018-2019, low-income fuel conversions represent \$296,672, or 12 percent of the \$2.36M total electric low-income weatherization budget and slightly less than one percent of the total electric energy efficiency portfolio budget of \$31.5M.¹ As explained in our prior letter, low-income fuel conversion measures have always been administered and offered separately from Avista's residential fuel conversion program. Because these measures serve as another important option to help reduce the energy burden for low income households, we believe existing offerings should be preserved.

In our view, there are two options for retaining funding for the low-income conversion program, in the event the Commission wishes to

¹ Avista 2018-2019 BCP, Appendix A.

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change the existing general program: (1) modify Avista's electric tariff Schedule 90 to clarify that fuel conversion measures for the low-income weatherization program are to be retained as eligible expenses within the tariff; or (2) modify Schedules 92/192, as proposed by Staff, to allow for LIRAP funds to be used for the purpose of allowing gas conversions for eligible low-income Avista customers. The Energy Project is in support of either approach, however, if the second option is implemented, we believe it is essential for the Commission to hold existing LIRAP funds harmless. To that end we request that the BCP budget for low-income conversions be added to the existing LIRAP budget to ensure that funding for low income fuel conversions, as well as LIRAP, is not diminished and that no gap in service offerings occurs.

Again, we appreciate the opportunity to comment on this important matter and look forward to discussing it in person at the Commission's January 10th Open Meeting.

Sincerely,

/s/ Shawn Collins
Shawn Collins
Director
The Energy Project