



# Low-Income Rate Assistance Program (LIRAP)

## Annual Summary Report

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**For the program period October 2021 through September 2022**

**WASHINGTON**

## Contents

<b>Overview .....</b>	<b>3</b>
<b>Program Year Results .....</b>	<b>5</b>
Grant Participants and Fund Distribution.....	6
Administration and Program Support Fees .....	9
Conservation Education Staff & Labor Support .....	10
<b>Program Impacts .....</b>	<b>11</b>
Program Distribution Percentage .....	11
Avista Electric and Natural Gas Assistance .....	11
Energy Burden, as provided by SNAP.....	12
<b>Program Administration.....</b>	<b>13</b>
LIRAP Senior and Disabled Rate Discount .....	13
LIRAP AMP.....	14
Automatic Hardship Grant .....	15
True-Up Mechanism.....	17
<b>Avista Energy Assistance Advisory Group.....</b>	<b>18</b>
EAAG Subcommittee.....	20
Agency Meetings.....	22
<b>Conservation Education and Outreach.....</b>	<b>22</b>
Agency Conservation Education Activities.....	23
Community Action Center (CAC) Whitman.....	23
Community Action Partnership (CAP) .....	24
Opportunities Industrialization Center (OIC) of Washington .....	24
Rural Resources.....	24
SNAP.....	25
Avista Outreach and Education.....	27
Energy Assistance Outreach.....	28
Senior Directories and Publications .....	30
<b>Data Collection .....</b>	<b>31</b>
<b>Participating LIRAP Agencies.....</b>	<b>31</b>
<b>Utility Program Contacts .....</b>	<b>31</b>

## Overview

Avista Utilities' Low-Income Rate Assistance Program (LIRAP), approved by the Washington Utilities and Transportation Commission (UTC or Commission) in 2001, collects funding through electric and natural gas tariff surcharges on Schedules 92 and 192. These funds are distributed by Community Action Agencies and the Spokane Tribe of Indians (collectively, Agencies or CAAs)<sup>1</sup> in a manner similar to the Federally sponsored and State-administered Low-Income Home Energy Assistance Program (LIHEAP). LIRAP, like LIHEAP, can help a household pay ongoing energy costs, avoid having its utilities shut off, or help reestablish service after a disruption occurs.

Avista remains committed to reducing the burden of energy costs for our customers most affected by rising energy prices, including low-income individuals and families, seniors, disabled and vulnerable customers. To assist our customers in their ability to pay, the Company focuses on actions and programs in four primary areas:

- 1) advocacy for and support of programs providing direct financial assistance;
- 2) low-income and senior outreach programs;
- 3) energy efficiency and energy conservation education; and,
- 4) support of community programs that improve affordability of basic costs of living for resource-constrained customers.

Additionally, the Commission's Final Order 07 in Docket Nos. UE-140188 and UG-140189 (*Consolidated*)<sup>2</sup> established the following goals to guide program design:

- 1) keep customers connected to energy service;
- 2) provide assistance to more customers than are currently served by the program;
- 3) lower the energy burden of LIRAP participants; and,

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<sup>1</sup> The seven Agencies serving Avista's service territory include Spokane Neighborhood Action Partners (SNAP), Rural Resources, Opportunities Industrialization Center (OIC) of Washington, Community Action Center – Whitman County, Community Action Partnership – Asotin County, Washington Gorge Action Programs, and the Spokane Tribe of Indians.

<sup>2</sup> See Final Order 07, issued June 25, 2015, Granting Joint Petition and Approving Modifications and Additions to Avista's Low Income Rate Assistance Program Compliance Filing.

4) ensure that LIRAP has appropriate data to assess program effectiveness.

In support of these goals and focus areas, the Company's LIRAP, for the 2021-2022 program year, was comprised of the following components:

- **LIRAP Heat:** Available for customers with incomes at or below 150% of the Federal Poverty Level (FPL); mimics LIHEAP in terms of intake requirements and benefit calculation.
- **LIRAP Emergency Share:** Emulates the Project Share community fuel fund that is funded through voluntary donations to help customers in emergency or hardship situations, providing customers with a benefit of up to \$350.
- **Senior/Disabled Rate Discount (RDP or Rate Discount):** A rate discount program for senior and disabled customers with variable incomes between 151-200% FPL.
- **Arrearage Management Plan (AMP):** Available to customers with incomes at 51-200% FPL, this program reduces customer arrearages owed over a 12-month period by providing an incentive for regular, on-time payment of these balances. Available twice within a 7-year period.
- **LIRAP Energy Grant:** Provides a \$250 benefit to qualifying customers with incomes at 151% FPL up to the greater of 200% FPL or 80% Area Median Income (AMI).
- **Automatic Hardship Grant:** Available to customers July 2022, this one-time grant for customers experiencing financial hardship, as proven by a past due balance and subject to thresholds and timing intervals determined by Avista's Energy Assistance Advisory Group (EAAG or Advisory Group). The grant mimics "emergency" assistance processes and is intended to cover past due balances only and should not exceed \$350.

This 2021-2022 LIRAP Annual Summary Report (Report) is intended to provide a summary of the Company's LIRAP for the given program year, including overall results, impacts, administration, and Advisory Group updates.

## Program Year Results

With the enactment of the Clean Energy Transformation Act (CETA) in 2019, specifically Section 12 (codified as RCW 19.405.120), and the introduction of Senate Bill 5295 (SB 5295) in 2021 – in addition to the reverberating economic hardship faced by many due to the COVID-19 pandemic – the 2021-2022 program year continued to be full of challenge and change for not only Avista customers, but for the Company and its Advisory Group as well. As discussed within this Report, these milestones brought with them transformational change for LIRAP, now and into the future.

During the 2021-2022 program year, \$8,130,791 in electric revenue and \$4,887,000 of natural gas revenue was collected through Schedules 92 and 192, for a total of \$13,017,791.<sup>3</sup> In total, 32,468 of Avista’s Washington electric and natural gas customers received energy grants (including LIRAP, LIHEAP, and other community sources), with the average grant amount at approximately \$420. Of the 18,200 customers that received the LIRAP grants disbursed during 2021-2022 (inclusive of Heat, Emergency Share, and the newly implemented – Energy Grant), the average grant amount was \$365. Table 1 below reflects the total budget of Avista’s LIRAP, the amount collected through Schedule 92 and Schedule 192, and the actual expenditures during the 2021-2022 program year. Expenditure amounts include Direct Services (DS), Administration (Admin), and Conservation Education (ConEd).

**Table 1 – 2021-2022 LIRAP Budget and Expenditures**

<b>Program Year October 1 - September 30</b>	<b>WA Program Budget</b>	<b>Program Year Expenditures<sup>2</sup></b>	<b>Unspent Funding</b>
Electric	7,962,844	8,047,954	(85,110)
Natural Gas	4,855,851	4,047,597	808,254
<b>Total</b>	<b>12,818,695</b>	<b>12,095,551</b>	<b>723,144</b>

<sup>3</sup> Includes funding for both LIRAP and the Senior/Disabled Rate Discount.

The remaining unspent balance of \$723,144 is made available to Agencies in the 2022-2023 program year.

## **Grant Participants and Fund Distribution**

In the 2021-2022 program year, the total grant amount average for LIRAP grants provided was \$365. As provided above, customer eligibility for LIRAP Heat is determined according to existing guidelines established by Federal and State standards used for LIHEAP. Customers experiencing energy emergencies and/or financial hardship are also eligible for assistance under LIRAP Emergency Share. New to customers who previously did not qualify for LIRAP was the Energy Grant. This grant, created in compliance with the expectations of CETA and the directive of the Commission in Docket No. UE-200269,<sup>4</sup> provided an energy assistance program offering to customers with incomes at 200% FPL or 80% AMI, whichever is greater. The grant benefit is a \$250 set amount and available once per program year to customers with incomes 151 FPL to the greater of upper income threshold.<sup>5</sup>

Typically, participants may receive a total of two grants from LIHEAP and/or LIRAP Heat and LIRAP Emergency Share at different times during the program year. The Agencies can serve a customer with LIRAP funds more than once in a program year if the household continues to experience hardship after receiving assistance, but the emergency grant maximum of \$350 can only be exceeded for customers with extenuating circumstances. To demonstrate the program impact in meeting the need of its customers, Table 2 and 3 below shows a year-to-year comparison of the number of grants issued for each program component, with the total and average amounts for each.

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<sup>4</sup> See Commission's *Notice of Programs and Funding Requirements for Electric Utilities Under CETA*, issued April 21, 2021.

<sup>5</sup> See Docket Nos. UE-210490 and UG-210491.

**Table 2 – 2021-2022 Number and Amount of Grants by Program Component**

<b>Year 21 - October 2021 through September 2022</b>			
<b>Program Component</b>	<b>Number of Grants</b>	<b>Grant Total</b>	<b>Avg. Grant Amt</b>
LIRAP Heat	8,618	\$3,629,375	\$421
LIRAP Emergency Share	8,978	\$2,874,156	\$320
LIRAP Energy Grant	895	\$250,253	\$280
Senior/Disabled Outreach	4	\$1,600	\$400
<b>Total</b>	<b>18,495</b>	<b>\$6,755,385</b>	<b>\$365</b>

**Table 3 – 2020-2021 Number and Amount of Grants by Program Component**

<b>Year 20 - October 2020 through September 2021 (actual)</b>			
<b>Program Component</b>	<b>Number of Grants</b>	<b>Grant Amount</b>	<b>Avg. Grant Amt</b>
LIRAP Heat	4,646	\$1,952,745	\$420
LIRAP Emergency Share	7,337	\$2,306,538	\$314
Senior/Disabled Outreach	291	\$111,000	\$381
COVID Hardship	3,898	\$1,344,191	\$345
<b>Total</b>	<b>16,172</b>	<b>\$5,714,474</b>	<b>\$353</b>

With regard to income and household size, 56% of LIRAP participants during the 2021-2022 program year had household average incomes less than \$15,000, and approximately 27% of the grant recipients had annual household incomes less than \$8,000. Additionally, 61% of the LIRAP participants had households of two or more people, while customers renting their residences constituted 65% of the total.

Table 3 below shows a collection of demographic data intended to be responsive to requests for general information of participating customers. This data was collected by the participating Agencies and compiled by Avista’s LIRAP Analyst. The information is sorted by traditional grants (LIRAP Heat, Emergency Share and Energy Grant).

**Table 3 – Demographic Data – Traditional Grants: October 1, 2021 – September 30, 2022**

Washington LIRAP Data Compilation - TRADITIONAL GRANTS October 1, 2021 through September 30, 2022				
		# of Households	% of Households	Cumulative %
<b>Home Ownership</b>				
	Own	6,409	35%	35%
	Rent	12,086	65%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Heating Fuel Source</b>				
	Electric	7,269	39%	39%
	Natural Gas	3,931	21%	61%
	Other	7,295	39%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Size of Household</b>				
	1 Person	7,160	39%	39%
	2 People	4,122	22%	61%
	3 People	2,671	14%	75%
	4+ People	4,543	25%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Annual Income Level</b>				
	Under \$2,000	3,350	18%	18%
	\$2,000-\$3,999	590	3%	21%
	\$4,000-\$5,999	315	2%	23%
	\$6,000-\$7,999	677	4%	27%
	\$8,000-\$9,999	1,620	9%	35%
	\$10,000-\$11,999	1,954	11%	46%
	\$12,000-\$14,999	1,865	10%	56%
	Over \$15,000	8,124	44%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Hispanic or LatinX</b>				
	Yes	976	5%	5%
	No	17,519	95%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Veteran</b>				
	Yes	608	3%	3%
	No	17,887	97%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Senior (over 60)</b>				
	Yes	3,792	21%	21%
	No	14,703	79%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Education</b>				
	0-8	752	4%	4%
	9-12 Non-Graduate	3,031	16%	20%
	High School Graduate/GED	6,755	37%	57%
	12+ Some Post-Secondary	4,874	26%	83%
	2 or 4 Year College Graduate	3,084	17%	100%
	<b>Total</b>	<b>18,495</b>		
<b>Race</b>				
	American Indian or Alaskan Native	523	3%	3%
	Asian	287	2%	4%
	Black or African American	1,088	6%	10%
	Native Hawaiian or Other Pacific Islander	509	3%	13%
	White	15,022	81%	94%
	Multi-Race	106	1%	95%
	Other	961	5%	100%
	<b>Total</b>	<b>18,495</b>		

## Administration and Program Support Fees

A portion of the revenue collected for LIRAP is provided to the seven Agencies in Avista’s Washington service territory for the administration and delivery of the program to qualified customers. These Admin funds are essential in supporting the Agencies in their ability to implement LIRAP programs. Avista and its partner Agencies have developed and delivered crucial LIRAP programs to ensure ease of access and sufficient benefit for low-income customers struggling to afford basic costs of living and to reduce energy burden.

For this reporting program year, a total of \$2,098,163 was distributed to the Agencies for Admin purposes. This amount, including the \$482,418 carry over from the previous reporting program year, totaled \$2,580,581 available for the Agencies to use in the administration of LIRAP for 2021-2022. Excluding the amount subsidized from other funding sources, the actual amount utilized by the Agencies to support program administration was \$1,892,125, which left an unspent Admin balance of \$688,456 as of September 30, 2022. Table 4 below represents a recap of the Administration and Program Support Fees spent, and the amount available as of September 30, 2022.

**Table 4 – Administration and Program Support Fees**

<b>WASHINGTON LIRAP Admin and Program Support Fees October 1, 2021 through September 30, 2022</b>	
Admin and Program Fees Carry Over from Program Year 20	<b>\$ 482,418</b>
Program Year 21 - Admin & Program Support Funds paid to Agencies	<b>\$ 2,098,163</b>
Net Funds Available for Admin and Program Support Funds Spent by Agencies	<b>\$ 2,580,581</b>
Admin and Program Support Funds Spent by Agencies	<b>\$ 1,892,125</b>
Unspent Admin and Program Support on September 30, 2022	<b>\$ 688,456</b>
Percent Unspent in Comparison to Available Funds	<b>27%</b>

## Conservation Education Staff & Labor Support

The Company budgets 4.2% of program funding to help support the administering Agencies' labor related to the Conservation Education program. These funds are used to support the staffing and administration needs of each Agency, specifically for ConEd activities. ConEd funds are paid out to the Agencies in monthly payments, along with Admin funds. For this program year, a total of \$534,079 was distributed to the Agencies for ConEd. This amount, including the \$194,085 carry over from the previous reporting program year, totaled \$728,164 available for ConEd.

The amount spent by the Agencies from LIRAP funds was \$501,332, leaving an unspent ConEd balance of \$226,832 as of September 30, 2022. This funding has been distributed to the individual Agencies and, per their discretion, can be carried forward into the next reporting program year for future Conservation Education Staff and Labor costs. Table 5 below represents a recap of the ConEd spent and the amount available as of September 30, 2022.

**Table 5 – Conservation Education Staff and Labor**

<b>WASHINGTON LIRAP</b> <b>Conservation Education Staff and Labor</b> <b>October 1, 2021 through September 30, 2022</b>	
<b>ConEd Staff and Labor Carry Over from Program Year 20</b>	<b>\$194,085</b>
Program Year 21 – ConEd Staff and Labor paid to Agencies	\$534,079
Net Funds Available for ConEd Staff and Labor	\$728,164
ConEd Staff and Labor Funds Spent by Agencies	(\$501,332)
Unspent Admin and Program Support on September 30, 2020	<u>\$226,832</u>
Percent Unspent in Comparison to Available Funds	31%

# Program Impacts

## Program Distribution Percentage

Historically, the recommended percentages for program distribution among the three original grant programs (i.e., LIRAP Heat, Emergency Share and Senior/Disabled Outreach) were 60% for LIRAP Heat, 26% for LIRAP Emergency Share, and 14% for Senior/Disabled Rate Discount. However, with the implementation of new programs such as the Energy Grant and Auto Grants, those parameters are no longer relevant. The Direct Service funding distribution results for this program year were as follows:

**Table 6 – Direct Service Funding Distribution**

Agency	Heat	Emergency Share	Energy Grant	Auto Grants
Community Action Center Whitman	4%	44%	8%	44%
Community Action Partnership Asotin	59%	18%	1%	21%
OIC of Washington	66%	8%	5%	21%
Rural Resources	51%	25%	3%	21%
SNAP	39%	34%	3%	24%
Spokane Tribe	18%	11%	0%	71%
WGAP	34%	0%	0%	66%
Total	41%	32%	3%	24%

Avista recognizes that each Agency’s service territory is unique and attributes the differences in program distribution to the diversity of need that each agency experiences.

## Avista Electric and Natural Gas Assistance

To improve the equitability of the distribution of LIRAP funds and based on historical discussions with Commission Staff and other interested parties, electric revenues are allowed to be used for natural gas heat customers if those same customers also use Avista electric service. Of

the total LIRAP assistance grants issued, approximately 65% were utilized as electric and 35% were natural gas. The 2021-2022 results for assistance by heating source are as follows:

**Table 7 – Percentage of LIRAP Grants Issued by Fuel Type**

Agency	Electric	Gas
Community Action Center Whitman	75%	25%
Community Action Partnership Asotin	51%	49%
OIC of Washington	99%	1%
Rural Resources	85%	15%
SNAP	62%	38%
Spokane Tribe	100%	0%
Washington Gorge	0%	100%
Total	65%	35%

**Energy Burden, as provided by SNAP**

Per RCW 19.405.020(17), ““Energy burden” means the share of annual household income used to pay annual home energy bills”. This term is relevant to low-income issues as a comparison to income used for other essential needs such as food, housing, clothing, and health services. Table 8 below, which includes information provided by SNAP, depicts reductions in the energy burden experienced by Spokane County bill assistance participants in the 2021-2022 program year.

**Table 8 – Spokane County Energy Burden**

Federal Poverty Level Percentage	Number of Customers	Average Income	Average Heat Costs	Average Energy Assistance (EA)	Energy Burden Before EA	Energy Burden After EA
<b>0-50% FPL</b>	822 Electric 292 Gas	\$604.98 \$614.96	\$768.78 \$503.45	\$543.42 \$547.09	31.70% 29.30%	26.40% 8.20%
<b>51-100% FPL</b>	1,581 Electric 514 Gas	\$1,326.32 \$1,406.92	\$671.47 \$477.01	\$454.16 \$469.59	22.20% 9.70%	16.60% 5.20%

<b>101-150% FPL</b>	842 Electric 448 Gas	\$1,955.45 \$2,023.47	\$730.81 \$510.38	\$459.41 \$455.88	14.50% 7.10%	10.80% 2.20%
<b>151 to 200% FPL</b>	4 Electric 4 Gas	\$2,322.00 \$3,552.50	\$832.75 \$670.67	0 0	.40% .40%	.40% .40%
<ul style="list-style-type: none"> <li>▪ Annual energy costs were determined by the actual previous 12 months energy usage from the date of application.</li> <li>▪ 4,507 unique households served in reported date range; includes all clients served (not just Avista customers).</li> <li>▪ The reported data only captures individuals for whom energy use was known and excludes customers for whom energy use was estimated.</li> <li>▪ The reported date does not include Energy Grant recipients as usage and costs are not utilized to determine the customer benefit (e.g., it is a set grant amount).</li> </ul>						

The energy burden for customers after receiving bill assistance benefits is approximately 26.4% for electric customers and 8.20% for gas customers between 0 and 50% FPL; 16.60% for electric and 5.20 % gas for those between 51% to 100% FPL; 10.80% for electric and 2.20% for gas for those between 101% and 125% of the FPL and .40% for electric and .40% for gas customers with incomes 151 to 200% FPL.

## Program Administration

### LIRAP Senior and Disabled Rate Discount

Avista’s RDP has been in place since October 1, 2019. Through the RDP, senior and/or disabled households with incomes between 151% to 200% of FPL are eligible to receive a rate discount on either their electric or natural gas service. The per kilowatt-hour and per therm discounts were designed to provide an average benefit of \$400 per participant per program year, consistent with the grant amount provided through the previous LIRAP Senior/Disabled Outreach, which ended September 30, 2021.<sup>6</sup> In September 2021, 243 of the 291 previous recipients of the Senior/Disabled Outreach grant were automatically enrolled in the RDP. The current RDP rate is \$0.03064 per kilowatt-hour of electricity and \$0.48469 per therm of natural gas.

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<sup>6</sup> The actual benefit amount received by each customer may be more or less than \$400 depending on actual usage.

To provide ease in access to the RDP, a referral process was put in place to connect RDP candidates identified by Avista Customer Service Representatives (CSRs) directly to the Agencies to initiate the application process. The RDP referral process includes a screening procedure through which CSRs determine a customer’s potential eligibility for the RDP at the time the customer contacts the Company and expresses financial difficulty in paying their bill. If the customer is a senior (over the age of 60) and/or receives disability income and is within the income qualification range, the CSR informs the customer that he/she may qualify for the RDP and if they are interested, their information will be shared with the local CAA organization so that a representative from the Agency can contact them to complete the application and enrollment process. The CSR then initiates a letter notifying the customer that they may qualify for the RDP; the letter includes contact information for the local Agency as well as instructions for how to prepare for the call from the Agency representative. Twice a week, a listing of RDP candidates (as identified by Avista CSRs) is forwarded to the respective Agency; the listing includes the candidates’ contact information needed for the Agency to initiate contact.

The Direct Service expenditures for the RDP totaled \$473,313 for the 2021-2022 program year. Table 9 below compares the distribution of RDP enrollments for this timeframe:

**Table 9 – 2021-2022 Senior/Disabled Rate Discount Distribution**

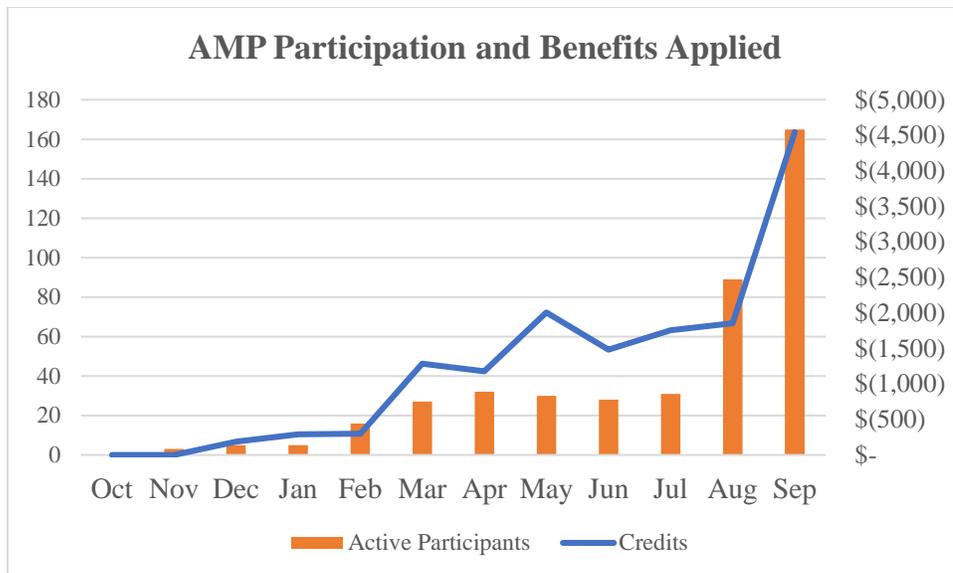
<b>Senior/Disabled Rate Discount 2021/2022 Program Year</b>		
<b>Participants</b>	<b>Total Discount Amount</b>	<b>Average Discount Amount</b>
1,285	\$473,313	\$368

## **LIRAP AMP**

The LIRAP AMP, launched in April 2021, provides relief for residential customers with incomes between 51-200% FPL who have an unmanageable past-due balance (arrears) on their account. Through the AMP, customers in this income range will receive a benefit that covers 90%

of the customer’s arrears as an incentive for regular, on-time payments from the time of enrollment. Upon enrollment, the 10% of the arrears the customer is responsible for will be amortized over a 12-month period. For each on-time, in-full payment the customer makes on their portion of the arrears and their current bill, 1/12<sup>th</sup> of their arrears will be forgiven. The intent of this offering is that the incentive will influence desired payment behavior of regular, on-time payments, while also reducing the burden a past due balance places on customers. The AMP is offered to customers in instances where energy and emergency assistance have already been utilized yet the customer still needs assistance with their unpaid arrears.

180 customers enrolled in the AMP during the 2021-2022 LIRAP program year. As of September 30, 2022, 165 participants remained actively enrolled in the AMP. Throughout this program year, approximately \$14,883 in AMP credits were applied to these accounts for an average benefit of \$83 per customer.



### Automatic Hardship Grant

As it does each year, Avista met with its Agencies and its Advisory Group throughout the 2021-2022 program year to review and collaborate on LIRAP budgets, successes, challenges, and

any other discussion topics that may be pertinent to Avista’s low-income customers. As a result of such conversations and review of its current LIRAP DS budget at its May 10, 2022 EAAG meeting,<sup>7</sup> a recommendation was made by the Agencies to utilize a portion of the remaining DS funding to issue an Automatic Hardship Grant to customers with arrearages that had not yet received energy assistance. The Company began correspondence with its Advisory Group regarding this proposal in May 2022 and, at its July 12, 2022 meeting, further discussed the proposed Automatic Hardship Grant with the EAAG for collaboration, feedback, and potential approval. Updates to the current DS budget were also provided at that time, showing that of the original \$14.5 million LIRAP DS budget, approximately \$8.6 million, or 59%, was remaining as of June 30, 2022. The Advisory Group provided unanimous support for this Automatic Hardship Grant, and on July 27, 2022 the Company filed revisions to its tariff Schedules 92 and 192 to incorporate the grant effective August 11, 2022.<sup>8</sup> On August 22, 2022, Avista provided the Automatic Hardship Grant to 8,689 customers meeting the following criteria:

- Have an account balance 60+ days past due (including Comfort Level Billing (CLB) participants who are in jeopardy of being terminated from the program due to missed payments);
- Past due balance is larger than \$100;
- Customer has not received LIRAP or Project Share assistance during the current program year (since October 1, 2021); and,
- Customer will not be eligible for the Department of Commerce funding approved in the 2021 legislative session for utility arrearage forgiveness.<sup>9</sup>

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<sup>7</sup> As provided at its May 10, 2022 EAAG meeting, the DS balance at the end of March 2022 was still approximately \$10.9 million (25% of budget spent).

<sup>8</sup> See Docket Nos. UE-220565 and UG-220566.

<sup>9</sup> In the 2021 legislative session, the legislature approved of \$100 million for enhanced low-income utility assistance to cover water, sewer, garbage, electric and natural gas arrears. The funds, to be provided as arrearage forgiveness, are intended to go toward customers who previously received energy assistance and were financially impacted by the COVID-19 pandemic (as evidenced by an unpaid balance accrued between March 1, 2020 and December 31, 2021). At the time of filing for approval of the Automatic Hardship Grant, these funds were expected to be provided to utilities, for distribution to eligible customers, in August or September 2022.

The expenditures for the LIRAP Hardship Auto Grant totaled \$2,178,084. Table 10 below demonstrates the state of arrears and bill assistance activity for these recipients three months after receiving the grant.

**Table 10 – LIRAP Hardship Auto Grant Effectiveness**

<b>LIRAP Hardship Auto Grant Recipients:</b>			
<b>Account Snapshot, three months after grant</b>	<b>Total Customers</b>	<b>Percent of Total</b>	<b>Total Amount</b>
Received Bill Assistance within three months of receiving the Hardship Auto Grant	312	4%	\$172,433
In arrears three months after receiving the Hardship Auto Grant	7,954	59%	\$1,239,547

### **True-Up Mechanism**

Per the Commission’s Order 07 in Docket Nos. UE-140188 and UG-140189, Avista developed an annual true-up mechanism for LIRAP Schedules 92 and 192 to ensure recovery of the annual budget each year. The true-up mechanism established an annual filing by the Company, to adjust rates and collect the necessary program revenue, thereby aligning the dollars collected with the annual budgeted amounts communicated to the Agencies. Further, Order No. 05 in Docket Nos. UE-150204 and UG-150205 (*Consolidated*) established a five-year plan and true-up schedule which required Avista to file revisions to Schedules 92 and 192 by August 15<sup>th</sup> of each year, to increase LIRAP funding by 7% or two-times the amount of any residential base rate increase, with annual funding increases beginning effective October 1, 2016, to continue through October 1, 2019. Order 09 in Docket Nos. UE-190334 et. al. then extended the five-year funding plan through Avista’s next general rate case (GRC), and Final Order No. 08/05 in Docket Nos. UE-200900 et.al. further extended this funding mechanism. In compliance with these aforementioned orders, Avista filed its annual 7% rate increase, and its true-up of the estimated revenues collected for LIRAP to

the actual collections for the prior October to September LIRAP program year, on July 29, 2022.<sup>10</sup> For the 2021-2022 program year, the estimated annual revenue change needed to support LIRAP's electric collections was an increase of approximately \$0.2 million, or an increase of 0.04% in overall billed rates; for natural gas, the overall rate increase needed was approximately \$0.4 million, or 0.2%. These figures were included in the Company's annual filing and were thereby taken into account with the rates approved by the Commission for the upcoming program year (effective October 1, 2022).

## **Avista Energy Assistance Advisory Group**

Also established as part of Order 07, Dockets UE-140188 and UG-140189 (*Consolidated*), Avista's EAAG includes representation from the Agencies that administer LIRAP, The Energy Project, Commission Staff, Aging and Long-Term Care of Eastern Washington (ALTCEW), the Public Counsel Unit of the Attorney General's Office (Public Counsel), Northwest Energy Coalition (NVEC), the Department of Commerce, and Avista staff. The purpose of the Advisory Group is to monitor and explore ways to improve LIRAP by evaluating existing and alternative program designs, to review administrative costs to ensure that more funding is directed toward meeting the program's goals, and to collaborate in establishing programs or ideas that may help to meet the current and future needs of Avista's vulnerable populations. Due to the complexity of topics resulting from SB 5295 and CETA, as well as the echoing impacts of the COVID-19 pandemic, the EAAG met, at minimum, every other month during the 2021-2022 program year.

While the Advisory Group's agenda has historically been focused on LIRAP-focused topics, recent legislation as well as provisions stemming from Avista's general rate cases (GRCs) have expanded the subject matters presented at each EAAG meeting to discussions ranging from

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<sup>10</sup> See Docket Nos. UE-220574 and UG-220575.

renewables and electric vehicles to the energy assistance objectives of CETA or the Company’s Clean Energy Implementation Plan (CEIP),<sup>11</sup> including associated Customer Benefit Indicators (CBIs).

The following chart provides a listing of the EAAG meetings and the agenda topics during the 2021-2022 program year:

Meeting Date	2021-2022 Program Year Agenda Topics
<b>10/26/21</b>	<ol style="list-style-type: none"> <li>1) Presentation by Hassan Shaban, Principal for Energy and Data at Empower Dataworks</li> <li>2) Overview of the Proposed Bill Discount</li> <li>3) Looking Forward</li> </ol>
<b>11/16/21</b>	<ol style="list-style-type: none"> <li>1) Annual Review of the activities accomplished by the EAAG in 2021 included: Disconnection Reduction Plan, AMP Implementation, Spokane Tribe established as administrator of LIRAP, Debt Relief and Energy Grant available to income qualified customers, Recertification of the Rate Discount original enrollees, and program design for the Bill Discount with arrearage assistance.</li> <li>2) Review of the Bill Discount program</li> <li>3) Discussion on CETA CBIs, Reporting Metrics, Renewables &amp; Electric Vehicles, and the composition of the EAAG</li> </ol>
<b>01/11/2022</b>	<ol style="list-style-type: none"> <li>1) Review of the intent for advisory group, LIRAP goals, and CETA and SB 5295 requirements along with CEIP CBIs</li> <li>2) Review of 2021 LIRAP and Bill Discount</li> <li>3) 2022 Program Year Budget</li> <li>4) Bill Discount</li> <li>5) Renewables &amp; Electric Vehicles Discussion</li> <li>6) The Year Ahead</li> </ol>
<b>03/8/2022</b>	<ol style="list-style-type: none"> <li>1) Ian Schlater: Moscow High School Solar Extended Learning Internship</li> <li>2) Kelly Magalsky, Deb Abrahamson, and John Rothlin: Renewables</li> <li>3) Rendall Farley: Electric Transportation</li> <li>4) Shawn Collins: Electric Vehicles and Renewable Equity Projects</li> </ol>
<b>05/10/2022</b>	<ol style="list-style-type: none"> <li>1) Energy Assistance Program Discovery</li> <li>2) Bill Discount</li> <li>3) LIRAP Update</li> <li>4) Renewables and Electric Vehicles</li> </ol>
<b>07/12/2022</b>	<ol style="list-style-type: none"> <li>1) LIRAP Direct Service Update</li> <li>2) Automatic LIRAP Emergency Share Proposal</li> <li>3) General Rate Case Settlement</li> <li>4) Clean Energy Implementation Plan</li> <li>5) Electric Transportation Update</li> </ol>

<sup>11</sup> See Docket No. UE-210628.

	6) Outreach & Engagement
<b>7/25/2022</b>	Special Meeting of the EAAG to discuss the LIRAP Emergency: Arrearage Payoff Proposal
<b>09/13/2022</b>	Year End Wrap Up and Celebration

**EAAG Subcommittee**

As discussed in Avista’s 2020-2021 LIRAP Report, the opportunities presented for low-income customers within both CETA and SB 5295 resulted in the formation of a “Subcommittee” in July 2021, comprised of interested members of the EAAG that were tasked with reviewing pertinent legislative obligations, evaluating the overall existing LIRAP structure to help inform any changes that may be needed, and establishing criteria for a future rate discount program design (as allowed by SB 5295). This Subcommittee – which included representatives from Avista, Commission Staff, Agencies, Public Counsel, The Energy Project, and Empower Dataworks – met on a bi-weekly basis from July 2021 to November 2021. This Subcommittee leveraged the previous design work and experience from Avista’s former Income Based Payment Plan (IBPP) and Balance Management Arrangement (BMA) pilots,<sup>12</sup> as well as best practices, its Low-Income Needs Assessment (LINA) and other collaborative ideas to inform new program design considerations and objectives, and to work through various program design elements. The resulting transformational LIRAP design, inclusive of a LIRAP Bill Discount, AMP, and Arrearage Forgiveness, was presented to the larger Advisory Group in October 2021. Unanimous support for the updated LIRAP design was received by the EAAG, as well as by the Company’s Equity

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<sup>12</sup> Avista’s IBPP is the equivalent of a Percentage of Income Payment Plan (PIPP), and the BMA an Arrearage Management Plan (AMP).

Advisory Group (EAG),<sup>13</sup> With this support in place, Avista proposed its new LIRAP design as a part of its 2022 GRC.<sup>14</sup>

In the Full Multiparty Settlement Stipulation (Settlement)<sup>15</sup> in the 2022 GRC, approved by the Commission (subject to Conditions) on December 12, 2022, Avista agreed to further discuss several potential program design and implementation issues that were deemed to need further attention from the EAAG. Specifically, Avista committed to further consult and consensus with its Advisory Group regarding:

1. Joint administration with enrollment by Avista or the Agencies;
2. Use of self-attestations of income and random audits instead of verifying 100% of participating customers' income; and,
3. Managing overlap between LIHEAP and the LIRAP Bill Discount.

Conversations with the EAAG and Subcommittee were ongoing in 2021-2022, with the Subcommittee reconvening in July 2022 with an in-depth focus on these areas found to be of particular interest within the GRC and will continue to meet throughout 2022 and 2023 until such time that all issues have been resolved. The outcomes from the Subcommittee discussions will be shared with the greater EAAG group early in 2023, and any modifications to LIRAP as a result of these discussions will be made via revisions to Avista's LIRAP tariffs and included as part of the Company's July 1, 2023 filing to the Commission.<sup>16</sup> Changes regarding administration and program support budget costs apportioned to the Agencies will also be included in this filing, as well as in the Company's annual LIRAP rate adjustment in September 2023. With all issues

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<sup>13</sup> The LIRAP design proposal was presented to the EAG on November 11, 2021 and November 12, 2021.

<sup>14</sup> See Docket Nos. UE-220053, UG-220054, and UE-210854 (*Consolidated*), Direct Testimony of Shawn J. Bonfield, filed January 21, 2022.

<sup>15</sup> See Docket Nos. UE-220053, UG-220054, and UE-210854 (*Consolidated*), Final Order 10/04 and associated Full Multiparty Settlement Stipulation.

<sup>16</sup> See Settlement at pg. 36-37.

resolved and EAAG considerations incorporated, the new LIRAP design – the Bill Discount, AMP, and Arrearage Forgiveness – is proposed to be made effective on October 1, 2023.

## **Agency Meetings**

Utility representatives facilitated meetings with Agency energy staff most months during the 2021-2022 program year. The meetings provided an opportunity to ensure alignment between the Company and their Agency partners for the delivery of existing bill assistance programs and to discuss the features of the proposed LIRAP Bill Discount.

## **Conservation Education and Outreach**

Conservation Education, or ConEd, is a key component of the LIRAP bill assistance program, as it supports the program’s intent to encourage self-sufficiency among limited income customers. Teaching and demonstrating proven approaches to managing energy use has the potential to reduce customers’ bills, thereby increasing customers’ ability to pay. In LIRAP’s inception dockets (Docket Nos. UE-010436 and UG-010437), the Commission Staff’s Decision Memo dated April 25, 2001 notes:

Staff believes that a comprehensive educational program should be designed to contribute toward changing the behavior of customers with respect to energy conservation and efficiency. The educational materials may include video, workshops, articles, brochures and newsletters, etc. The production of educational materials, including how well the message is structured, ease with which it can be comprehended by customers and whether or not there are alternative forms of educational materials to enhance conservation measures, should be evaluated by consultants.

Also provided in Staff’s Memo was the inclusion of a 4% funding level to be allocated to Avista for ConEd.<sup>17</sup> Based on this Order, Avista recognizes the following educational strategies as efficient and effective means for delivering the energy conservation program:

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<sup>17</sup> In 2015, the Company’s Conservation Education funding level was reduced to .08%.

- Energy conservation workshops for groups of Avista customers with the primary focus on reaching seniors and low-income.
- Energy conservation kits that include items such as: window plastic, V-seal, outlet draft stoppers, and other items to encourage effective energy management practices. All Avista customers who have received a bill assistance grant are provided with energy conservation materials.
- Avista printed materials that feature information that may include, and is not limited to, information regarding:
  - Avista assistance programs, such as payment arrangements, CLB, and preferred due date;
  - Energy saving methods and resources;
  - Outage preparation for those with medical equipment;
  - Scam avoidance; and,
  - Electric and natural gas Safety.

## **Agency Conservation Education Activities**

The Agencies can use up to 6% of Direct Service funding to purchase energy saving items to disburse to individuals either at the time of their appointment or through other means. The summaries below provide an overview of each Agency’s ConEd activities, as provided by each Agency. Also included is an overview of the Company’s activities.

### **Community Action Center (CAC) Whitman**

The CAC case managers provided energy conservation consultation during all customer intake appointments, 85% of which were conducted over the phone during the 2021-2022 program year. These customers were also encouraged to pick up kits at the Agency’s office, and customers whose appointments were conducted in the office were provided conservation education bags. The Agency conducted six outreach activities in October 2021 where conservation education items were given out. Additionally, ConEd bags were provided to the Council on Aging. The Agency’s ConEd bags include plastic window kits, LED bulbs, a nightlight, stick on door sweep, outlet gaskets, rope caulk, cloth face mask, agency magnet and Energy Saving Tips information sheet.

The Community Action Center reports 1,822 Avista customers received conservation education. Lastly, to promote the availability of energy assistance appointments, the CAC Whitman sends out a Fall Newsletter that includes energy savings to approximately 2,055 households.

### **Community Action Partnership (CAP)**

The CAP serving Asotin County is currently constructing their Conservation Education Program and anticipates having a program in place sometime in the 2023 program year. Customers can view a conservation education video while they are waiting in the lobby for an appointment, and customers with large bills receive information on energy saving tips and are referred to weatherization services.

### **Opportunities Industrialization Center (OIC) of Washington**

The OIC of Washington case managers conducted intake appointments with clients to reinforce steps they could take to conserve energy within their homes; this instruction includes how to properly use door sweeps, install caulk strips on windows, and cover outlets to contain drafts. Additionally, OIC staff educate clients to unplug items that are not needed to help conserve energy. Because most intake appointments were conducted by telephone, participants were instructed that kits were available at the OIC office and/or the local food bank. Their kits include LED bulbs, weather-strips, switch and outlet gasket covers, and a nightlight. The Agency conducts outreach at food banks, community events, schools, health centers, and with local employers to provide information about the program and provide conservation education tips. In conducting their outreach activities during the 2021-2022 program year, OIC distributed 3,500 energy conservation kits.

### **Rural Resources**

Rural Resources – serving Stevens, Lincoln, Pend Oreille, and Ferry counties mailed out Energy Information Letters in August 2021 to customers who had applied for energy assistance in

the past three energy seasons. A flyer was included notifying customers they could pick up conservation items from their local Rural Resources office (Colville, Republic, Ione, Davenport and Newport), or the Loon Lake Food Pantry. Approximately 500 of these kits – that included LED bulbs, rope caulk, door sweep, kitchen aerator, weather-stripping, window plastic, surge protector, and foam for outlets and gaskets – were distributed to Avista customers. Rural Resources estimates the total number of Avista households reached through public awareness strategies during the 2021-2022 program year was approximately 1,500. Additionally, Avista customers received conservation education during their energy intake appointment; this education includes an overview of the energy saving items they've received as well as other practices and procedures that can help reduce energy costs. Customers are also provided with billing and payment options and weatherization brochures, and an energy saving quick tip sheet. Customers with high energy usage receive in-depth ConEd conversations to identify potential causes for the high usage such as a leaky water tank, well pump issues, and stopping excessive air leakage. Rural Resources staff use personal examples (stories) to highlight the possible savings, including an estimate of the annual dollars amount that can be saved, to express the benefits of the ConEd kit's contents.

### **Spokane Neighborhood Action Partnership (SNAP)**

During this program year, SNAP was able to resume expanded conservation education efforts to environmental groups and energy efficiency workshops (as they were unable to do so during the pandemic). SNAP conducted individual and group education to a wide variety of community groups, reaching 2,510 individuals through these events, with an additional 1,000 individuals at the Salvation Army's Backpack for Kids event alone. These outreach numbers, coupled with energy assistance for Avista LIRAP households, totaled 13,509 customers being reached through the SNAP's conservation education activities. The Agency's conservation education activities include workshops and participation at community events. SNAP gives

customers LED lightbulbs, nightlights, large and small window plastic kits, weather-stripping, outlet switches, showerhead kits, door draft stoppers, outlet gasket covers, magnet with energy saving tips, and SNAP print materials.

The Agency's conservation education specialist conducted approximately 35 workshops to groups at the American Indian Community Center, English as a Second Language classes, Asian Pacific Islander Coalition Outreach, Jewish Family Services, schools and early childhood learning centers, farmers markets, and outreach centers. SNAP was also successful in engaging with environmental groups such as the video screening for the "Spokane Climate Project" video, the NW Power and Conservation Council, and the Sierra Club.

Post-COVID, most intake appointments are now being conducted by telephone. Customers are encouraged to visit their local SNAP office to pick up conservation education materials and, in some cases, SNAP staff delivers these materials to customers who were unable to travel to the office. Approximately, 1,000 SNAP clients received materials through these means.

In a unique partner venture, SNAP and Avista conducted a door-to-door home energy kit distribution campaign for residents of Takesa Village, a Homeowners Cooperative that is a resident-owned manufactured home community, to raise awareness of the energy efficiency program that was being offered to the residents of the community. Below is an example of the flyer that was used to raise awareness among the residents of the cooperative.



**Don't miss out on free home improvements!**

Avista and SNAP care about your comfort and safety at home. So we're partnering to offer Takesa Village residents free home improvements, including:

- new heating and hot water equipment
- added insulation
- new doors and windows
- smoke and carbon monoxide detectors
- furnace servicing

We'd like to visit with you to determine what your home needs. Then we can decide together on the best time to do the work. It's all free and we want to help every interested resident as soon as possible. Call for an appointment today: **509-456-7627 (extension 2419)**



## Avista Outreach and Education

Avista has a variety of methods for outreach and marketing to promote the availability of assistance programs and provide energy conservation education and resources. Under the pandemic restrictions and to safeguard public and staff well-being, these ConEd program activities have been modified for the past few years. Since 2020, with the suspension of energy fairs and energy assistance days, Avista's outreach strategy has been to conduct workshops virtually and drop off kits and conservation items with community partners. Operating within the modified delivery model, 73 activities were conducted during the 2021-2022 program year, reaching approximately 6,538 Washington residents.

During the cold weather months, items distributed help to contain drafts and monitor in-house temperatures. In the summer, fans are provided to Agencies to help customers with the

increasing seasonal temperatures. Based on what our agency partners and customers tell us anecdotally, much of the housing stock in the company's service area does not have a way to regulate temperatures during the summer months; providing fans to customers is way to introduce an energy efficient means for reducing the household temperatures to safe levels.

Partnerships for the dissemination of these items and information include and are not limited to the Tribes, senior meal sites, community centers and food banks in rural and urban areas, organizations serving specialized groups such as Majeures in Action, Latinos En Spokane and the Martin Luther King Center.

## Energy Assistance Outreach

The company promotes the availability of bill assistance along with payment options in its monthly newsletter. The excerpt below provides an example of the key messages featured in the monthly newsletter. The print version of the newsletter is distributed to 166,992 WA residential customers and the eConnections, the digital copy goes to 163,989 customer emails.



**Do you need help paying your bill?**

**We have options.**

**We understand that there may be instances when customers find themselves facing financial difficulties.** Avista partners with community agencies to provide financial assistance, plus we offer other services to help you manage and pay your bill such as **Comfort Level Billing, Preferred Due Date, and Payment Arrangements.**

**We're here to help. Please call us at (800) 227-9187** to discuss your options with a Customer Service Representative or visit [myavista.com/assistance](http://myavista.com/assistance) for more information.

The Company also has advertisements in community-based publications such as the Figtree – a monthly, non-profit newsletter that connects advertisers with faith, human service, civic and wider communities in Spokane and the Inland Northwest. A sample of the advertising for billing assistance and options is featured below.



**Looking for energy bill assistance? We have options.**

Avista partners with community agencies to provide financial assistance, plus we offer other services to help you manage and pay your bill.

- **Energy Assistance Grants** are available for income-qualified residential customers. Funds are distributed to qualifying customers through local community agencies – please call us at 1-800-227-9187 to find your local community agency or visit [myavista.com/assistance](https://myavista.com/assistance).
- **Comfort Level Billing** divides yearly energy costs into 12 equal and predictable monthly payments.
- **Preferred Due Date** helps align your bill's due date with payday.
- **Payment Arrangements** can be made on an individual basis for those in need.

For more ways we can help, please call 1-800-227-9187 or visit [myavista.com](https://myavista.com).



Customers visiting the company's website (<https://www.myavista.com/>) will see Bill Assistance featured and can easily obtain information on their local community action center along with bill options.

To improve connectivity to bill assistance the Company has implemented a hardship referral process. Any time a customer indicates to an Avista CSR that they are expressing difficulty in paying their bill, are actively seeking energy assistance, or have an appointment for assistance, a Hardship Referral is created. This referral sends the customer's contact information

to their local Agency in a daily referral report. At the time this referral is created, any active collections on the customer's account are also suspended for 30 days to allow the customer time to connect with the appropriate assistance needed. Each CAA then attempts to reach the customer to offer such assistance. Customers are allowed one Hardship Referral per program year. Of those referred, 62% end up receiving energy assistance within 90 days of the referral.

## Senior Directories and Publications

The Company continues its practice of placing ads in senior publications as part of a strategic effort to reach seniors with information about energy efficiency, billing assistance, Senior Energy Outreach workshops and CARES information. As part of our outreach program for seniors we also provided home energy kits in the fall to home bound seniors through Meals on Wheels in Spokane county.

Helping you is energy well spent.

When budgeting for energy needs becomes challenging, Avista has options.

- **Bill Payment Options** such as Comfort Level Billing to even out your energy bill's seasonal highs and lows;
- **Senior Outreach** educational workshops to learn how to conserve and use energy efficiently;
- **Referrals** to local agencies for assistance;
- **Dedicated** customer service representatives to help with medical or family crisis situations;
- **Online Tools** to help you with your home energy management.

For more information, please call **1-800-227-9187** or visit [myavista.com/senior](http://myavista.com/senior).

## Data Collection

The data collection and measures used by Avista in the evaluation of LIRAP include:

- LIRAP Database;
- Customer Service System (Avista Utilities' information management data base);
- Agency Monthly Requests for Data and Admin/Program Delivery and Con Ed Staff and Labor quarterly reports; and,
- Ongoing Advisory Group review.

This Report was a collaborative effort of utility staff and agency partners. Agency staff provide monthly demographic reporting in aggregate of those they have served with LIRAP. They also provide a comprehensive Administrative and Program Delivery and ConEd Staff and Labor spending report quarterly.

Avista staff contributing to the Report includes representation from Regulatory Affairs, Revenue Accounting, the Contact Center, and Community & Economic Vitality.

## Participating LIRAP Agencies

Agency	Service Area
Community Action Center	Whitman County
Community Action Partnership	Asotin County
Opportunities Industrialization Center of Washington	Grant & Adams Counties
Rural Resources Community Action	Lincoln, Stevens, and Pend Oreille Ferry Counties
Spokane Neighborhood Action Partners	Spokane County
Spokane Tribe of Indians	Residents of the reservation
Washington Gorge Action Programs	Skamania and Klickitat Counties

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