



LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP)

ANNUAL SUMMARY REPORT

For the program period October 2022 - September 2023

WASHINGTON

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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)¹ in a manner similar to the Federally sponsored and State-administered Low Income Home Energy Assistance Program (LIHEAP). LIRAP, like LIHEAP assistance, can help a household pay ongoing energy costs, avoid having its utilities shut off, or help reestablish service if a disruption due to nonpayment occurs.

Avista remains committed to reducing the burden of energy costs for its customers most affected by rising energy prices, including low-income individuals and families, seniors, disabled and vulnerable customers. To assist 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*)² established the following goals to guide program design:

- 1) keep customers connected to energy service,

¹ 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.

² 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.

- 2) provide assistance to more customers than are currently served by the program,
- 3) lower the energy burden³ of LIRAP participants, and
- 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 2022-2023 program year (PY), was comprised of the following components:

- **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.
- **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 designed to help mitigate the impact of energy costs on seniors and/or individuals living with disability who have variable incomes between 151-200% FPL.
- **Arrearage Management Plan (AMP):** Available to customers with incomes at 51-200% FPL, this program reduces customer arrearages, or past due balances, 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.
- **Energy Grant:** Provides a \$250 grant to qualifying customers with incomes at 151% FPL up to 200% FPL or 80% Area Median Income (AMI), whichever is higher.
- **Automatic Hardship Grant:** Provided to customers as a one-time grant in July 2022, this grant is 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

³ Per RCW 19.405.020, "Energy burden" means the share of annual household income used to pay annual home energy bills.

Group). The grant mimics “emergency” assistance processes and is intended to cover past due balances only, and should not exceed \$350.

This 2022-2023 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 Energy Assistance Advisory Group (EAAG or Advisory Group) updates.

Program Year Results

As discussed in Avista’s 2021-2022 Report, 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 brought with them transformational change for LIRAP, which was only amplified by the continued hardship faced by many due to the COVID-19 health and economic crisis. While the 2022-2023 year saw great strides in the development and design of a new LIRAP structure that better serves customers in the pursuit of energy burden reduction, the implementation of this renovated program is not slated to begin until October 1, 2023. As such, the 2022-2023 PY remains consistent with the previous reporting period and is the Company’s final reporting period that is built on a grant-based assistance model, as described further throughout this Report.

During the 2022-2023 program year, \$9,442,464 in electric revenue and \$5,375,009 of natural gas revenue was collected through Schedules 92 and 192, for a total of \$14,817,473.⁴ In total, 20,527 of Avista’s Washington electric and natural gas customers received one or more energy grants (including LIRAP, LIHEAP, and other community sources), with the average grant amount at approximately \$371. LIRAP

⁴ Includes funding for both LIRAP and the Senior/Disabled Rate Discount.

energy grants - which include Heat, Emergency Share, and Energy Grant - made up about 79% of these total grants. A total of 16,201 customers received some form of LIRAP grant, with the average grant amount being \$368.

In addition to these three LIRAP grant types (Heat, Emergency Share, and Energy Grant), in September 2023 Avista also offered a one-time \$250 grant to participants in the LIRAP Senior & Disabled Rate Discount Program. This one-time grant was provided to support RDP participants through the transition to the new My Energy Discount program, and is further detailed on page 16 of this Report. While this RDP grant still falls under (and was funded by) LIRAP, the distinction between the above three grants and this one-time transitional assistance is necessary as the RDP grant's primary purpose was to provide support during a moment of transition, while the other energy grants are consistently and specifically aimed at the sustainable reduction of energy burden for Avista customers. With all four LIRAP grant programs taken into consideration – LIRAP Heat, Emergency Share, Energy Grant and the one-time RDP grant - a total of 17,212 customers received LIRAP, making up 84% of the total energy assistance grants distributed to Avista customers during the 2022-2023 program year.

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 2022-2023 program year. Expenditure amounts include Direct Services (DS), Administration and Program Support (Admin), and Conservation Education (ConEd).

Table 1 – 2022-2023 LIRAP Budget and Expenditures

2022-2023 Program Year (October 1 - September 30)	WA Program Budget	Program Year Expenditures²	Unspent Funding
Electric	\$8,520,242	\$8,045,422	\$474,820
Natural Gas	\$5,195,760	\$5,105,530	\$90,230
Total	\$13,716,002	\$13,150,952	\$565,050

The remaining unspent balance of \$565,050 is made available to Agencies in the 2023-2024 program year.

Grant Participants and Fund Distribution

For the 2022-2023 program year, the average total LIRAP benefit per account was \$551. 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. Typically, participants may receive a total of two grants from LIHEAP, 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. Unique to the 2022-2023 program year was the one-time \$250 grant awarded to customers enrolled in the Senior and Disabled Rate Discount Program in September 2023, which was referenced above. Again, the purpose of this one-time grant is outlined in more detail on page 16 of this Report.

To demonstrate the program impact in meeting the need of its customers, Tables 2(a) – 2(c) below show a year-to-year comparison of the number of grants issued for each program component, with the total and average amounts expended for each.

Table 2(a) – Number of Grants by Program Component

Current PY: October 2022 through September 2023			
Program Component	Number of Grants	Grant Total	Avg. Grant Amt
LIRAP Heat	10,034	\$4,779,672	\$476
LIRAP Emergency Share	13,156	\$3,940,286	\$300
LIRAP Energy Grant	1,618	\$404,242	\$250
RDP One-Time Supplemental	1,438	\$359,500	\$250
Total	26,246	\$9,483,700	\$361

Prior PY: October 2021 through September 2022 (actual)			
Program Component	Number of Grants	Grant Total	Avg. Grant Amt
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
Total	18,495	\$6,755,385	\$365

October 2020 through September 2021 (actual)			
Program Component	Number of Grants	Grant Total	Avg. Grant Amt
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
Total	16,172	\$5,714,474	\$353

Number of LIRAP Grants per PY, 2020-2023				
Program Component	2020-2021 PY	2021-2022 PY	2022-2023 PY	Total
LIRAP Heat	4,646	8,618	10,034	23,298
LIRAP Emergency Share	7,337	8,978	13,156	29,471
LIRAP Energy	N/A	895	1,618	2,513

RDP One-Time Supplemental	N/A	N/A	1,438	1,438
Senior/Disabled Outreach	291	4	N/A	295
COVID-19 Hardship	3,898	N/A	N/A	3,898
Total	16,172	18,495	26,246	60,913

Table 2(b) – Total Grant Spend by Program Component

Grant Total	2020-2021 PY	2021-2022 PY	2022-2023 PY	Total
LIRAP Heat	\$1,952,745	\$3,629,375	\$4,779,672	\$10,361,792
LIRAP Emergency Share	\$2,306,538	\$2,874,156	\$3,940,286	\$9,120,980
LIRAP Energy	N/A	\$250,253	\$404,242	\$654,495
RDP One-Time Supplemental	N/A	N/A	\$359,500	\$359,500
Senior/Disabled Outreach	\$111,000	\$1,600	N/A	\$112,600
COVID-19 Hardship	\$1,344,191	N/A	N/A	\$1,344,191
Total	\$5,714,474	\$6,755,384	\$9,483,700	\$21,953,558

Table 2(c) – Average Grant Amount by Program Component

Avg. Grant Amount	2020-2021 PY	2021-2022 PY	2022-2023 PY	Total
LIRAP Heat	\$420	\$421	\$476	\$445
LIRAP Emergency Share	\$314	\$320	\$300	\$309
LIRAP Energy	N/A	\$280	\$250	\$260
RDP One-Time Supplemental	N/A	N/A	\$250	\$250
Senior/Disabled Outreach	\$381	\$400	N/A	\$382
COVID-19 Hardship	\$345	N/A	N/A	\$345
Total	\$353	\$365	\$361	\$360

According to reporting from the Agencies regarding income and household size, 75% of LIRAP participants during the 2022-2023 program year had household average incomes less than \$15,000, and approximately 59% of the grant recipients had annual household incomes less than \$8,000. Additionally, 59% of the LIRAP participants had

households of two or more people, while customers renting their residences constituted 68% 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 displays the demographics of recipients of traditional LIRAP grants (Heat, Emergency Share and Energy Grant). It should be noted that this demographic information was historically provided by total grants distributed; for accuracy in presentment, Avista has updated this information to reflect individual households served (since some households may receive multiple grants).

Table 3 – Demographic Data for LIRAP Grant Recipients, PY 2022-2023

	# of Households	% of Households	Cumulative %
Home Ownership			
Own	5,174	32%	32%
Rent	11,027	68%	100%
Total	16,201		
Heating Fuel Source			
Electric	6,461	40%	40%
Natural Gas	3,736	23%	63%
Other	6,004	37%	100%
Total	16,201		
Size of Household			
1 Person	6,592	41%	41%
2 People	3,433	21%	62%
3 People	2,235	14%	76%
4+ People	3,941	24%	100%
Total	16,201		
Annual Income Level			
Under \$2,000	6,520	40%	40%
\$2,000-\$3,999	2,222	14%	54%

\$4,000-\$5,999	514	3%	57%
\$6,000-\$7,999	341	2%	59%
\$8,000-\$9,999	646	4%	63%
\$10,000-\$11,999	1,005	6%	69%
\$12,000-\$14,999	873	5%	75%
Over \$15,000	4,079	25%	100%
Total	16,201		

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 \$2,425,324 was distributed to the Agencies for Admin purposes. This amount, in addition to the \$206,038 carry over from the previous program year, totaled \$2,631,362 available for the Agencies to use in the administration of LIRAP for 2022-2023. While Agencies may leverage other funding sources in the administration of LIRAP,⁵ the amount of LIRAP-provided Admin funding utilized by the Agencies to support program administration for 2022-2023 was \$2,251,450, which left an unspent Admin balance of \$379,912 as of September 30, 2023. It should be noted that two of Avista’s partner Agencies did not report on their spending of Admin funds for the 2022-2023 PY; these Agencies received a combined total of

⁵ For example, if an Avista customer is receiving LIRAP, LIHEAP, and Project Share, the CAA may be subsidized by these other programs for Admin in support of that same household.

\$11,120 for Admin, but it is unknown how much of this total was spent. Table 4 below represents a recap of the Admin spent during the PY and the amount available at the end of the program year.

Table 4 – Administration and Program Support Fees

Washington LIRAP Admin October 1, 2022 through September 30, 2023	
Admin Carried Over From Prior Year (2021-2022 PY)	\$ 206,038
Admin Paid to Agencies This Program Year (2022-2023)	\$2,425,324
Net Funds Available for Admin For 2022-2023 PY	\$2,631,362
Admin Funds Spent by Agencies	\$2,251,450 ⁶
Unspent Admin, September 30, 2023	\$379,912
Percent Unspent in Comparison to Available Funds	14%

Conservation Education Staff & Labor Support

The Company budgets 4.2% of LIRAP funding each year 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 CAA, specifically for ConEd activities. ConEd funds are paid out to the Agencies in monthly installments, along with Admin funds. For this program year, a total of \$571,464 was distributed to the Agencies for ConEd. This amount, including the \$226,832 carry over from the previous reporting program year, totaled \$798,296 available for ConEd.

At the end of the 2022-2023 PY, the known amount spent by the Agencies from LIRAP funds for ConEd was \$583,057, leaving an unspent ConEd balance of \$215,239. 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 ConEd costs. It should

⁶ As noted above, this is not inclusive of all CAA spend, as not all Agencies reported this information.

be noted that two of Avista’s partner Agencies did not report their ConEd spending for the program year, and while they received a combined total of \$2,831 in ConEd funding, it is unknown how much of these funds were spent. Table 5 below represents a recap of the ConEd spent and the amount available as of September 30, 2023.

Table 5 – Conservation Education Staff and Labor

Washington LIRAP ConEd October 1, 2022 through September 30, 2023	
ConEd Carried Over From Prior Year (2021-2022 PY)	\$226,832
ConEd Paid to Agencies This Program Year (2022-2023)	\$571,464
Net Funds Available for ConEd For 2022-2023 PY	\$798,296
ConEd Funds Spent by Agencies	\$583,057
Unspent ConEd, September 30, 2023	\$215,239
Percent Unspent in Comparison to Available Funds	27%

Program Impacts

Program Distribution Percentage

The qualification requirements for each of Avista’s LIRAP grant types (Heat, Emergency Share, and Energy) vary; this variation is intentional to meet both the long-term and immediate financial need of customers. Agencies have the discretion to administer the funds according to the need of their unique client base and, because of this, the distribution of grant types varies between Agency service areas. Overall, the bulk of the grant distribution is nearly evenly split between LIRAP Heat grants (53%), which is available to customers up to 150% FPL, and LIRAP Emergency Share grants (43%) which have no income limitations and are intended for customers experiencing a hardship or an energy emergency. A much smaller percentage of recipients received the LIRAP Energy grant (5%), which is available to a smaller subset of customers whose income is

between 150% FPL and the greater of 200% FPL or 80% AMI. The distribution of DS funding by grant type for each individual CAA is detailed in Table 6 below.

Table 6 – Direct Service Funding Distribution

Agency	Heat	Emergency Share	Energy Grant
Community Action Center – Whitman	13%	77%	10%
Community Action Partnership – Asotin	77%	21%	2%
OIC of Washington	81%	11%	8%
Rural Resources	66%	32%	2%
SNAP	50%	45%	5%
Spokane Tribe	47%	53%	0%
WGAP	100%	0%	0%
Total	53%	43%	5%

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

Based on historical discussions with Commission Staff and other interested parties, to improve the equitability of the distribution of LIRAP funds, electric revenue is 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 61% were utilized as electric and 39% were natural gas. The 2022-2023 results for LIRAP assistance by heating source are as follows:

Table 7 – Percentage of LIRAP Grants Issued by Fuel Type

Agency	Electric	Gas
Community Action Center – Whitman	72%	28%
Community Action Partnership –Asotin	49%	51%
OIC of Washington	98%	2%

Rural Resources	87%	13%
SNAP	58%	42%
Spokane Tribe	100%	0%
Washington Gorge	0%	100%
Total	61%	39%

Program Administration

LIRAP Senior and Disabled Rate Discount

Avista’s Senior and Disabled Rate Discount 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,⁷ consistent with the grant amount provided through the LIRAP Senior/Disabled Outreach, which was in place prior to the discount program and officially ended September 30, 2021 after a 2-year phase-out. 243 of the 291 previous recipients of the Senior/Disabled Outreach grant were automatically enrolled in the Rate Discount in September 2021.

To provide ease in access to the RDP, a referral process was put in place to connect Rate Discount candidates identified by Avista Customer Service Representatives (CSRs) directly to the Agencies to initiate the application process. The Rate Discount 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,

⁷ The actual benefit amount received by each customer may be more or less than \$400 depending on actual usage.

the CSR informs the customer that he/she may qualify for the Rate Discount. If they are interested, their information is 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 Rate Discount; 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 \$559,407 for the 2022-2023 program year. Table 8 below illustrates the results of the Senior/Disabled Rate Discount enrollments for this timeframe:

Table 8 – 2022-2023 Senior/Disabled Rate Discount Distribution

Senior/Disabled Rate Discount, 2022-2023 Program Year		
Average Monthly Participants	Average Discount Amount	Total Discount Amount
1,398	\$400	\$559,407

As noted previously, the introduction of both CETA and SB 5295 set in motion a transformation of all Avista LIRAP components, including the Senior and Disabled Rate Discount Program. October 1, 2023 marked the replacement of the Senior and Disabled Rate Discount Program with Avista's My Energy Discount, providing a larger percentage of Avista customers with a personalized monthly discount on their energy bill.⁸ In

⁸ The overall transformation of LIRAP from a grant-based model to a bill discount model, with arrearage assistance, for all eligible low-income customers will be discussed in full detail in next year's 2023-2024 LIRAP Report.

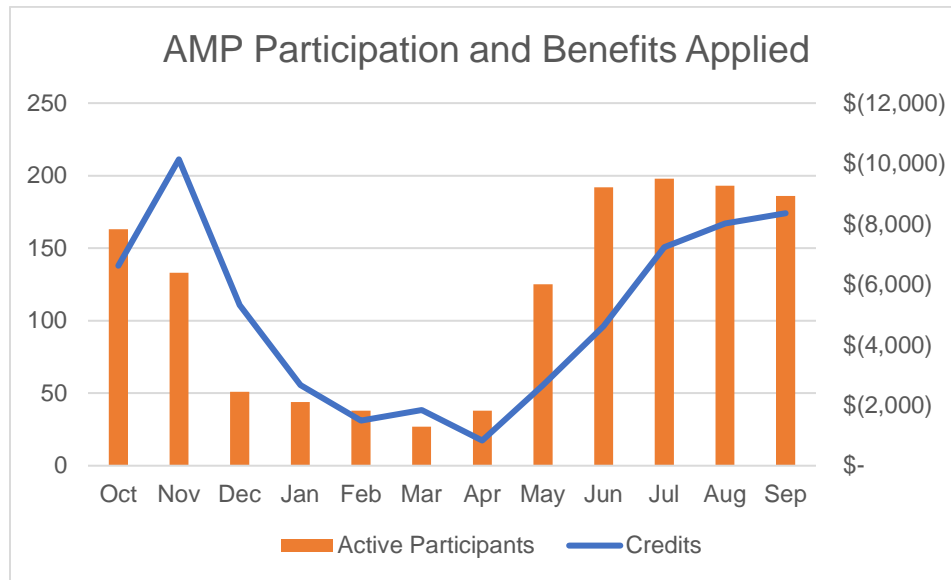
anticipation of this change, and to support customers with any impacts this change might have on their energy costs, Avista provided customers enrolled in the RDP during the 2022-2023 program year with a \$250 credit on their account in September of 2023.

LIRAP Arrearage Management Program

The Arrearage Management Program, 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 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 is 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, 1/12th of their arrears is forgiven. The intent of this offering is that the incentive will influence the 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.

During the 2022-2023 program year, 308 customers enrolled in the AMP, with 186 participants actively enrolled in the program as of September 30, 2023. The total dollar amount of AMP credits applied to these accounts during the program year was \$59,811, with an average benefit of \$207 per customer.

Chart 1 – Active AMP Participants and Benefits by Month, 2022-2023 PY



LIRAP Tariff Changes

As presented in the EAAG Subcommittee details within the 2021-2022 LIRAP Report, Avista’s 2022 General Rate Case (GRC) was approved by the Commission (subject to Conditions) on December 12, 2022. Within this GRC, Avista included a proposal to introduce a bill discount into the Company’s LIRAP, consistent with the expectations of both CETA and SB 5295, and to, in turn, replace the existing grant-based LIRAP in favor of an income-based bill discount model for all eligible low-income customers. This proposal also opted to retain the current AMP and Emergency Share, expanding the eligibility of the AMP to customers with incomes at 51-200% FPL or 80% AMI, whichever is greater, and to incorporate an Arrearage Forgiveness (Forgiveness) offering as a complementary element for customers within the lowest income range of 0-50% FPL. New program provisions intended to decrease existing barriers customers were experiencing in pursuing or receiving assistance – such as joint administration of LIRAP between both Avista and its partner Agencies (whereas historically customers only had a

singular point of access for energy assistance, through the CAAs), and allowing customers to self-declare their income rather than completing a burdensome application process – were also introduced.⁹ The Full Multiparty Settlement Stipulation (Settlement)¹⁰ resulting from this GRC approved the majority of Avista’s LIRAP proposal, with the proposed LIRAP modifications to all become effective October 1, 2023, except for those conditioned below. Specifically, Avista committed to further consult and reach consensus with its Advisory Group regarding the following program design and implementation topics that were deemed to need further attention:

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

Discussions surrounding these conditions occurred with Avista’s Advisory Group and related EAAG Subcommittee throughout the 2022-2023 PY, and are further described on pages 21-24 of this Report. Results of these discussions culminated into the Company’s June 30, 2023 subsequent filing, as required by the GRC,¹¹ with all issues resolved and approved for the October 1, 2023 launch.

Since these changes will be fully in place for the upcoming 2023-2024 program year, next year’s LIRAP Report will contain more comprehensive details regarding the

⁹ For a complete description of these proposed LIRAP modifications, please see the direct testimony of Shawn J. Bonfield (SJB-1T), filed January 21, 2022 in Docket No. UE-220053, UG-220054, and UE-210854 (*Consolidated*).

¹⁰ See Docket Nos. UE-220053, et.al., Final Order 10/04 and associated Full Multiparty Settlement Stipulation (Appendix A).

¹¹ See Settlement Sec. 24(a).

new LIRAP design and processes, as well as the results of the first full year of this completely transformed LIRAP.

True-Up Mechanism

Per the Commission's Order 07 in Docket Nos. UE-140188 and UG-140189 (*Consolidated*), 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 15th of each year, to increase LIRAP funding by the greater of 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, 2022.¹² For the 2022-2023 program year, the estimated annual revenue change needed to support this required increase for 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

¹² See Docket Nos. UE-220574 and UG-220575.

increase needed was approximately \$0.4 million, or 0.2%. These figures were included in the Company's annual filing and were thereby considered with the rates approved by the Commission for the program year beginning October 1, 2022. On December 14, 2022 (for rates effective December 21, 2022), LIRAP was also included in Avista's compliance filing for its 2022 GRC. Having taken the October 1st increase of 7% into account, the rates for both Schedules 92 and 192 were further increased to meet the required two times the residential base increase (as it was the greater than the 7% for the given year). The impact of this additional filing was an increase of approximately \$1.2 million (0.2%) in overall billed rates for electric and approximately \$36,000 (0.02%) for natural gas.

Stakeholder Engagement

Avista Energy Assistance Advisory Group

Also established as part of Order 07, Dockets UE-140188 et. al., Avista's Energy Assistance Advisory Group, or EAAG, includes representation from Avista staff, 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 (NWECC), the Department of Commerce, and the Agencies that administer LIRAP. The purpose of the EAAG 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 2022-2023 program year.

While the Advisory Group’s agenda has historically been focused on LIRAP-specific topics, recent legislation, as well as provisions stemming from Avista’s GRCs, have expanded the subject matters presented at each EAAG meeting to discussions ranging from renewables and electric vehicles to the energy assistance objectives of CETA or the Company’s Clean Energy Implementation Plan (CEIP),¹³ including associated Customer Benefit Indicators (CBIs). The following table provides a listing of the EAAG meetings and the agenda topics that occurred during the 2022-2023 program year:

Meeting Date	2022-2023 Program Year Agenda Topics
10/25/22	<ol style="list-style-type: none"> 1) Consult EAAG regarding CEIP Condition 10 2) Discussion of proposed projects to meet Condition 10 3) Discussion of rating metrics to align with CBIs
1/17/23	<ol style="list-style-type: none"> 1) Review LIRAP Annual Report 2) Discuss modification of AMP guidelines 3) Review and discuss results of Bill Assistance Survey
3/21/23	<ol style="list-style-type: none"> 1) Federal Grants Overview <ol style="list-style-type: none"> a. Infrastructure, Investment & Jobs Act (IIJA) b. Inflation Reduction Act (IRA) 2) EAAG Subcommittee: LIRAP Bill Discount Report <ol style="list-style-type: none"> a. Agreements reached on joint administration, verification, attestation, LIHEAP interface, auto-enrollments, and categorical eligibility 3) EAAG future agenda topics discussion
5/16/23	<ol style="list-style-type: none"> 1) Federal Grants Recap 2) LIRAP Transformation <ol style="list-style-type: none"> a. Eligibility b. Bill Discount implementation timeline c. Customer safety nets and benefits d. Program integrity and partner support

¹³ See Docket No. UE-210628.

7/18/23	<ol style="list-style-type: none"> 1) LIRAP Subcommittee: Summary of work accomplished and thanks <ol style="list-style-type: none"> a. <i>Subcommittee disassembled, as objectives had been met</i> 2) Renewable Energy Project, Solar 3) Named Communities: Highly Impacted Communities & Vulnerable Populations <ol style="list-style-type: none"> a. <i>Overview of Highly Impacted Communities and Vulnerable Populations</i> b. <i>Equity in CETA</i>
9/19/23	<ol style="list-style-type: none"> 1) Partner Share 2) My Energy Discount WA: Implementation Update 3) Public Safety Power Shutoff (PSPS) Plan <ol style="list-style-type: none"> a. What is it and how do we support our vulnerable customers? 4) LIRAP Reporting <ol style="list-style-type: none"> a. What metrics are important? b. How are we measuring customer impact and success? 5) Current & Future EAAG Discussion Topics 6) Purpose and goals of the EAAG going into next program year

EAAG Subcommittee

As provided in the prior two annual LIRAP Reports, the opportunities presented for low-income customers within both CETA and SB 5295 resulted in the formation of an EAAG “Subcommittee” in July 2021, which was 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 the criteria and overall design of the LIRAP modifications that are now approved to become effective October 1, 2023. With the conclusion of the 2022 GRC, the Subcommittee was reconvened throughout PY 2022-2023 to iron out the conditions listed on page 19 of this Report. The outcomes from the Subcommittee discussions were regularly shared with the greater EAAG group, and the final LIRAP modifications (with all issues resolved and EAAG considerations incorporated) was included in Avista’s aforementioned “subsequent filing” for the GRC on June 30, 2023 as well as in the

Company's annual LIRAP rate adjustment in September 2023. With these objectives complete, the Subcommittee disassembled in June 2023 and the regular cadence of EAAG meetings remained.

Agency Meetings

Utility representatives also facilitated monthly meetings with Agency Energy staff throughout the 2022-2023 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 upcoming modifications to LIRAP, including the bill discount and arrearage assistance. Meetings often included general updates from Agency Energy Staff, program reporting from Avista, and discussion around current and future energy assistance programming.

Conservation Education & Outreach

Conservation Education, or ConEd, is a key component of the LIRAP bill assistance program, as it supports the program's intent to encourage energy conservation 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.¹⁴ Based on this Order, Avista continues to recognize the following educational strategies as efficient and effective means for delivering the energy conservation program:

- Energy conservation workshops for groups of Avista customers with the primary focus on reaching seniors and low-income households.
- Energy conservation kits that include items such as: window plastic, V-seal, draft stoppers, and other items to encourage effective energy management practices.
- Avista printed materials that feature information may include, and is not limited to, information regarding:
 - Avista assistance programs, such as payment arrangements, Comfort Level Billing (CLB), preferred due date, etc.
 - Energy saving methods and resources
 - Outage preparation for those with medical equipment
 - Scam avoidance
 - Electric and natural gas safety

Agency Conservation Education & Outreach

The Agencies can use up to 6% of Direct Service funding to purchase energy saving items to disburse to households either at the time of their CAA appointment or through other means. The summaries below provide an overview of each Agency's ConEd activities, as provided by each Agency, for the 2022-2023 program year. Also included is an overview of the Company's activities. It should be noted that two of the partner Agencies did not report out on their ConEd activities.

¹⁴ In 2015, the Company's Conservation Education funding level was reduced to .08%.

Community Action Center (CAC) Whitman

The Community Action Center (CAC) Whitman serves Whitman County. During the 2022-2023 program year, CAC case managers provided energy conservation consultation during all customer intake appointments, including advice on how to save on their bill and/or make payment arrangements. Of these consultations, 70% were conducted over the phone and the remaining 30% were conducted in-person, either at the CAC office or during an outreach event. The Agency conducted eleven countywide outreach activities between October and December 2022, as well as twelve food bank outreach activities in June and July 2023. All customers were provided with a bag of ConEd materials, and those consulted over the phone were invited to come to the CAC office to pick up a bag. The Agency's ConEd bags include plastic window kits, LED bulbs, a nightlight, stick on door sweep, outlet gaskets, rope caulk, Agency magnet and "Energy Assistance Information Sheet".

The CAC Whitman reports 1,857 Avista customers received conservation education and estimates that a total of 564 ConEd bags were distributed to their service territory between in-person appointments, post-phone consultation pick-ups, and outreach events. They describe a lingering challenge since the COVID-19 pandemic to distribute ConEd materials, as most of their energy assistance appointments continue to take place over the phone. To address this, they are strongly encouraging customers to visit their office and pick-up ConEd bags and have also made a second pick-up location available in the town of Colfax, WA. They are also mailing flyers to clients who have not made in-person appointments and are including ConEd materials in their CAC Foodbank distributions during the winter months. Finally, to broadly promote the availability of energy assistance programs, the CAC Whitman distributes a countywide Fall Newsletter

to 6,000 households, and also works to increase public awareness through an “energy talk sheet”, ads in local newspapers, and flyer distribution at City Halls and food banks.

Community Action Partnership (CAP)

The Community Action Partnership (CAP) serves Asotin County. During the 2022-2023 program year, CAP educated WA LIRAP applicants on energy conservation during their application and benefit notification process. While the demand for ConEd materials was low, they still distributed items such as window film and light bulbs. They also widely distributed flyers and brochures and had a conservation education video playing for clients while they wait in the lobby. Finally, CAP hosted a booth at the Nez Perce County Fair where they shared ConEd materials with Washington residents. Their estimated customer reach with these efforts was 500 households.

One challenge that exists for CAP is that they serve across state lines, including residents of both Idaho and Washington. While their clients are often interested in materials and education, they are not always WA residents and therefore, not eligible to receive these benefits. They have also continued to experience difficulty maintaining staff to lead ConEd efforts for their Agency, so a goal for the upcoming 2023-24 program year is to identify and maintain a full-time ConEd staff.

Opportunities Industrialization Center (OIC) of Washington

The Opportunities Industrialization Center (OIC) of Washington serves Grant and Adams Counties. During the 2022-2023 program year, OIC 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 90% of intake appointments were conducted by telephone during the 2022-2023 PY, participants were provided conservation education remotely, and also made aware 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 conducted outreach at food banks, community events, schools, health centers, and with local employers to provide information about the program and provide conservation education tips. They also increased public awareness through several radio and newspaper advertisements, as well as through the Agency's social media and website. In conducting their outreach activities during the 2022-2023 program year, OIC distributed 2,350 energy conservation kits and reached more than 7,000 households.

Rural Resources

Rural Resources serves Stevens, Lincoln, Pend Oreille, and Ferry Counties. In August of 2022, just prior to the start of the new program year, Rural Resources mailed out Energy Information Letters to 1,500 Avista households 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, Davenport, Inchelium, Lone, Newport, and Republic), the Loon Lake Food Pantry, or the Odessa Food Bank. These ConEd kits included LED bulbs, rope caulk, kitchen aerator, window plastic, surge protector, low-flow showerheads, and foam for outlets and gaskets. As a result of their outreach efforts, Rural Resources estimates that 600 ConEd kits were distributed to Avista customers during the 2022-2023 program year.

In addition to customer outreach, the Energy Team at Rural Resources also educated Avista customers on conservation during their energy intake appointment. This education includes an overview of any energy saving items they've received, as well as simple changes 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 dollar amounts that can be saved and how they themselves have benefitted from the use of ConEd materials, to highlight the impact of energy conservation.

Spokane Neighborhood Action Partners (SNAP)

Spokane Neighborhood Action Partners (SNAP) serves Spokane County. During the 2022-2023 program year, SNAP conducted individual and group education to a wide variety of community groups, reaching 5,115 individuals – more than double their reach of 2,510 during the previous program year. Each of these individuals received either a complete ConEd kit *or* one or more ConEd items as requested. Post-COVID, many intake appointments are 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. SNAP estimates a total ConEd kit distribution of 6,115, each of which included some combination of the following: SNAP bag, LED lightbulbs, LED dusk to dawn bulbs, LED

battery back-up bulbs, LED nightlights, large window plastic, small window plastic, weatherstripping, outlet switches, door draft stoppers, energy saving refrigerator magnet (winter and summer), tabletop fans (summer only), and printed SNAP materials. SNAP, like all other Agencies, conducts conservation education during their energy assistance appointments in addition to these individual and group outreach efforts. Through energy assistance, SNAP served 10,206 customers – when coupled with the outreach outlined above, SNAP reached 15,321 Avista customers through their conservation education activities during the 2022-2023 PY.

Broader public awareness for energy assistance, weatherization and ConEd was conducted through Facebook, the Agency’s website, in-person tabling at school and community events, and resource fairs. SNAP tabled at 76 events, reaching a broad 5,065 Spokane County residents, and also distributed brochures and flyers to approximately 5,200 households.

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. Over the past few years, pandemic restrictions in place to safeguard public and staff well-being has resulted in modifications of the usual in-person ConEd program activities. In addition to these adjustments, there have also been staffing transitions impacting Avista outreach and education. During the 2022-2023 PY, the LIRAP Program Manager moved into a new role within the Company (January 2023), in addition to a vital outreach staff member retiring in May of 2023. These position vacancies prompted a decision to suspend further ConEd activities pending the recruitment, hire and onboarding

of new staff to fill the roles, and to allow time for the new staff to redesign the outreach strategy. In June of 2023, a new LIRAP Program Manager was hired and onboarded, and is collaborating with staff colleagues, stakeholder groups, and Agencies to redesign the outreach strategy to be implemented in the 2023-2024 program year.

In response to these changes and factors, Avista's outreach strategy has been to provide energy kits and conservation education materials to community partners and groups hosting community events. Operating within the modified delivery model, 31 activities were conducted during the 2022-2023 program year, reaching approximately 1,568 Washington residents. During the cold weather months, items distributed are intended 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 anecdotal customer and Agency accounts, much of the housing stock within Avista'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, faith-based organizations, and organizations serving specialized groups (seniors, Veterans, Latinos, women, etc.).

Avista Marketing & Outreach to Promote Energy Assistance

Avista promotes the availability of bill assistance and payment options in its monthly customer newsletter, titled *Connections*. The print version of the newsletter is mailed to over 167,692 Washington residential customers along with their monthly bills, and the digital version is emailed to 163,989 customers who receive their bills

electronically each month. Between October 1, 2022 and September 30, 2023, bill assistance promotion messages were included in the newsletters nine times. The images below provide examples of some of the key messages featured in *Connections*:



Do you need help paying your bill?

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 for more information, visit myavista.com/assistance.

We have options.



We have options.

Looking for energy bill assistance?

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 (800) 227-9187 to find your local community agency or visit us at 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 your payday.

Payment Arrangements can be made on an individual basis for those in need.

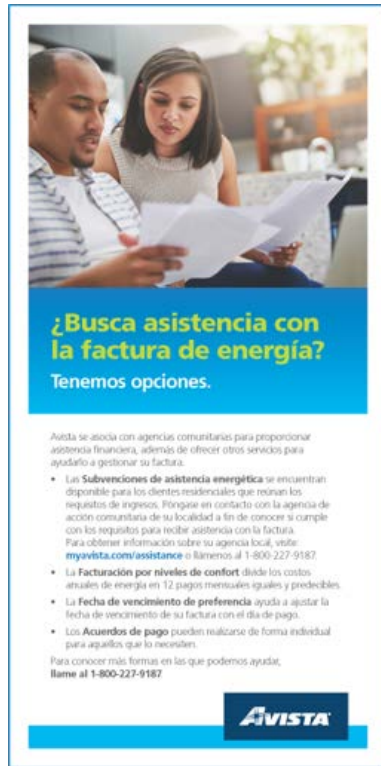
We're here to help. Please also call us at (800) 227-9187 to discuss your options with a Customer Service Representative.

Need help with your energy bill?

Avista partners with community agencies to help customers manage their energy costs.

If you need help paying your home energy bill, you may be eligible for financial assistance. Please call us at (800) 227-9187 to see if you qualify. Find an agency near you and learn more at myavista.com/assistance.

Between October 17, 2022 and March 26, 2023, Avista ran a paid bill assistance advertising campaign which promoted billing and payment options and aimed to increase customer awareness that help is available. Ads ran digitally and in print form, in both English and Spanish, and can be seen below:



For customers who visited Avista's website (www.myavista.com), a promotional call-to-action bill assistance creative was featured during seven of the twelve months of the 2022-2023 PY. In the summer of 2023, Avista updated its bill assistance webpage (www.myavista.com/assistance) to include a Spanish-translation option and to improve the user experience. Customers can now find a helpful CAA search tool, billing and payment options, billing and usage insights, and more.

Avista's senior customers were targeted with messaging about the availability of billing and payment assistance programs and services. Although these programs and services are included in the Company's general bill assistance advertising, Avista ensures

that additional messaging is present in community resource publications that seniors trust. During this program year, senior print advertisements in Innovaging Senior Directory and Fig Tree Directory were placed in June and July respectively, and will run for an entire year. In addition, a senior ad ran in a special issue of the Fig Tree publication in April 2023, an example of which is provided here.

To improve connectivity to bill assistance, the Company has also

implemented a Community Action Agency referral process. Any time a customer indicates to an Avista CSR that they are having difficulty paying their bill, are actively seeking energy assistance, or have an appointment for assistance, an Agency 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 Agency Referral per program year. Of those referred, 71% end up receiving energy assistance within 90 days of the referral.



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. Contact your local community action agency to see if you qualify for bill 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 your payday.
- **Payment Arrangements** can be made on an individual basis for those in need.
- **Friendly Customer Service** to assist with energy needs when medical or emergency situations occur.
- **Online Tools** to help manage your home energy use.

To learn more, please call (800) 227-9187 or visit myavista.com/senior

AVISTA

Data Collection

The data collection and measures used by Avista Utilities 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
- Ongoing Advisory Group review.

This Report was a collaborative effort of Avista staff and Agency partners. Agency staff provide monthly demographic reporting in aggregate of those they have served with LIRAP. They also provide a comprehensive Admin and ConEd spending report quarterly.

Avista staff contributing to the Report includes representation from Regulatory Affairs, Revenue Accounting, the Contact Center, Corporate Communications, 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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