



Clean Energy Implementation Plan – CBIs & Indoor Air Quality

June 2, 2023

Agenda

- ❑ 10:00 am – 10:05 am – Welcome and Introductions
- ❑ 10:05 am – 11:15 am – CEIP Condition 23 Review and Discussion
- ❑ 11:15 am – 11:20 am – Break
- ❑ 11:20 am – 11:40 am – CEIP Condition 24 Review and Discussion
- ❑ 11:40 am – 11:55 am – CEIP Condition 38 Review and Discussion
- ❑ 11:55 am – 12:00 am – Next Steps and Close



Clean Energy Implementation Plan

Condition #23

Condition 23

Avista must formally present and discuss any Joint Advocate or other stakeholder proposed CBI that was not included in the Company's filed CEIP and the final Commission approved CEIP with conditions, to its advisory groups, customers, and other interested stakeholders at a CEIP Public Participation Meeting(s) and at a separate joint advisory group meeting(s), to include the EEAG, EAAG, and EAG. Following these discussions and careful consideration of the feedback received, Avista will propose an updated set of CBIs and associated metrics in its 2023 Biennial CEIP Update.

Avista's Proposed CEIP CBIs

Affordability

Participation in Company Programs
Number of Households with high energy burden (>6%)

Energy Resiliency

Energy Availability

Environmental

Outdoor Air Quality
Greenhouse Gas Emissions

Accessibility

Availability of Methods/Modes of Outreach & Communication
Transportation Electrification
Named Community Clean Energy
Investments in Named Communities

Energy Security

Energy Generation Location

Public Health

Employee diversity
Supplier diversity
Indoor Air Quality

Avista's Proposed CBI Metrics

Affordability

- Participation in Weatherization Programs and Energy Assistance Programs (all and Named Communities)
- Saturation of Energy Assistance Programs (all and Named Communities)
 - Number of Households with high energy burden (>6%)
 - Number and Percent of Households
 - Average excess burden per household

Energy Resiliency

- Average Outage Duration
- Planning Reserve Margin (Resource Adequacy)

Environmental

- Weighted Average Days Exceeding Healthy Levels
 - Avista Plant Air Emissions
 - Regional GHG Emissions
 - Avista GHG Emissions

Accessibility

- Number of Outreach Contacts
- Number of Marketing Impressions
- Number of Trips Provided by Community Based Organizations
- Number of Public Charging Stations Located in Named Communities
 - Percent Non-Emitting Energy located in Named Communities (Energy Efficiency and renewable energy)
 - Incremental spending each year in Named Communities
- Number of customers/ and/or Community based organizations served
- Quantification of energy/non-energy benefits from investments (if applicable)

Energy Security

- Percent of Generation Located in Washington or Connected to Avista Transmission


Public Health

- Employee diversity equal to communities served by 2035
 - Supplier Diversity at 11 percent by 2035
 - Indoor Air Quality – in development

Final CBIs Approved

Proposed CBIs plus:


- 1 new CBI: Residential Arrearages and Disconnections for Non-Payment with two associated metrics
- 1 revised CBI: Named Community Clean Energy - metrics replaced to track distributed energy and storage resources in Named Communities
- 9 additional metrics



Reduction in Burden

CBI: Methods/Modes of Outreach

Metric:
Track increased availability of translation services



Reduction in Risk

CBI: Energy Availability

Metric:
Track frequency of outages for all customers, VPs, and HICs



Energy Security

CBI: Residential Arrearages, Disconnects

Metric
Residential disconnections for non-payment

Residential arrearages



Public Health

CBI: Indoor Air Quality

Metric:
Identify and develop a metric with advisory groups

Total of 14 CBIs with 31 metrics and 74 data points

Detailed List of New CBIs and Metrics

- **New CBI: Residential Arrearages and Disconnections for Non-Payment**
 1. Number and percentage of residential electric disconnections for nonpayment by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations, Highly Impacted Communities, and for all customers in total).
 2. Residential arrearages as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 8 a-c) in Docket U-200281.
- **Revised and/or Additional Metrics for Proposed CBIs**
 1. Metric to track the number of residential appliance and equipment rebates provided to customers residing in Named Communities and the number of residential rebates provided to customers residing in rental units.
 2. Number of Households with a High Energy Burden (>6%), will be separately tracked for all Avista electric customers, known low income (KLI) customers and Named Communities.
 3. Metric for increased availability of translation services.
 4. Metric related to decreased wood use for home heating.
 5. Metric related to the frequency of customer outages for all customers, Vulnerable Populations, and Highly Impacted Communities.
 6. For the CBI – Named Community Clean Energy Avista measure the following in Named Communities: (1) total MWh of distributed energy resources 5 MW and under; (2) total MWs of energy storage resources 5 MW and under; and, (3) number (i.e., sites, projects, and/or households) of distributed renewable generation resources and energy storage resources.

Performance Based Ratemaking

Senate Bill 5295 requires a utility to include PBR metrics when proposing a multi-year rate plan.

PBR metrics used to assess utility's performance, including equitable outcomes, during rate plan.

“The overarching goal for PBR in Washington for the WUTC is to integrate equity into all that we do. This includes ensuring equitable service for Highly Impacted Communities and Vulnerable Populations that is not less reliable or less safe than non-named communities.”

-WUTC

92 Metrics Agreed to in 2022 GRC

Affordability (15)	Capital Formation (2)	Equitable Service (17)
Electric Reliability (15)	Wildfire (17)	Customer Experience (6)
GHG Emissions (7)	Electric Grid Benefits (10)	Gas System Benefits (3)

[WA PBR Metrics](#)

Joint Advocate CBIs & Metrics Not Adopted

Affordability

- Reduction in bills due to actions to improve efficiency
- Reduction in number/percent of residential customers with lowest and 2nd lowest utility credit code scores
- Assessment and review of Avista's internal credit code scoring system
- Reduction in number/percent of residential customers sent to collections
- Reduction in risk of disconnection as evidenced by increased participation in arrearage management plans

Equitable Service

- Increased number of local low-income representation in clean energy apprenticeships and/or training programs in the state
- Increase in number of living wage/union jobs
- Reduction in health care cost burden and reduced health care bills

Joint Advocate CBIs & Metrics Not Adopted - Continued

Greenhouse Gas Emissions

- Reduced number of school/work absences due to illness triggered by poor air quality in HIC
- Improved comfort in home due to more affordable bills
- Reduction in hospital admissions for asthma

Electric Reliability

- Increased capacity of local community to respond to local disasters or weather events

Electric Grid Benefits

- Increased water savings due to water efficiency measures



Clean Energy Implementation Plan

Condition #24

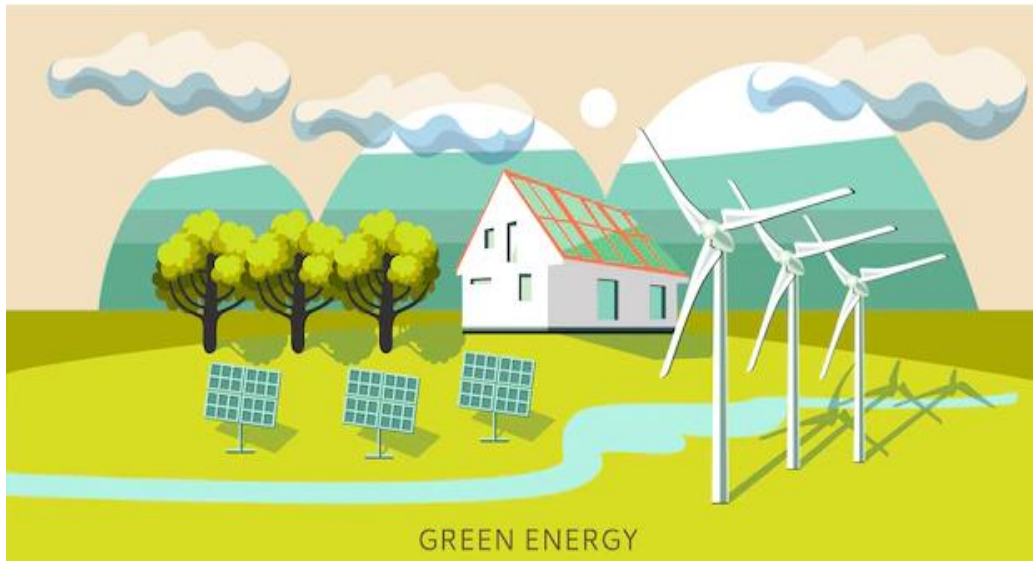
Condition 24

Avista must engage collaboratively with its advisory groups (EAG, EEAG, EAAG) to create a metric for Indoor Air Quality and submit formal metric for evaluation no later than in its 2023 Biennial CEIP Update.

CUSTOMER BENEFIT INDICATORS & NON-ENERGY BENEFITS



The Clean Energy Transformation Act (CETA) was designed to be inclusive to all Avista customers during our transition to clean energy. Avista's goal is for all customers to benefit equally from the transition to carbon neutral by 2045, with a near-term goal of carbon-neutral supply of electricity by the end of 2027.



01 IDENTIFYING

- Feedback from customers and stakeholders' groups
- Assessment of economic, health, and environmental burdens
- Assessment in current Non-Energy Benefits (NEI) & Customer Benefit Indicators

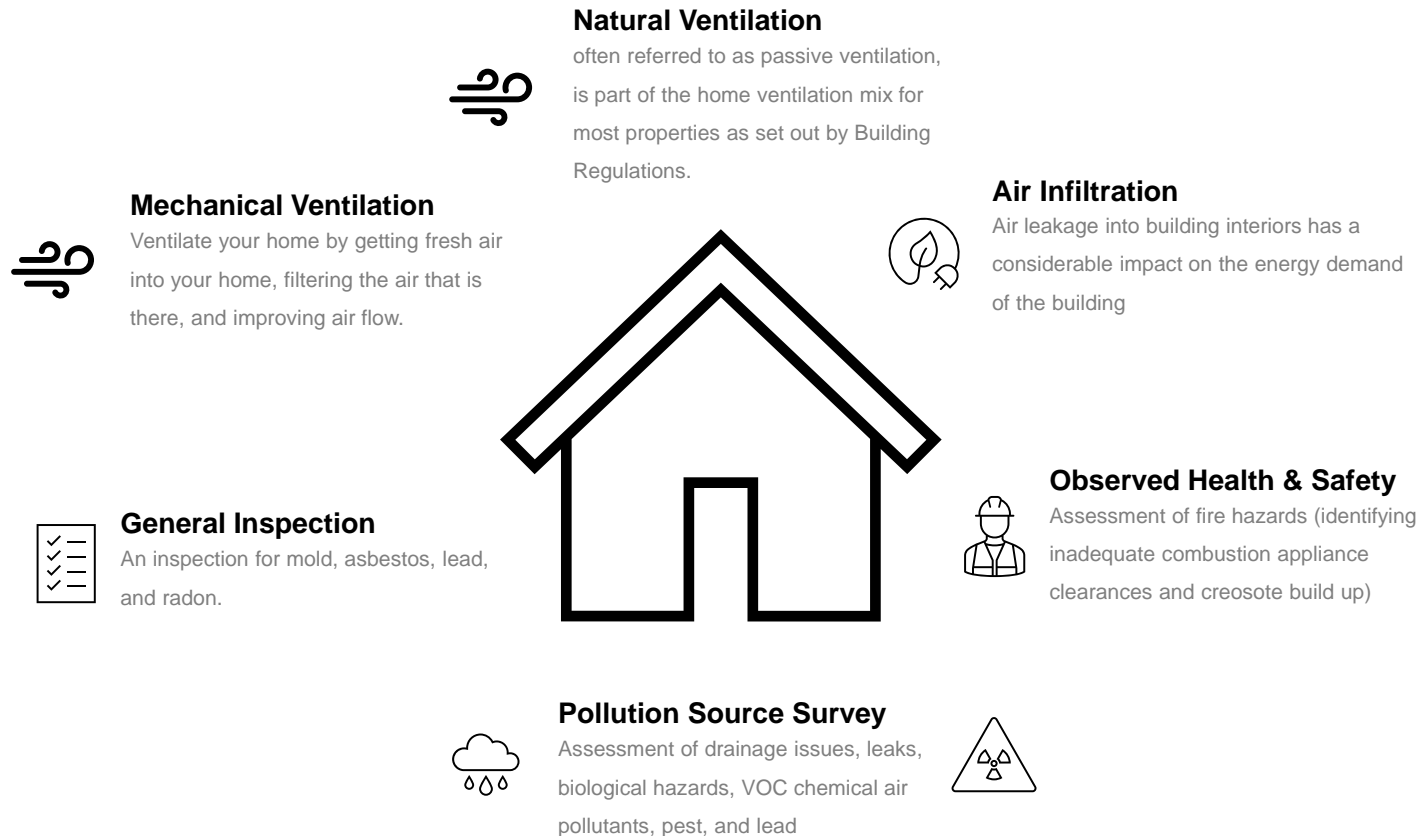
02 MEASURING

- Home maintenance savings, health and safety impacts, indoor and outdoor air quality, financial assistance for energy efficiency and weatherization.

03 APPLYING CUSTOMER BENEFITS

- Maximizing non-energy benefits
- Allocate resources to current programs (low income)
- Extend extended non-energy impacts energy efficiency programs

CUSTOMER BENEFIT INDICATOR: INDOOR AIR QUALITY



Washington Clean Energy Future



- Long-Term and Short-Term Health and environmental benefits
- Applying Health & Safety Non-Energy Benefits to energy efficiency programs

Avista Utilities is adopting the Washington Department of Commerce and ASHRAE 62.2 standard for Low-Income Weatherization programs



90% Average time spent indoors

Americans, on average, spend approximately 90 percent of their time indoors where the concentrations of some pollutants are **often 2 to 5 times higher than typical outdoor concentrations**¹

¹[Indoor Air Quality | US EPA](#)

FACTS & TARGETS



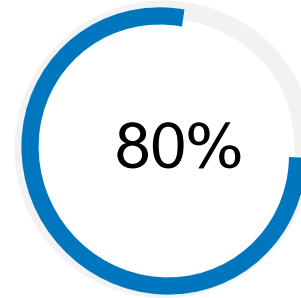
Low-Income Weatherization

Avista's Weatherization Assistance Program reduces energy costs for low-income households by increasing the energy efficiency of their homes, while ensuring their health and safety. Target H&S

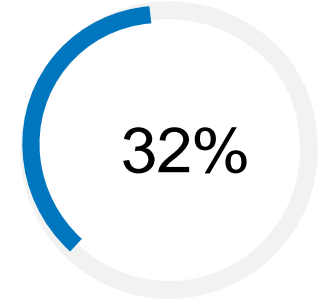


Energy Efficiency

Avista's energy efficiency targets to reduce customer load by approximately 2% over the next four years by savings 204,305 megawatt hours through incentives and programs to lower energy use without impacting the customer. Target H&S



Beginning in 2022, Avista plans to serve 80% of its Washington customer demand with renewable energy, then increase this target by 5% every two years.



Relying more heavily on renewable energy sources like wind and solar has significant health and economic benefits. \$2 billion in health benefits from wind power, with 32% of these health benefits connected to racial and ethnic minorities and low-income populations.

	CETA	CBI	METRIC
 Target: Indoor Air Quality	Public Health Non-Energy	Indoor Air Quality	Ranking of causes of Indoor Air Quality (within & outside Named Communities)
			Percentage (%) of weatherization & IAQ overall measures (within & outside Named Communities)





Clean Energy Implementation Plan

Condition #38

Condition 38

Avista must choose at least two of its current CBIs which it will track for at least five subsets of named communities, at a granularity to be determined by agreement with Staff, stakeholders, and the Company's Equity Advisory Group. Avista will incorporate relevant updates in its 2023 Biennial CEIP update.

Condition 38

Process for selecting CBIs and subset criteria

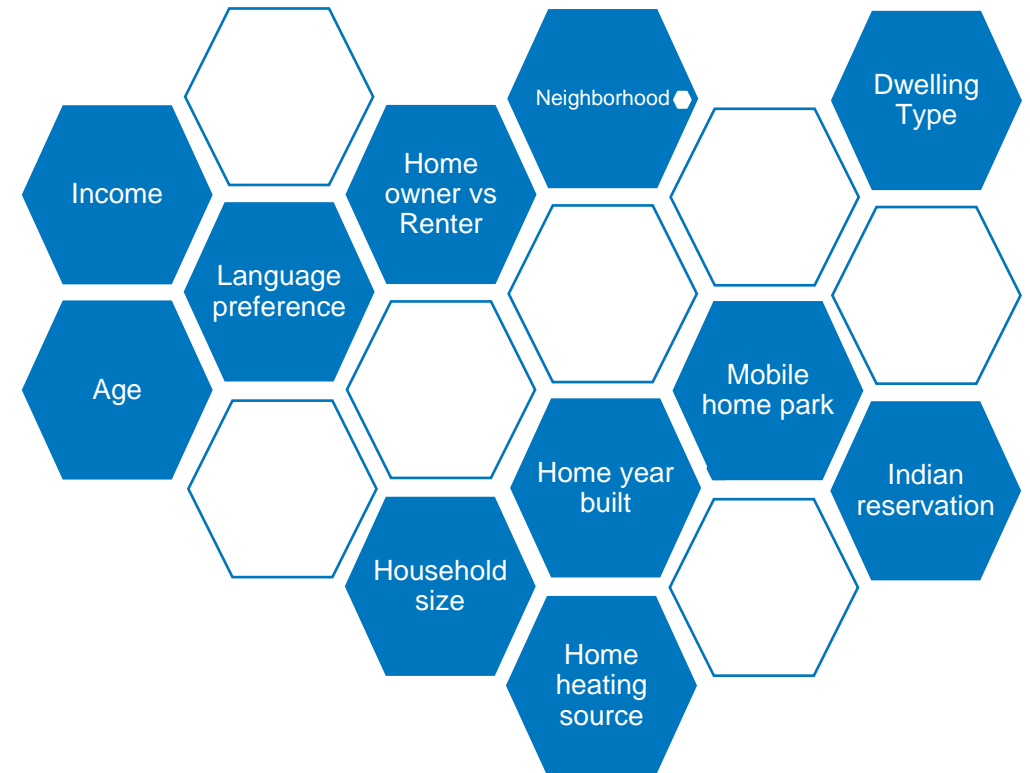
1. Determine which CBIs lend themselves to further granularity of data tracking
2. Brainstorm possible subsets
3. Identify data sources for sub-categories
4. Develop new metrics

CBI
(1) Participation in Company Programs
(2) Number of households with a High Energy Burden (>6%)
(3) Availability of Methods/Modes of Outreach and Communication
(4) Transportation Electrification
(5) Named Community Clean Energy
(6) Investments in Named Communities
(7) Energy Availability
(8) Energy Generation Location
(9) Outdoor Air Quality
(10) Greenhouse Gas Emissions
(11) Employee Diversity
(12) Supplier Diversity
(13) Indoor Air Quality
(14) Residential Arrearages and Disconnections for Nonpayment

Condition 38

Process for selecting CBIs and subset criteria






1. Determine which CBIs lend themselves to further sub-categorization
2. Brainstorm possible sub-categories
3. Identify data sources for sub-categories
4. Develop new metrics








Condition 38 Subsets

1. Highest Income Named Community Census Tract
2. Lowest Income Named Community Census Tract
3. Named Community households identified with occupants over Age 65*
4. Named Community households identified with homes built before 1980*
5. Named Community households with identified Homeowners*
6. Named Community households with identified Renters*
7. Named Community households calculated as Low Income

Burden - NC Households

Highest Income Census Tract	149+
Lowest Income Census Tract	1,021+
Occupants Over Age 65	529 
Home Built Before 1980	723 
Home Owners	13,189 
Renters	9,282 
Low Income	27,379 

CEMIO - NC Households

Highest Income Census Tract	80.8%+
Lowest Income Census Tract	6.5%+
Occupants Over Age 65	30.3% 
Home Built Before 1980	24.1% 
Home Owners	35.9% 
Renters	27.3% 
Low Income	24.6% 

Next Steps

- Public Participation Meeting June 27, 2023
- Biennial CEIP Update Public Meeting in August
- Biennial CEIP Update due by November 1st
 - If approved, start measuring Indoor Air Quality Metrics January 1, 2024