Joint Advisory Group Meeting

Meeting Date: June 02, 2023
Time: 10:00am – 12:00pm
Location: Zoom Meeting

Attendees:

Avista:	*Attendees:*	
Shawn Bonfield	*Carol Weltz*	*Stefanie Demmitt*
Tamara Bradley	*Frank Martinez*	*Amber Lenhart*
Kelly Dengel	*Cassandra Ochoa*	*Charlee Thompson*
Annette Brandon	*Cindy Kimmet*	*Clyde Abrahamson*
Nicole Hydzik	*Sofya Atitsogbe*	*Lindsey Brocious*
Amanda Ghering	*Andrew S*	*Ellis Falteisek*
Renee Zimmerman	*Allison Mason*	*Chris Connolly*
Kim Boynton	*Laura Conilogue*	*Brook Beeler*
Jaime Majure	*Kevin Foster*	*Julie Honekamp*
Meghan Pinch	*NWEC*	*Shay Bauman*
Ana Matthews	*Margee Chambers*	*Jeff Harris*
	Peter Damrosch	*Claire Trapp*
	Vanessa Strange	*Kerry Meade*

Agenda   Facilitator

I.   Welcome & Introductions   Shawn Bonfield

      – Overview of Meeting: Rules and Intent

II.   CEIP Condition 23-Joint Advocate CBIs   Shawn Bonfield

III. CEIP Condition 24-Indoor Air Quality   David Schafer

IV.   CEIP Condition 38 Review and Discussion   Kim Boynton

V.   Your Support Team and Next Meeting   Shawn Bonfield

Meeting Notes

Welcome & Introductions

Introductions, Meeting Rules/Intent, and review of today's agenda.

CEIP Condition 23 – Joint Advocate CBIs

Avista agreed to convene with its advisory groups to review CBIs that were not implemented during its CEIP process.

Let's review our original proposed CBIs, which were 13 in total, we went through a public process with our EAG and other stakeholders to determine our CBIs as outlined below. These CBIS were approved with some modifications which we will discuss later.

Avista's Proposed CEIP CBIs

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

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

Energy Resiliency
Energy Availability

Energy Security
Energy Generation Location

Environmental
Outdoor Air Quality
Greenhouse Gas Emissions

Public Health
Employee diversity
Supplier diversity
Indoor Air Quality

13 CBIs

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With these approved CBIs includes numerous metrics, with several data points being tracked for each CBI/metric. All metrics will be included in our biennial CEIP update which is due November 1, 2023. We are using all of these metrics to ensure our customers are benefiting from the transition to clean energy.

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

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 Resiliency
• Average Outage Duration
• Planning Reserve Margin (Resource Adequacy)

Energy Security
• Percent of Generation Located in Washington or Connected to Avista Transmission

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

Public Health
• Employee diversity equal to communities served by 2035
• Supplier Diversity at 11 percent by 2035
• Indoor Air Quality – in development
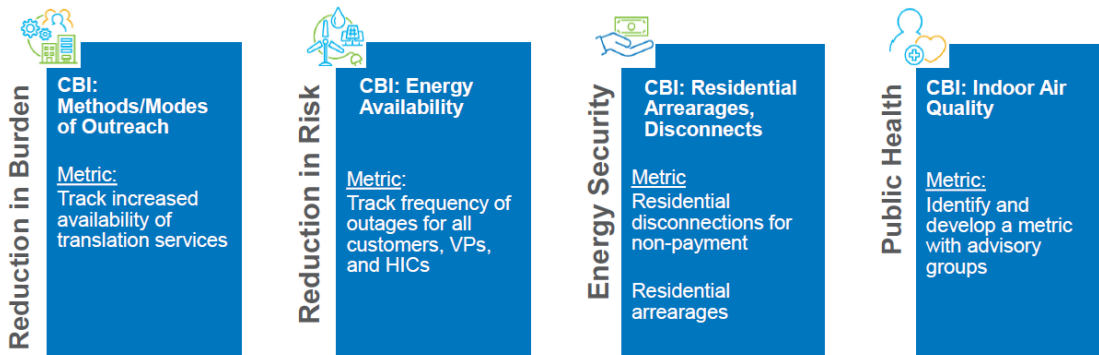
23 metrics with 34 data points

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The WUTC could approve, approve with conditions, or reject our CEIP. We were the first utility in Washington to file and have their plan approved. We originally filed for 13 CBIs, the commission approved 14, we included a CBI around disconnections and arrearages and included several other metrics/ data points to track as outlined below.

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

Member: Would it be useful/helpful to track reconnects after disconnect due to arrearages?

Company: We do track that today on a quarterly basis in our COVID reporting and annually in our disconnection reduction reporting. We do all we can to ensure bills are affordable and customers are not disconnected.

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.

Through negotiations of conditions in the CEIP, we included many more metrics than originally proposed.

We are also supporting additional tracking of metrics through our performance based ratemaking metrics to include 92 metrics, many of these metrics are already reported elsewhere and this brings everything together in one location. This measures Avista's performance. We highlight this to show that there were thoughts and ideas that did not make there way into Avista's CEIP, but were included in the PBR metrics we believe that with all of the data we are reporting now is sufficient.

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 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

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Reviewed the Washington PBR metric webpage and where customers/interested parties are able to view the metrics we report either quarterly or annually depending on the metric. This data is more readily available than the timing we are providing reporting in the CEIP.

Has anyone reviewed this website or data?
Member: Yes, I have.
Member: Not yet, but will check it out!
Company: Oh good, that is great, we like to hear that.
Member: I actually saw it yesterday
Member: Very cool!
Member: I've looked at it!

Below is a list of metrics proposed by the joint advocates in July 2021 that were not picked up with the final CEIP or in our PBR metrics so that we can hear from everyone and consider your feedback as we put together our biennial CEIP. Reviewed each CBI below In depth. A lot of these metrics are difficult to track as so many outside factors play a role in the outcome that are outside of the utilities control.
Member: Variability in household size impacts potential reduction in bills related to energy efficiency.
Member: Yes, sometimes people will use more energy when it costs less
Company: Yes, those are things we have been thinking about a lot too.

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

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Our credit codes are not linked to external credit codes from the major credit bureaus, they only look at data that is internal to Avista and are used to determine when the customer may receive a past due notice for example, it does not change their time to pay before disconnection, nor participation in programs. We review that on a monthly basis. We are currently reporting several data points pertaining to affordability and effectiveness of our energy assistance and energy efficiency programs.

Member: So, on the credit scoring system, it does not change when the bill is due?
Company: Correct, it only is used to determine when past due notices will go out.

Avista does use a third-party agency to help collect debt on closed accounts, not on active accounts if we are unable to collect the debt on our own. Which in turn does not lend toward affordability if the account is already closed. The third-party companies we work with do not report to the credit bureaus.

Member: You mentioned that Avista regularly reviews its credit code scoring system — is that something that Avista reviews with its advisory groups on a regular basis as well?
Company: This is not something that is reviewed externally. This was built by a third-party company, and we can regularly review the thresholds and triggers that are set based on internal data.
Member: Yet it does maybe get customers in a garnishment situation which makes it harder to pay current bills. But I do not know if it belongs as a metric or not.
Company: The goal is to make the bills more affordable, so they do not have debt in arrears or included on closed accounts that a collection agency is attempting to collect.
Member: What is the unknown world of when debt goes to collections agencies, what are the fees incurred by the collection agency which impacts if they are able to pay current charges if they are trying to pay.

Company: This is one where we need to balance; you make a good point, and this is why it is important to hear from everyone. All customers end up paying for energy assistance, and same goes for debt that is written off, so it is a balance we have to maintain.

The equitable service measures, we wonder if they are within the scope of our CEIP and if we have any influence on these topics, data points are really hard to find, they are not accessible to the utility especially around health care measures.

Any thoughts from others:
Member: We have been talking about our concerns as we switch from LIRAP to the rate reductions, with the rate increases, some people are not going to notice that they have a reduction as the rate increase is coming along with it so their bill is not going to visibility go down.
Company: That is correct, and there could be instances where customers may not see the decrease, it is a great question, will the increase to the rate offset the discount they are receiving, customers should hopefully not see the impact, but it is impossible to shield customers from being impacted by rate increases indefinitely. If customers fall behind, there is still LIHEAP, project share, arrearage management plans, etc., and customers will see the rate discount on their bill.

Any other thoughts on these:
Member: I am looking at the first bullet under equitable service, of the three in this category I think it is indeed within Avista's scope of the CEIP. I know Avista advertises its apprenticeship programs on its website and has an internal goal to have a diverse employee mix involved. I feel like it is indeed included in the scope.
Company: We do have employee diversity goals and as a metric already, but do we know their income status? No, so that is the challenge, how do we know if they are low income. It is up to the applicant to provide their address etc., so we may not be provided with the information needed and can we even ask those questions as an employer? They can voluntarily provide it, but we cannot force them to provide that.
Member: That makes sense, I will keep thinking about this one
Company: We do have the diversity goal though for our entire company

Any other thoughts?

Joint Advocate CBIs & Metrics Not Adopted - Continued

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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

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

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Electric Grid Benefits
-Increased water savings due to water efficiency measures

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AIVISTA

We are not able to obtain health related data, or school absences etc., We also are not able to gauge how each customer labels "comfort" because that is different for each individual so how would we measure that? The metrics above become very difficult measures to track and are outside of our influence or control around disaster relief. Increased water savings, this is listed as a non-energy impact and we do not do water efficiency measures since we are only an electric and natural gas utility, not water services, so we feel this is outside of the scope of the CEIP.

We would love to hear from others on other metrics we are not considering etc.,

Member: So, these are metrics that we can't track, but could we track money for special projects in these areas and maybe the metric is that we are going to improve so many houses in this area.
Company: We are essentially doing this through the Named Community Investments Fund, and we are tracking the amount of funding spent in named communities and the number of improvements made, more is coming around this process. We will be looking towards our advisory groups for help with these funds and tracking the effectiveness of those funds.
We are also tracking the number of customers impacted by these funds today as a measure of our CEIP.

Please send us your feedback if you were not able to share it during the meeting so we can make sure we are incorporating everyone's feedback or thoughts on these metrics.

Member: One other suggestion on the collection agency metric — it could be helpful to add average amount of arrearage at the time the debt was sent to collections
Company: That is something we could consider; it would be the average of the amount went to collections at that time. We have that noted. Thank you.

Company: The public participation meeting will be June 27th at noon and 6pm. We will be sending out an invite. We will discuss these metrics again in that platform.

Member: Thank you, Avista team, for doing all the data tracking and reporting you're doing!

CEIP Condition 24 – Indoor Air Quality

The first thing we did was look at feedback from groups like these here today. Indoor air quality is another tool we can use to measure the impacts of our transition to clean energy, we have to look at a lot of factors when measuring indoor air quality and outdoor air quality. We are looking to maximize our existing programs such as our low-income energy efficiency and weatherization programs.

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.

GREEN ENERGY
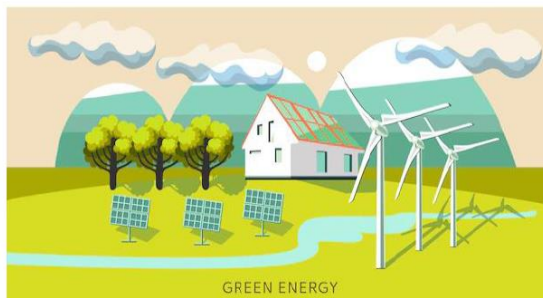
01 IDENTIFYING

- 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.
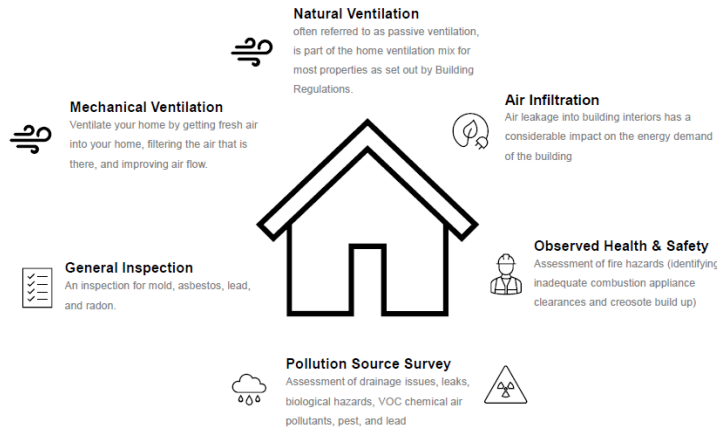
03 APPLYING CUSTOMER BENEFITS

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

CUSTOMER BENEFIT INDICTOR: INDOOR AIR QUALITY

Natural Ventilation
often referred to as passive ventilation, is part of the home ventilation mix for most properties as set out by Building Regulations.

Mechanical Ventilation
Ventilate your home by getting fresh air into your home, filtering the air that is there, and improving air flow.

Air Infiltration
Air leakage into building interiors has a considerable impact on the energy demand of the building

General Inspection
An inspection for mold, asbestos, lead, and radon.

Observed Health & Safety
Assessment of fire hazards (identifying inadequate combustion appliance clearances and creosote build up)

Pollution Source Survey
Assessment of drainage issues, leaks, biological hazards, VOC chemical air pollutants, pest, and lead

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 ASHREA 62.2 standard for Low-Income Weatherization programs
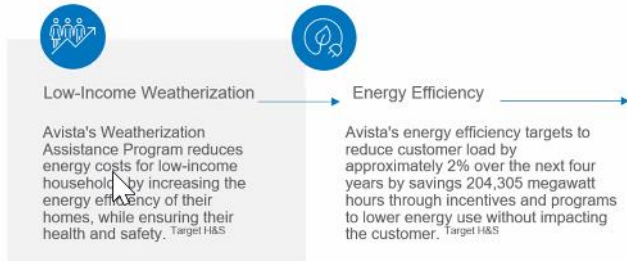
90% Average time spent indoors

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

We are look at adopting the ASHRAE standards and further looking into a general inspection for lead, radon, etc., health and safety measures so looking for leaking equipment. The air we breathe indoors is usually 2-5 times higher than the outdoor air we breathe.

FACTS & TARGETS

Low-Income Weatherization

Avista's Weatherization Assistance Program reduces energy costs for low-income household 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

80%
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.

32%
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)

There was a study between 2014 and 2019 and the low-income weatherization was a major focus which is why we are taking this path. We will rank the weatherization and safety measure taken to understand the tools we are implementing to improve the indoor air quality for customers in named communities and outside of named communities,

Are there any questions:

No comments offered at this time. Please feel free to jump in later on in the presentation with questions or concerns, email us after the fact please.

This is our prosed metrics for indoor air quality. So please share thoughts:
Member: Thank you David

CEIP Condition 38

We were required to take 2 of our CBIs and provide more granularity in tracking them. Here is the process we went through:


We ended up landing on the two that are highlighted above. Energy Availability and Number of Households with a High Energy Burden (>6%).
Here is a visual on how we thought we could break those down further:

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
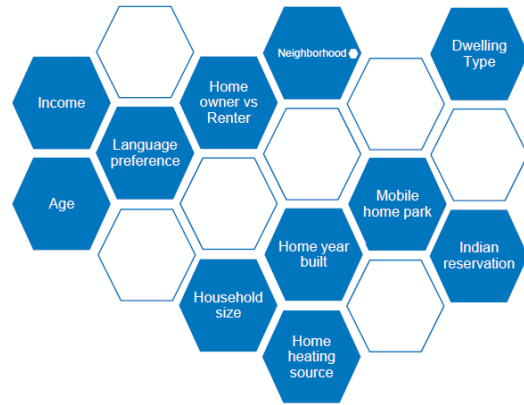
Here is what we came up with. For Energy Availability and Number of Households with a High Energy Burden (>6%), we will track at a granularity outlined below to include the 7 categories within our named communities census tracks to see if they trend the same or differently. We will track the year homes are bult as we know building codes change and how that impacts those homes, we will track homeowner vs renter where the data is available, and we will track known low-income customers for both energy burden and energy availability. We are using third party demographic data for some of the metrics.

Member: What is "CEMIO"?
Company: Customer experiencing more than 0 outages.

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%

We want to hear from Staff on your thoughts as this was suggested from Staff for more granular tracking. Does this hit the mark, what are your thoughts or reactions?
Member: I am relatively new, but I am processing for now.
Member: These data points are really good to have, but I cannot speak for Regulatory Service Staff.
Member: By tracking high energy burden, will this help for the future if we want to help in those areas in the future and target dollars or services?

Company: That is true for the entire service territory in Washington and then do aggregated metrics based on the census tract etc.,
Member: A lot of this information seems helpful, some context by percent might be helpful too. Is this a high percent of renters, low, or medium etc., to help provide some context.
Company: Thank you, we will put that into consideration.
Member: Very useful, thank you Kim.
Member: Agreed, thank you!
Member: Yes, thank you, Kim!

Wrap Up

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

We are ending a little early, so please ask any questions or provide any comments.

Member: I just want to say thank you to the Avista team for staying on top of this, the other IOU processes have been going at a slower pace than this so it is refreshing to see this being on time and as organized as it is.
Member: Interested in the IAQ metrics work. Thanks for the update.