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**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone (509) 489-0500  
Toll Free 800-227-9187

March 18, 2021

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3612

**RE: 2020 Avista Oregon Low-Income Energy Efficiency (AOLIEE) Annual Report –  
Informational Filing Only**

Filing Center:

Avista Corporation, dba Avista Utilities (Avista or “the Company”), hereby submits to the Oregon Public Utilities Commission (OPUC or “Commission”) its Avista Oregon Low-Income Energy Efficiency (AOLIEE) Annual Report for calendar year 2020. This report is provided for informational purposes as requested by Commission Staff.

The AOLIEE Program (“Program”) provides weatherization services to customers that have income levels at or below 200% of the Federal Poverty Level (FPL). Avista offers funding, on an annual basis, to each of the four Community Action Agencies (“Agency” or “Agencies”) within its Oregon service territory and the Agencies, in turn, deliver weatherization services to qualifying customers. These Agencies are: Access, serving Jackson County; Community Connection of Northeast Oregon, serving Union County; Oregon Human Development Corporation, serving Klamath County; and United Community Action Network, serving Josephine and Douglas Counties. Each Agency is given a minimum target number of low-income households to fully weatherize with their available funding each year.

**I. 2020 Program Overview and Results**

For the 2020 Program year, the AOLIEE Program paid Agencies up to \$11,100 per home treated, inclusive of administration, measures and an additional \$4,000 made available to replace

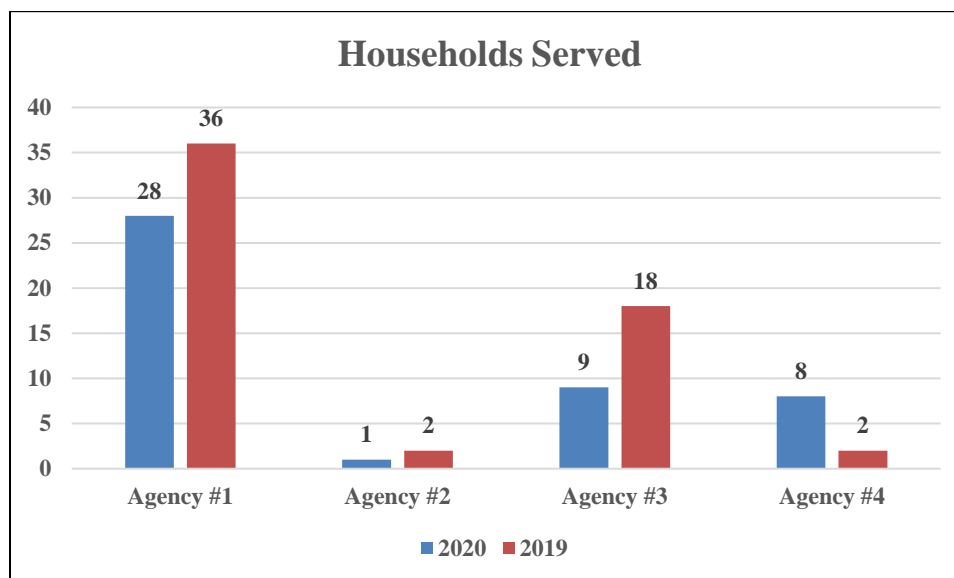
natural gas heating equipment. Of an Agency's total budget, up to 15% of funds could also be utilized for health, safety and repair costs. In total, the Program provided weatherization for 46 low-income homes throughout 2020 and the total savings achieved as a result was 4,983 therms of natural gas. To fund these efforts, Avista contributed \$419,046 to the four Agencies responsible for delivering low-income energy efficiency services within the Company's service territory. The Agencies then used Avista's funding and a variety of other matching resource funds to weatherize the 46 homes. The Company spent a total of \$447,209 on the AOLIEE Program in 2020.

The 2020 Program year brought with it unprecedented challenges, with the Agencies experiencing many barriers to home weatherization due to the COVID-19 health and economic crisis. At its onset, the COVID-19 pandemic completely halted all Agency weatherization efforts for several months, with a subsequent work cessation occurring later in 2020. Even after the end of such standstills, new projects continued to remain slower to complete due to implemented health and safety protocols. For example, Agencies' energy audits and inspections were delayed, and new processes needed to be established with contractors to safeguard the integrity of the Program and incentivize the continuation of AOLIEE weatherization projects while also adhering to heightened safety regulations. To ensure Agency contractors were paid in a secure and timely manner during times when in-person contact with customers was prohibited, an agreement was reached to pay contractors prior to final inspections, with the caveat that the inspections and any necessary corrections due to contractor error would be completed once it was safe to do so. Agencies have since completed all 2020 inspections and any contractor deficiencies have been corrected.

As the Agencies have continued to experience a decreased number of households weatherized year over year, the extraordinary circumstances of 2020 only served to perpetuate the trend, with the Agencies able to use approximately 51% of their available AOLIEE funds during the Program year. Chart No. 1 below illustrates the actual number of households served by each Agency in 2020, verses households served in 2019.



### Chart No. 1 – Households Served



Each home treated during 2020 as part of the Program had an average of five measures installed, with an overall total of 220 measures completed throughout the 46 homes. To be considered a valid weatherization measure for the purposes of the AOLIEE Program, all measures must meet a Savings to Investment Ratio (SIR) of 1.0 or a combined SIR of 1.0 if multiple measures are being performed.<sup>1</sup> The average cost Agencies spent per home, not including Program administration, was \$9,969.

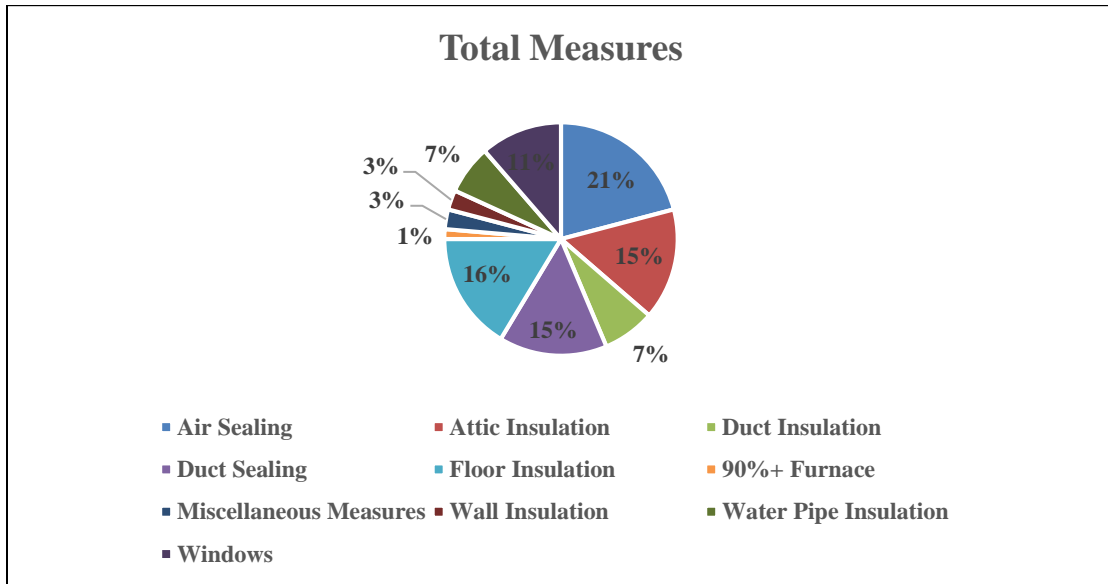
Chart No. 2 below illustrates the percentage each measure represents within the total 220 measures. In addition to the measures identified in Chart No. 2, most Agencies install or offer kits containing items such as LED lightbulbs, showerheads and outlet gaskets covers to further promote energy efficiency within the homes. According to monthly reporting provided by Energy Trust of Oregon (ETO),<sup>2</sup> three additional natural gas furnaces were installed in affordable housing during 2020, outside of the AOLIEE Program, that also qualified for energy efficiency rebates.

<sup>1</sup> As allowed by the Department of Energy.

<sup>2</sup> Pursuant to the Avista and ETO Customer Information Transfer Agreement, dated August 1, 2016.

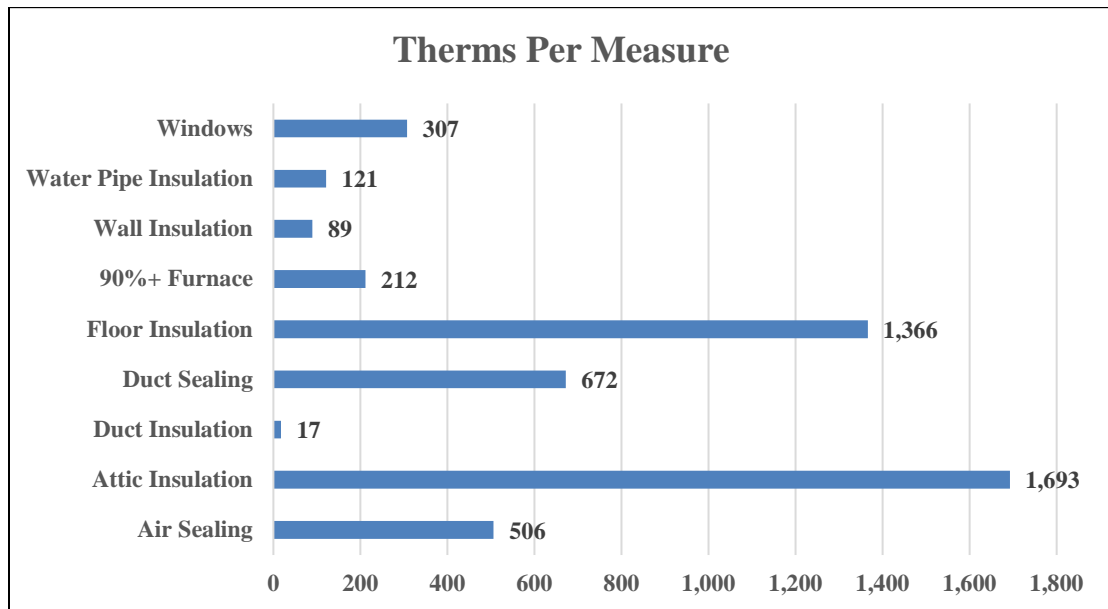


**Chart No. 2 – Total Measures Installed**



The natural gas deemed savings associated with the installation of all measures for 2020 is 4,983 therms. Chart No. 3 below details the therm savings associated with each measure.

**Chart No. 3 – Therms Saved per Measure<sup>3</sup>**



<sup>3</sup> Miscellaneous Measures are omitted from Chart No. 3, as there are no incremental savings associated.



## **II. Future Program Considerations**

Throughout 2020, Avista maintained regular contact with the Agencies that administer the AOLIEE Program via telephone and email correspondence, and by attendance at the Oregon Energy Coordinator Association meetings, to not only assess the adequacy of each Agency's current funding level but to also gather feedback regarding Program structure and any barriers they may be encountering when attempting to complete weatherization projects. This information is then used to inform any potential Program changes that might enhance the Agencies' ability to reach the maximum number of participants per year.

Based on these collaborations, the Company found that even with the close adherence to safety protocols, some customers are still wary of potential COVID-19 exposure and are opting to defer their weatherization services to a later date. To help augment the Agencies' promotions of low-income weatherization programs and ensure a robust pipeline of projects, Avista plans to increase its own energy efficiency outreach efforts in 2021. For example, the Company anticipates notifying customers of its AOLIEE Program offerings by bill insert, newsletter and digital banner ad on its website. A targeted email and direct mail will also be sent to customers that have not previously received weatherization services but that have received other low-income energy assistance, therefore making them likely candidates for qualification in an income-adjacent program such as AOLIEE, as well as to customers with high energy use or past due balances. In addition to the information available on Avista's website, the Company will also provide program flyers to the Agencies for distribution. While Avista is hopeful that such outreach will be effective in increasing customer awareness of the weatherization opportunities available, we are cautious about balancing the level of promotion with the capacity of the Agencies and contractors to meet the customer demand. In years past, weatherization waitlists have been up to three years long; with this in mind, the Company is aware that its promotion of the AOLIEE Program must not result in increasing wait times for customers.

In addition, Avista has been working with ETO staff as well as the Agencies in order to begin offering additional Community Partner Funding in our service area in 2021.<sup>4</sup> These projects

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<sup>4</sup> OPUC Order No. 19-232 established a pilot with Community Action of Washington County, ETO and OHCS to increase the number low-income homes weatherized. ETO has since established a Community Partner Funding program for such use.



will utilize ETO funding and Agency federal funds to complete various weatherization projects for Avista customers that might not otherwise have been served through the traditional weatherization channels such as the AOLIEE or ETO's energy efficiency offerings. To avoid duplication of funding or double-counting of therm savings for such projects, Avista funds will not be leveraged for these projects.<sup>5</sup>

### **III. Conclusion**

Avista appreciates the hard work of its partner Agencies in continuing to deliver weatherization services to its customers throughout 2020. The Company will continue to monitor the overall need in its service area, availability of other funding sources or programs that will benefit our low-income customers or require changes to the AOLIEE Program and will modify its Program accordingly into the future.

If you have any questions regarding this report please contact Lisa McGarity at (541) 858-4719.

Sincerely,

*/s/ Shawn Bonfield*

Shawn Bonfield  
Sr. Manager of Regulatory Policy & Strategy  
Avista Utilities  
509-495-2782  
[shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com)

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<sup>5</sup> Avista contributes to ETO's energy efficiency efforts through its tariff P.U.C. OR. No. 5, Schedule 469, Public Purpose Funding Surcharge

