



Low-Income Rate Assistance Program (LIRAP)

Annual Summary Report

For the program period October 2020 through September 2021

OREGON

Table of Contents

Overview	3
Program Year Results	3
Administration and Program Delivery	6
Direct Service Funding	8
Returned Direct Services	8
COVID-19 Debt Relief	9
Agency Meetings.....	12
Outreach	12
Data Collection.....	15
Participating Agencies.....	15
Contacts.....	15

Overview

Avista Utilities' Low-Income Rate Assistance Program (LIRAP), approved by the Public Utility Commission of Oregon (PUC or Commission) in 2002, collects revenue under Schedule 493, "Residential Low Income Rate Assistance Program–Oregon." The current rate for LIRAP included in the Company's tariff Schedule 493 is \$0.00451 per therm, which is approximately 0.38% of current retail rates. The purpose of LIRAP is to reduce the energy cost burden among those customers least able to pay energy bills. This is the program summary report ("Report") for the program year October 1, 2020 through September 30, 2021.

Program Year Results

Since LIRAP's inception in 2002, approximately 11,858 energy grants, totaling \$3,391,863 in funds, have been provided to Avista's most vulnerable populations. For the program year ending September 30, 2021, approximately 57% of LIRAP participants had household average incomes less than 100% of the Federal Poverty Level (FPL), and approximately 38% of the grant recipients had annual household incomes of less than 75% FPL. Over 58% of the LIRAP participants had households of two or more people, while customers renting their residences constituted 65% of the total participants.

Avista's LIRAP provided 541 grants and distributed a total of \$218,400 during the 2019-2020 program year; the grants averaged \$403.70 per customer. Table 1 below illustrates the number of grants distributed during the reporting program year, in addition to a collection of demographic data intended to be responsive to requests for general information regarding participating customers. This data was collected by participating Community Action Agencies (CAAs or Agencies).

Table 1				
OREGON LIRAP				
Data Compilation - GRANTS				
Year 19 - October 1, 2020 - September 30, 2021				
		# of Households	% of Households	Cumulative %
Home Ownership				
Own		189	35%	35%
Rent		352	65%	100%
Total		541		
Heating Fuel Source				
Electric		-	0%	0%
Natural Gas		541	100%	100%
Other		-	0%	100%
Total		541		
Size of Household				
1 Person		225	42%	42%
2 People		130	24%	66%
3 People		82	15%	81%
4+ People		104	19%	100%
Total		541		
Annual Income Level				
Up to 50%		133	25%	25%
51% to 75%		72	13%	38%
76% to 100%		100	19%	57%
101% to 125%		73	13%	70%
126% to 150%		63	12%	82%
151% to 175%		45	8%	90%
176% to 200%		32	6%	96%
201% and over		24	4%	100%
Total		541		

Note: A weighted average was used to increase demographics to equal Avista customers served.

Total revenue distributed during the 2020-2021 reporting program year was \$228,982. This amount equates to approximately \$221,625 of new revenue collected through the 0.00451 per therm charge in Schedule 493, and approximately \$7,356 of interest income accrued. At the end of the previous program year, 2019-2020, approximately \$72,693 in direct service funds were left undistributed, and thus were carried forward into the current program year. The combination of these two amounts, current revenue collected and previous carryover funding, resulted in a total available LIRAP balance of \$301,675 for 2020-2021. The CAAs were allocated \$43,655 for administration and program delivery costs (Admin) for the current program year, and after subtracting this Admin from the total revenue and interest, the remaining net funds available for direct services to customers for this program year was \$258,020. Of these funds, the Agencies spent \$220,620¹ in the provision of direct services. After an adjustment was made to account for funds returned to LIRAP from closed accounts (\$8,259), the total unspent balance at the end of the program year was \$45,659. Table 2 below is a recap of the funds collected, spent, and the amount available at September 30, 2021.

¹ Inclusive of a \$2,220 correction made from the 2019-2020 program year, as noted in Table 2.

Table 2
Oregon LIRAP
Year 19
October 1, 2020 through September 30, 2021

Total Carry Over from Prior Year	\$72,693
Total Revenue and Interest to Distribute	\$228,982
Admin & Program Delivery Funds paid to Agencies	<u>\$(43,655)</u>
Net Funds Available for Direct Services	\$258,020
Direct Service Funds Distributed by Agencies	\$(220,620) ¹
Adjustments – Dollars Returned to the Program	<u>\$8,259</u>
Unspent Direct Service Funds on September 30, 2020	\$45,659
Percent Unspent in Comparison to Available Funds	17.70%

1 – Contains a \$2,220 correction from 2019-2020 reporting year included.

Administration and Program Delivery

The revenue collected for LIRAP is provided to the four CAAs in Avista’s Oregon service territory for disbursement to qualifying customers and for administration of the program. Eligibility for LIRAP is determined according to existing guidelines established by Federal and State standards used for the Low-Income Home Energy Assistance Program (LIHEAP). Additionally, customers experiencing emergencies are eligible for assistance under Project Share, an Avista donation-based program. The programs and partnerships between Avista and the CAAs are invaluable to customers with limited incomes or those that have exhausted all of their resources. Per the Company’s tariff Schedule 493, the Agencies may be paid up to 21% of the total LIRAP funds collected for administration and program delivery costs.

For this reporting program year, a total of \$43,655 was distributed to the Agencies for Admin purposes, which equates to approximately 19.06% of the total revenue collections and accrued interest. This amount, including the \$36,555 in Admin carried over from the previous reporting program year, provided a total of \$80,210 available for CAA Admin during the 2020-2021 program year.

On September 30, 2021, the amount of Admin reported as spent by the Agencies from LIRAP funds was \$38,187 leaving an unspent Admin balance of \$42,023. This funding has been distributed to the Agencies and can be carried forward into the next reporting program year to cover program administration and delivery costs of the associated undistributed direct services. Table 3 below represents a recap of the Admin funding spent during the current program year and the amount available at September 30, 2021.

Table 3 OREGON LIRAP Admin and Program Delivery Funds October 1, 2020 through September 30, 2021	
Admin and Program Fees Carry Over from Prior Year	\$36,555
Admin & Program deliver Funds paid to Agencies	<u>\$43,655</u>
Net Funds Available for Admin and Program Fees	\$80,210
Admin and Program Delivery Funds Spent by Agencies	38,187
Unspent Admin and Program Support at September 30, 2021	<u><u>\$42,023</u></u>
Percent Unspent in Comparison to Available Funds	52.39%

Direct Service Funding

While the Federal Government provides start-up funds as a portion of the total funding for Agencies each year, such amounts are not confirmed until after the heating season has already begun in October. Therefore, timing and availability of LIRAP funding is crucial to ensure that the appropriate assistance is available for customers when the need begins to rise. To meet this necessity, discussion with the Agencies and other stakeholders during the first few years of LIRAP implementation led to agreement that allowing approximately 20% of unspent LIRAP funding to carry over each year would provide value to the Agencies' energy assistance programs, as it would deliver immediate funding relief at the onset of the program year. Actual carryover percentages have ranged from 3.65% to 32.57% since the inception of this policy.

To ensure the availability of this funding, Avista monitors the Agencies' unspent direct service funding at the end of each program year. As shown on Table 2 of this Report, the amount of unspent direct service funds at September 30, 2021 was \$45,659, or 17.70%, based on allocated direct service funds distributed to the Agencies.

Returned Direct Services

As with LIHEAP, any credit balance on a closed customer account due to a LIRAP payment may be transferred to another open Avista account belonging to that customer, or to the customer's closed account if they have such an account with an outstanding balance. When the customer no longer has an active account with Avista, the credit balance that results from a LIRAP grant is returned to the LIRAP general fund and

redistributed to the Agencies. At September 30, 2020, approximately \$8,259 of returned LIRAP payments had accumulated and were disbursed among all the Agencies.

COVID-19 Debt Relief

Many funds beyond LIRAP were expanded or developed anew in response to the financial impacts of the COVID-19 pandemic. These include CARES Act funds, expanded LIHEAP allowances, American Rescue Plan Act funds, and Department of Treasury's Rental Assistance Program (which includes provisions for utilities). Another such funding option made available to Avista customers during the 2020-2021 program year to help address the unprecedented economic strain brought on by the pandemic was the Company's COVID-19 Debt Relief Program (Debt Relief).²

Avista developed an additional program for low-income customers early in 2021 that was designed specifically to provide financial relief to customers experiencing COVID-19 related hardship. COVID-19 Debt Relief began in April 2021, with a budget totaling \$889,890,³ and provided assistance via two separate grant types: an Automatic Grant and a Forgiveness Grant. For the Automatic Grant, residential customers with past due balances who had received income-qualifying assistance within the past 24 months received a grant that was automatically applied to their Avista account, paying off their total past due balance up to a maximum of \$1,500. 654 customers received Automatic Grants totaling \$214,661.76 on April 1, 2021.

² See Docket No. ADV 1237/Advice No. 21-01-G.



³ Per Order No. 20-401 in Docket No. UM 2114, the funds for the Company's COVID-19 Debt Relief program (equal to 1% of Avista's 2019 revenues) were to be deferred, with Avista seeking later recovery of all associated program costs not otherwise included in rates in accordance with Commission Order No.20-378 in Docket No. UM 2069.

As a second element to the Debt Relief offering, residential customers without such a history of receiving income-qualifying assistance, yet contacted Avista because they were unable to pay their balance or make suitable arrangements, were connected with the Company’s Customer Assistance Referral & Evaluation Services (CARES) team for receipt of a Forgiveness Grant. Forgiveness Grants provided customers with up to \$1,000 to pay their past due balance via a one-time grant. These grant amounts were intended to cover the full past-due balance accumulated on the customer’s account, minus any customer payments, and should not result in a credit on the account. These funds were exhausted by September 2021 with 1,273 customers receiving approximately \$675,211 in Forgiveness Grants.

As part of Avista’s COVID-19 Debt Relief efforts, to improve awareness of this beneficial program, the Company executed a call campaign completed by a team of specially trained Customer Service Representatives (CSRs). Through this campaign, approximately 4,800 accounts that were past due more than 60 days were reviewed. Avista attempted to contact 3,775 of these customers to offer Debt Relief or suitable arrangements to address their past due balances. Of those 1,273 customers who received Forgiveness Grants, 780 of recipients noted hearing about this program from the outbound call campaign.



In addition to this direct customer outreach and in an effort to broadly raise awareness of the availability of financial relief for customers economically affected by the pandemic, the Company implemented a marketing campaign, called *Power of Compassion*, that included print, digital and social media advertisements. The image below provides a sample of the marketing message that was included in all *Power of Compassion* pieces. Marketing was also conducted in Spanish in areas known to have increased need for such translation services (e.g. Jackson County). In addition to the marketing mediums noted previously, this message was also available in door hanger format.



Let us help you with your past-due energy bill.

The Power of Compassion

The pandemic has been financially hard on many people. Avista cares and is doing something about it—by providing COVID-19 Debt Relief grants to help residential customers who are behind on their energy bills.

If you have a past-due balance, you may qualify to receive funds to pay some or all of what you owe.

The grants are available through September 30, 2022, or until funding runs out—whichever occurs first. So please, call us today at **(800) 227-9187**.

Other ways we can help

Recognizing the uncertainty that the pandemic has created, we want to assure you that help is available for your current and future bills, as well. Let us assist you with:

Payment arrangements
Short-term and long-term payment arrangements can be made on an individual basis.

Comfort Level Billing
We divide your yearly energy costs into 12 equal and predictable monthly payments.

Preferred due date
Aligns your bill's due date with your payday to help your budgeting during the month.

If you need additional assistance to pay your bill, contact your local community action agency to see if you may qualify for our other assistance programs.

To find the agency nearest you, please visit our website at myavista.com/assistance or call us at (800) 227-9187.

Our Customer Service Representatives are available Monday through Friday from 7:00 a.m. to 7:00 p.m. and Saturday from 9:00 a.m. to 5:00 p.m.



Agency Meetings

Under usual circumstances, the Company hosts an annual meeting with the Agencies once a year to review the activity of the previous heating season, to identify areas of strength or opportunity and to share plans for appointments and outreach for the upcoming season. While Avista's program manager and/or program analyst updates the CAAs regularly and CARES staff interact with them almost daily, these meetings are essential for aligning activities, clarifying guidelines, working through issues, and building collaboration between the utility and the Agencies. For the 2020-2021 program year, the COVID-19 pandemic, along with rapid and frequent program changes, presented a need to increase the frequency of connection between Avista and the Agencies to ensure that all parties were working in tandem to serve customers optimally during these unique and uncertain times. As such, the Agencies and Avista staff met approximately three times during this program year to share awareness of such program changes and ensure that all implementation details were worked through collaboratively. These meeting agendas included topics like COVID-19 Debt Relief as well as the upcoming implementation of the Arrearage Management Program (AMP).

Outreach

Recognizing that the economic implications of the COVID-19 pandemic has caused some customers to find themselves in the new and unfamiliar position of needing financial assistance to pay their bill, Avista continued heightened marketing activity to raise awareness about its billing and payment options and the availability of bill assistance

during the 2020-2021 program year. During the cold weather month of February, the Company included an insert promoting the availability of assistance through the Agencies, along with information regarding billing and payment options. These inserts reached approximately 65,844 customers.



Do you need help paying your bill?

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.

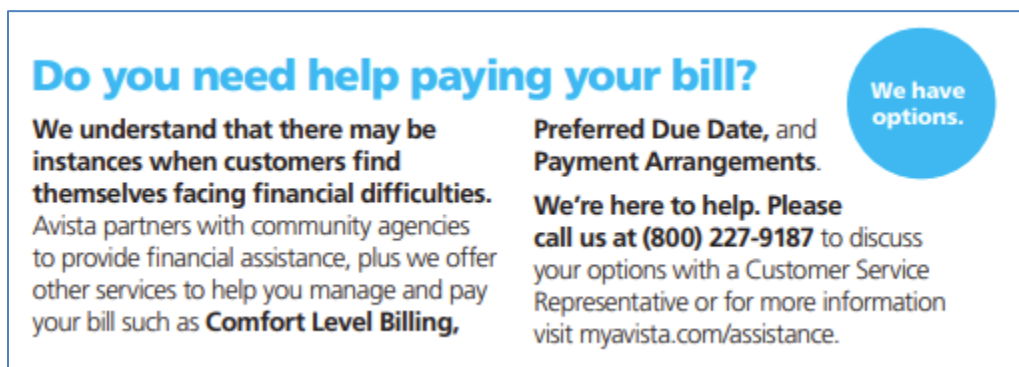
For more ways we can help, please call 1-800-227-9187 or visit myavista.com/assistance.

- **Bill Assistance Grants** are available through local community agencies for income-qualified residential customers. To find an agency near you, call Avista at 1-800-227-9187 or visit myavista.com/assistance.
- **Comfort Level Billing** divides yearly energy costs into 12 equal and predictable monthly payments.
- **Preferred Due Date** helps align your bill's due date with payday.
- **Payment Arrangements** can be made on an individual basis for those in need.

In addition to the outreach efforts described above, and in collaboration with the Agencies, Avista established a COVID-19 Hardship Referral Process that included warm transfers to the Agencies for customers who had called the Company and expressed financial hardship due to the pandemic. The Company obtained phone line information

from each Agency, inclusive of the times that the phone line is staffed and whether the line was able to accept messages. The referral process also included a daily referral report that listed the customers that were transferred, to provide the Agency with a record of those referrals along with the customer's contact information.

Since the onset of the pandemic in 2020, the Company has included bill assistance messaging in its monthly Connections newsletter that is included with mailed bills. Below is an example of that messaging.



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.

Avista's website also includes a page dedicated to assistance resources where individuals can learn about the options available, in addition to a tool that allows customers to locate their local CAA.

Data Collection

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

- LIRAP Database,
- CC&B (Avista Utilities' information management data base), and
- Community Action Agency records

Participating Agencies

- Community Connection of Northeast Oregon serving Union County
- ACCESS serving Jackson County
- United Community Action Network (UCAN) serving Josephine and Douglas Counties
- Klamath Lake Community Action Services serving Klamath County

Contacts

For additional information regarding this report or program, please contact:

- Ana Matthews
LIRAP Manager
509.495.7979
ana.matthews@avistacorp.com
- Jaime Majure
Regulatory Policy Analyst
509.495.7839
jaime.majure@avistacorp.com