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Low-Income Rate Assistance Program (LIRAP)

Annual Summary Report

For the program period October 2019 through September 2020

OREGON

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Overview

Avista Utilities' Low-Income Rate Assistance Program (LIRAP), approved by the Public Utility Commission of Oregon (PUC) 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 0.46% 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, 2019 through September 30, 2020.

Program Year Results

Since LIRAP's inception in 2002, approximately 11,317 energy grants, totaling \$3,173,463 in funds, have been provided to Avista's most vulnerable populations. For the program year ending September 30, 2020, approximately 62% of LIRAP participants had household average incomes less than 100% of the Federal Poverty Level (FPL), and approximately 34% of the grant recipients had annual household incomes of less than 75% FPL. Over 51% of the LIRAP participants had households of two or more people, while customers renting their residences constituted 59% of the total participants.

Avista's LIRAP provided 508 grants and distributed a total of \$189,598 during the 2019-2020 program year. The grants averaged \$373.22 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 18 - October 1, 2019 - September 30, 2020				
		# of Households	% of Households	Cumulative %
Home Ownership				
	Own	208	41%	41%
	Rent	300	59%	100%
	Total	508		
Heating Fuel Source				
	Electric	0	0%	0%
	Natural Gas	508	100%	100%
	Other	0	0%	100%
	Total	508		
Size of Household				
	1 Person	247	49%	49%
	2 People	93	18%	67%
	3 People	76	15%	82%
	4+ People	92	18%	100%
	Total	508		
Annual Income Level				
	Up to 50%	112	22%	22%
	51% to 75%	60	12%	34%
	76% to 100%	143	28%	62%
	101% to 125%	76	15%	77%
	126% to 150%	59	12%	89%
	151% to 175%	39	8%	97%
	176% to 200%	17	3%	100%
	201% and over	3	1%	101%
	Total	508		

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

Total revenue distributed during the 2019-2020 reporting program year was \$232,804. This amount equates to \$226,189 of new revenue collected through the 0.00451 per therm charge in Schedule 493, and \$6,615 of interest income accrued. The

total unspent balance at the end of the program year was \$72,693. This balance is calculated by adding the \$67,110 of undistributed direct service funds carried forward from the previous 2018-2019 reporting program year to the current \$232,804 total revenue, adding the \$5,089 in funds returned to the program from closed accounts, and subtracting the \$44,932 paid to the CAAs for administration and program delivery for the current program year from the total revenue and interest. **Table 2** below is a recap of the funds collected, spent, and the amount available at September 30, 2020.

Table 2 Oregon LIRAP Year 18 October 1, 2019 through September 30, 2020	
Total Carry Over from Prior Year	\$67,110
Total Revenue and Interest to Distribute	\$232,804
Admin & Program Delivery Funds paid to Agencies	<u>\$(44,932)</u>
Net Funds Available for Direct Services	\$254,982
Direct Service Funds Distributed by Agencies	\$(187,378)
Adjustments – Dollars Returned to the Program	<u>\$5,089</u>
Unspent Direct Service Funds on September 30, 2020	\$72,693
Percent Unspent in Comparison to Available Funds	28.51%

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 low-income bill payment assistance funds collected for administration and program delivery costs (“Admin”).

For this reporting program year, a total of \$44,932 was distributed to the Agencies for administration and program delivery, which equates to 19.30% of revenue collections and accrued interest. This amount, including the \$42,696 in Admin carried over from the previous reporting program year, totaled \$87,628 available for administration and program delivery support costs during the 2019-2020 program year.

On September 30, 2020, the amount of Admin reported as spent by the Agencies from LIRAP funds was \$51,073, leaving an unspent administration and program delivery balance of \$36,555. 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 undistributed direct services. **Table 3** below represents a recap of the Admin and Program Delivery funding spent and the amount available at September 30, 2020.

Table 3
OREGON LIRAP
Admin and Program Delivery Funds
October 1, 2019 through September 30, 2020

Admin and Program Fees Carry Over from Prior Year	\$42,696
Admin & Program deliver Funds paid to Agencies	<u>\$44,932</u>
Net Funds Available for Admin and Program Fees	\$87,628
Admin and Program Delivery Funds Spent by Agencies	51,073
Unspent Admin and Program Support at September 30, 2020	<u><u>\$36,555</u></u>
Percent Unspent in Comparison to Available Funds	42%

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, 2020 was \$72,693, or 28.51%, based on allocated direct service funds distributed to the Agencies.

While this amount of carryover is above the goal that 80% of the Direct Service budget be distributed as grants within the program year, the increased carryover amount is attributed primarily to the pandemic that occurred in 2020 and its associated implications. The worldwide pandemic, COVID-19, required that service delivery be modified to ensure public health and staff safety. While Agencies worked quickly to provide services from remote locations, requests for assistance reduced dramatically once the disconnection moratorium was instituted. It is anticipated that the carryover funding will be helpful for the upcoming program year, to support the potential increase in assistance need that may occur due to the economic impacts of the pandemic.

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 Utilities 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, 2019, approximately \$5,089 of returned LIRAP payments had accumulated and were disbursed among all the Agencies.

Guideline Modifications

During the 2019-2020 program year, a request was made by the Community Action Partnership of Oregon (“CAPO”), on behalf of the Agencies, to include the option to qualify customers for LIRAP assistance if they were already qualified for Temporary Assistance for Needy Families (“TANF”) and/or the Supplemental Nutrition Assistance Program (“SNAP”). Avista easily supported the request and updated its LIRAP guidelines to include this “categorical eligibility” accordingly, as it provides customers with easier access to the LIRAP benefit and reduces administrative burden for both the customers and the Agencies.

Agency Meetings

A meeting was conducted with the participating Agencies in July 2020 to discuss the implementation of categorical eligibility into the LIRAP guidelines, as well as to review the COVID-19 hardship referral process and share an overview of the Company’s 2020 outreach activities, as described below.

During the meeting, the CAAs provided input for how the LIRAP guidelines could best be modified to support their intake processes, and the guidelines were updated in accordance with their feedback. The Avista program manager also reviewed the referral process at this meeting, to establish better understanding and consistency in practice.

While Avista’s program manager updates CAAs regularly, and the Company’s Customer Assistance Referral & Evaluation Services (“CARES”) staff interact with them almost daily, the meetings are essential for aligning activities, clarifying guidelines, working through issues and building collaboration between the utility and the Agencies.

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 sought to raise awareness about its billing and payment options and the availability of bill assistance. The Company sent emails to customers in April 2020, had print advertisements placed in local publications, and included inserts in June bills. Additionally, reminder letters were sent to customers with past due balances. To ensure a good experience for customers and the Agencies, the Company always confers with the Agencies prior to running a promotion in their service area, to confirm that such promotions are welcome in the given area.

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 a message line. 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.

The Company coordinated print advertisements in the La Grande Observer, Roseburg News Review, Klamath Falls News & Herald and Grants Pass Daily Courier to help provide customers with information about the bill assistance options that are available. Additionally, inserts were included in residential bills in June. Below are examples of those marketing materials.



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. Funds are distributed to qualifying customers through local community agencies – please call us at 1-800-227-9187 to find your local community agency 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.

For more ways we can help, please call 1-800-227-9187 or visit myavista.com/covid-19.



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For more ways we can help, please call 1-800-227-9187 or visit myavista.com/covid-19.

- **Energy 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.

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 – Union County
- ACCESS – Jackson County
- United Community Action Network (UCAN) – Josephine and Douglas Counties
- Klamath Lake Community Action Services – Klamath County

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