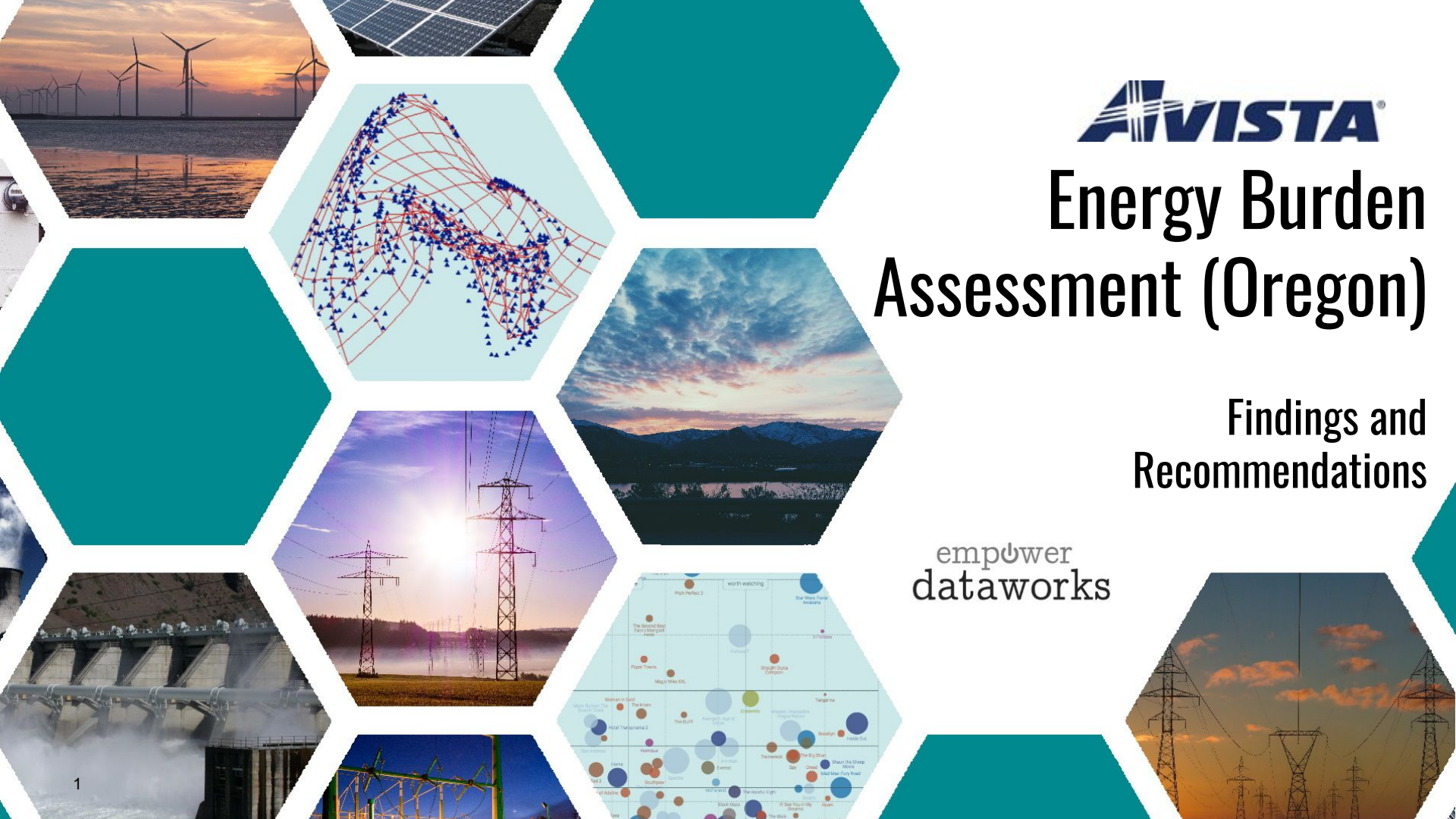




# Energy Burden Assessment (Oregon)

## Findings and Recommendations

empower  
dataworks



# Avista Oregon Energy Burden Assessment 2022

Goal of the assessment is to support Avista's compliance with HB 2475 and LIRAP planning

Why do we need this assessment?

- What is the **gas energy burden** of Avista customers?
- How do we set concrete **equity goals**?
- Are we underserving any customer segments? How do we **improve outreach**?
- How should we design our energy assistance programs for the greatest **impact**?

**Note:** "Energy assistance" programs include weatherization, low-income EE, community solar etc.

# Gas Energy Burden of Avista's Oregon customers

Number of Occupied Households

**~94k**

Low Income Households

Under 60% SMI: **~17k**

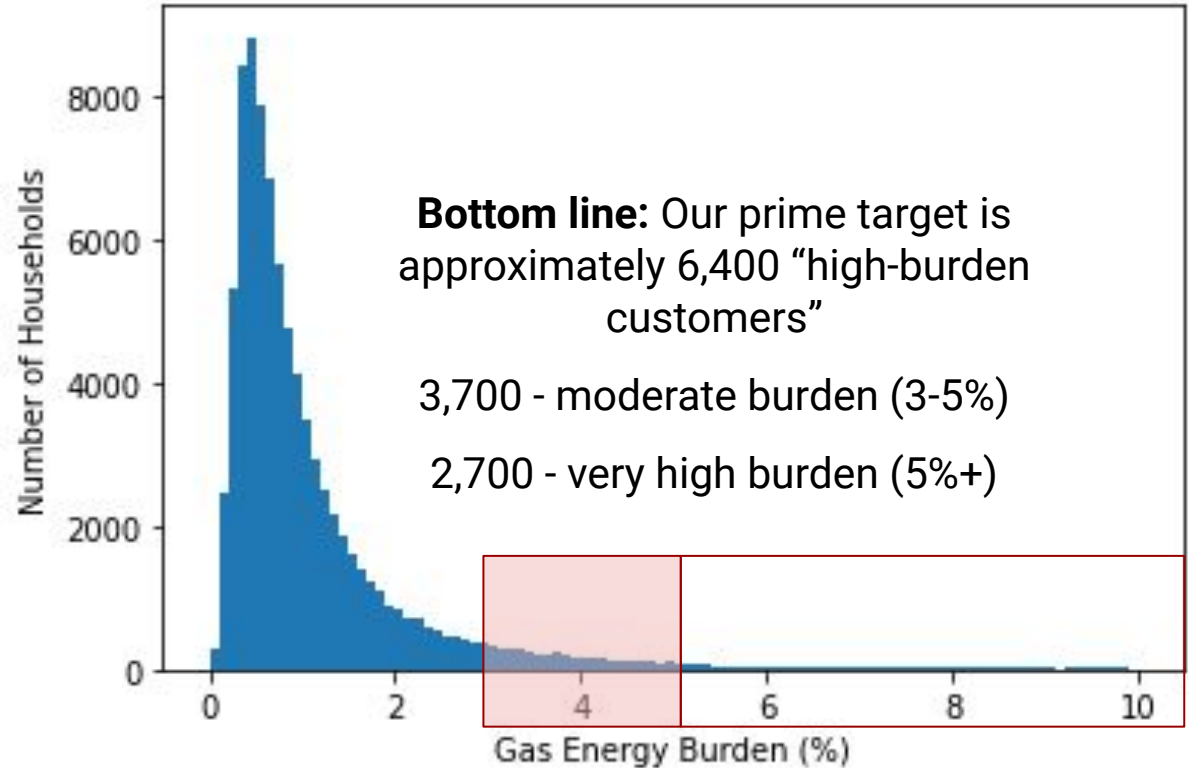
Gas Energy Burden

Median: **~0.7%**

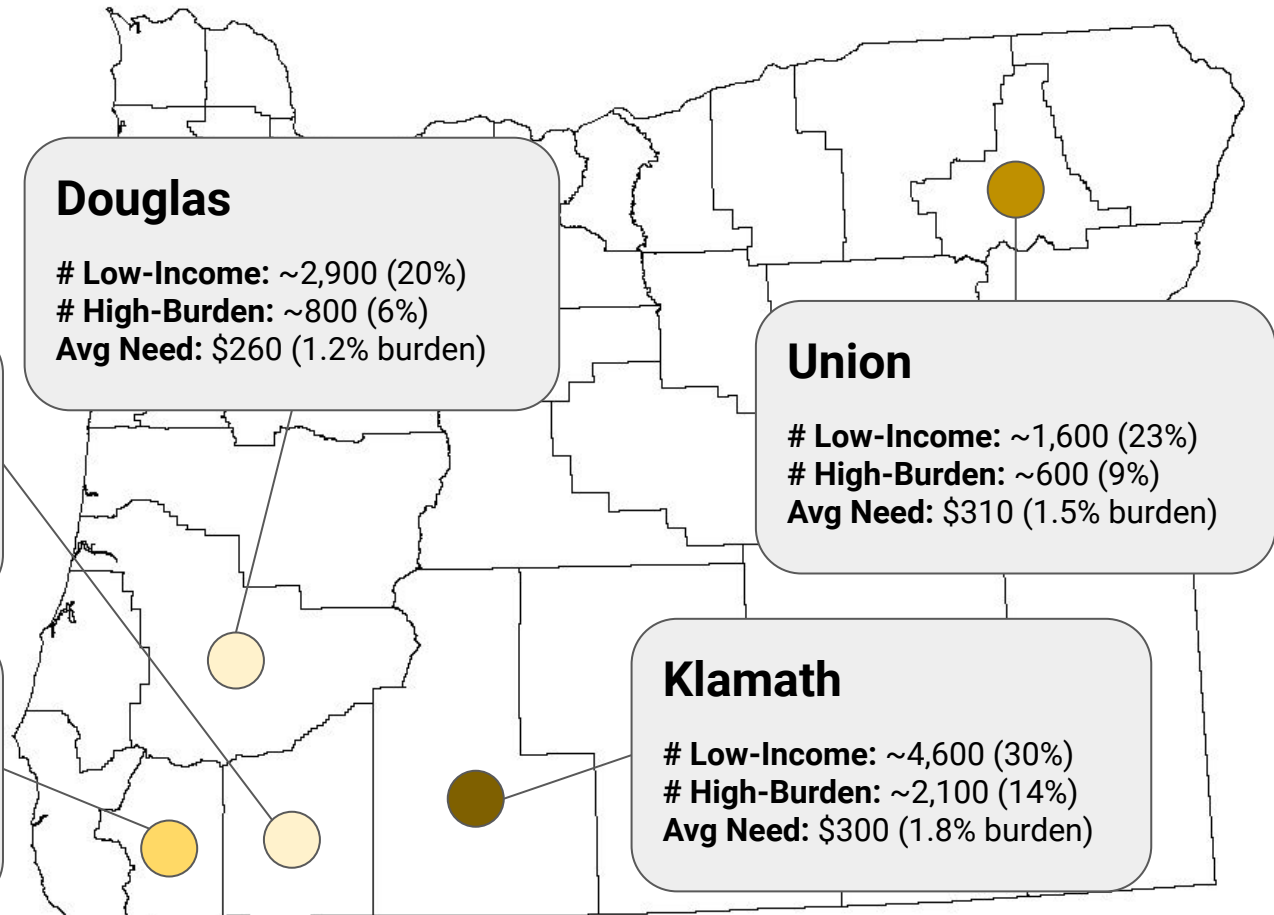
Average: **~1.2%**

High Burden Households

**~6,400**



# Avista Oregon Gas Energy Burden Overview



## Douglas

# Low-Income: ~2,900 (20%)  
# High-Burden: ~800 (6%)  
Avg Need: \$260 (1.2% burden)

## Jackson

# Low-Income: ~6,100 (14%)  
# High-Burden: 2,000 (4%)  
Avg Need: \$260 (1% burden)

## Union

# Low-Income: ~1,600 (23%)  
# High-Burden: ~600 (9%)  
Avg Need: \$310 (1.5% burden)

## Josephine

# Low-Income: ~2,200 (19%)  
# High-Burden: ~800 (7%)  
Avg Need: \$250 (1.2% burden)

## Klamath

# Low-Income: ~4,600 (30%)  
# High-Burden: ~2,100 (14%)  
Avg Need: \$300 (1.8% burden)

Avista's Annual Energy Assistance Need in Oregon

**\$1.8 M/year @ 3% max gas burden**

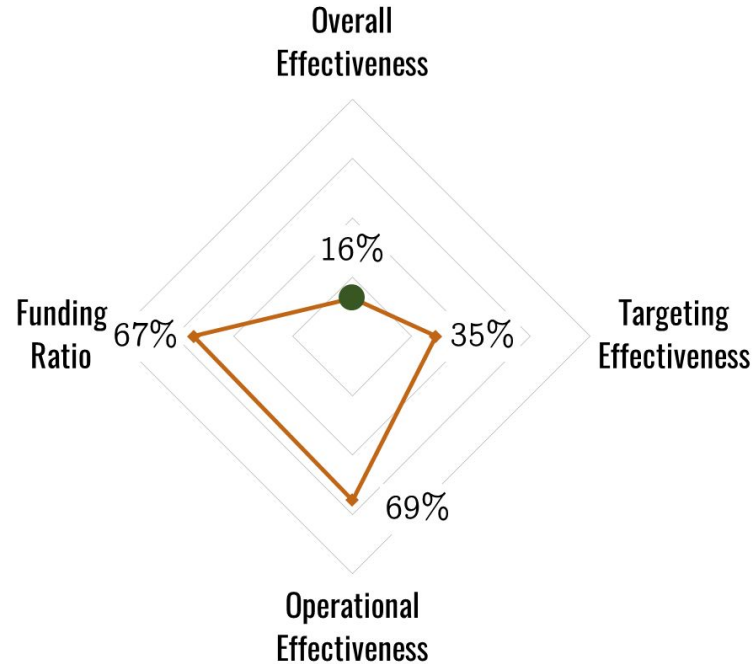
# High-level Assistance Gap

- The total energy assistance need for Avista customers in Oregon is approximately **\$1.8M**.
- **67% of this need** is already being distributed through existing programs **and up to 100% of the need** can be met through the re-designed LIRAP, LIHEAP and Project Share.
- The lowest hanging fruit for meeting the need is a targeted program design followed by strategic outreach and targeted program marketing.

Current energy assistance need  
~\$1.8M

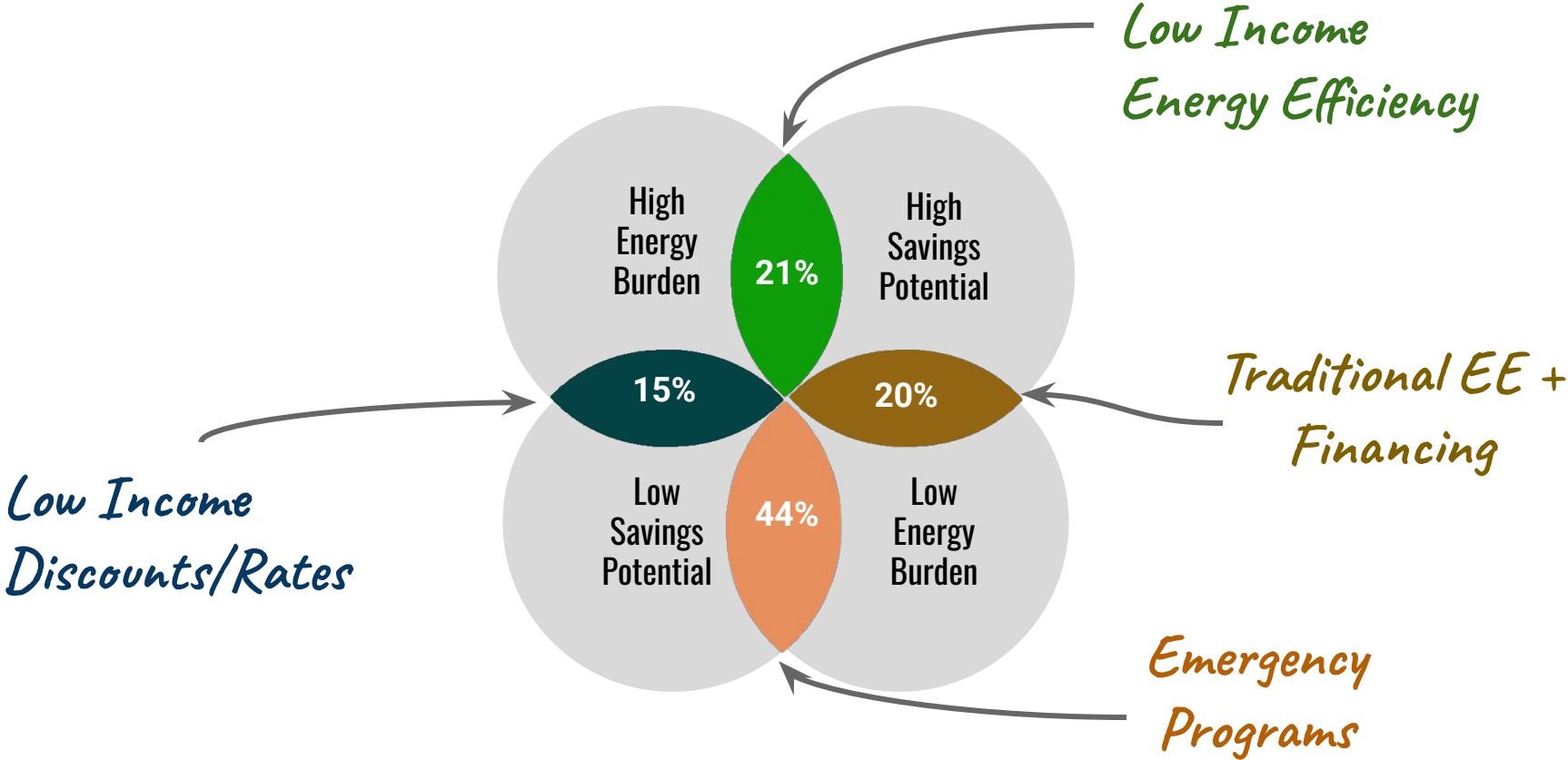
Energy assistance spending  
~\$1.2M (current)  
~\$1.4-1.8M (projected)

# Achieving Energy Burden Reductions



**Bottom line:** The lowest hanging fruit over the near term is more strategic outreach, targeted program marketing and design

# Other Considerations



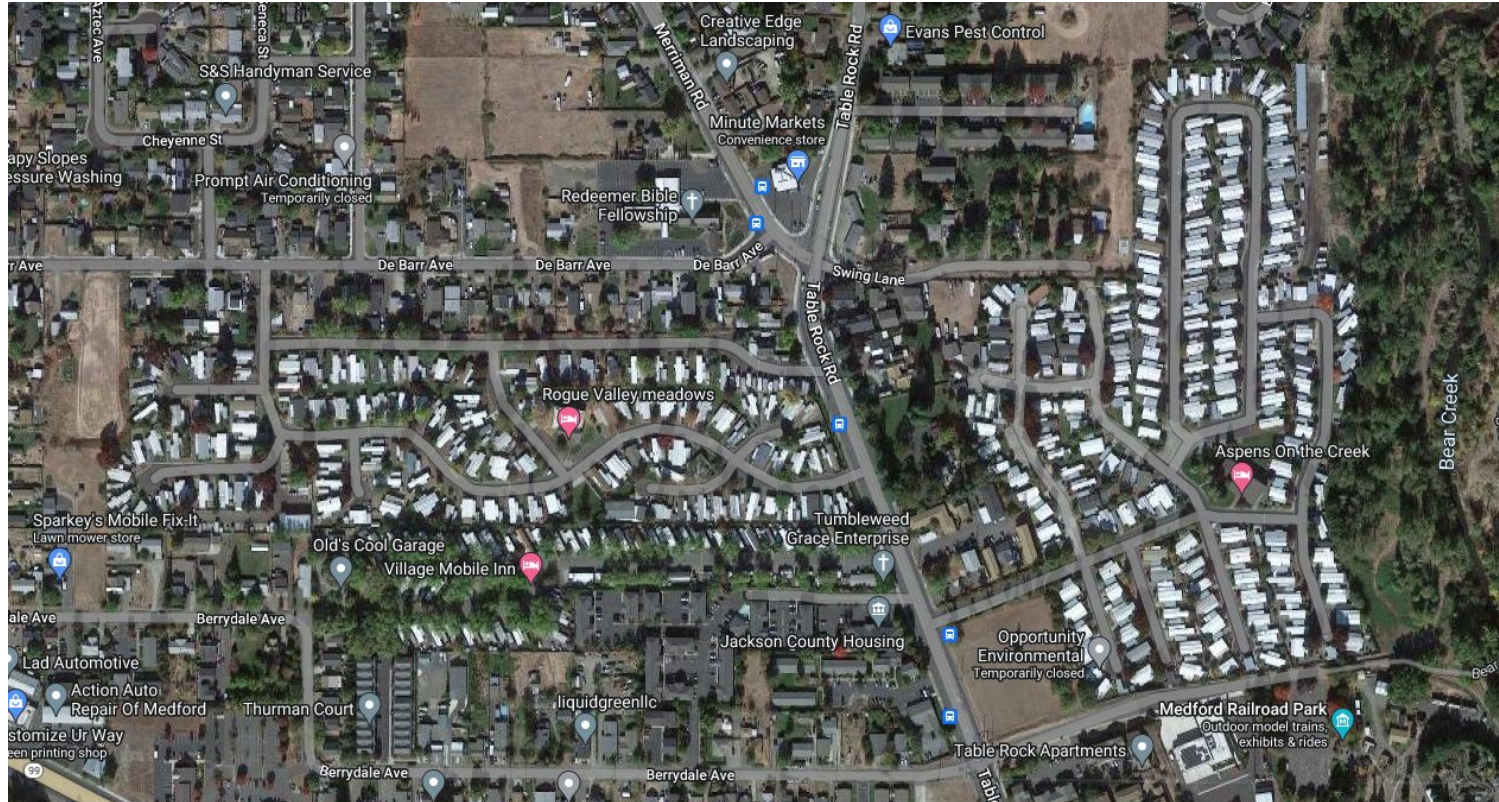


# High-level Takeaways

- The energy assistance need in Avista's OR service territory is about \$1.8M/year
- In 2019-21, total program funding appeared to cover a large portion of the need, but only 35% of it was directed at high-burden households
- LIRAP redesign in 2022 is expected to target benefits at high-burden customers
- Program administration/overhead is in a similar range as other programs
- Weatherization program participation is low, primarily due to constrained workforce, and supply chain issues.
- Good coordination between Avista and local agencies on designing culturally-appropriate marketing

## *Key Customer Segments*

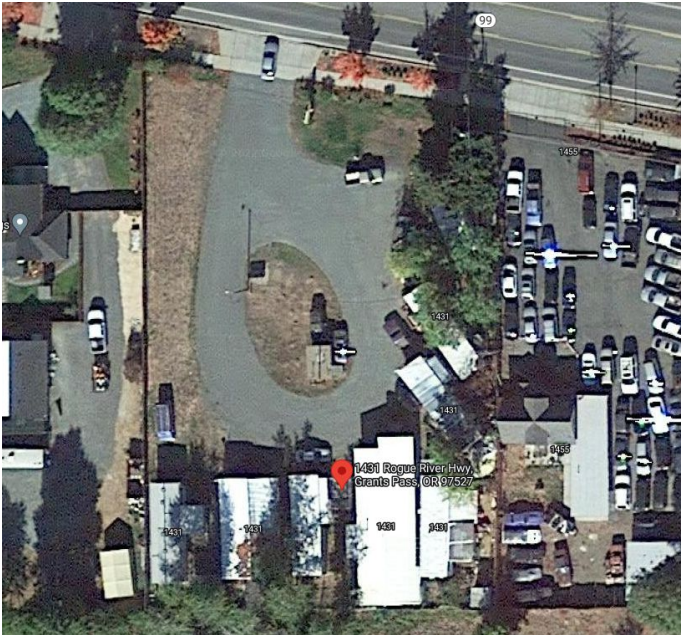
# Jackson: Old Medford



# Klamath: Downtown Klamath Falls and Altamont



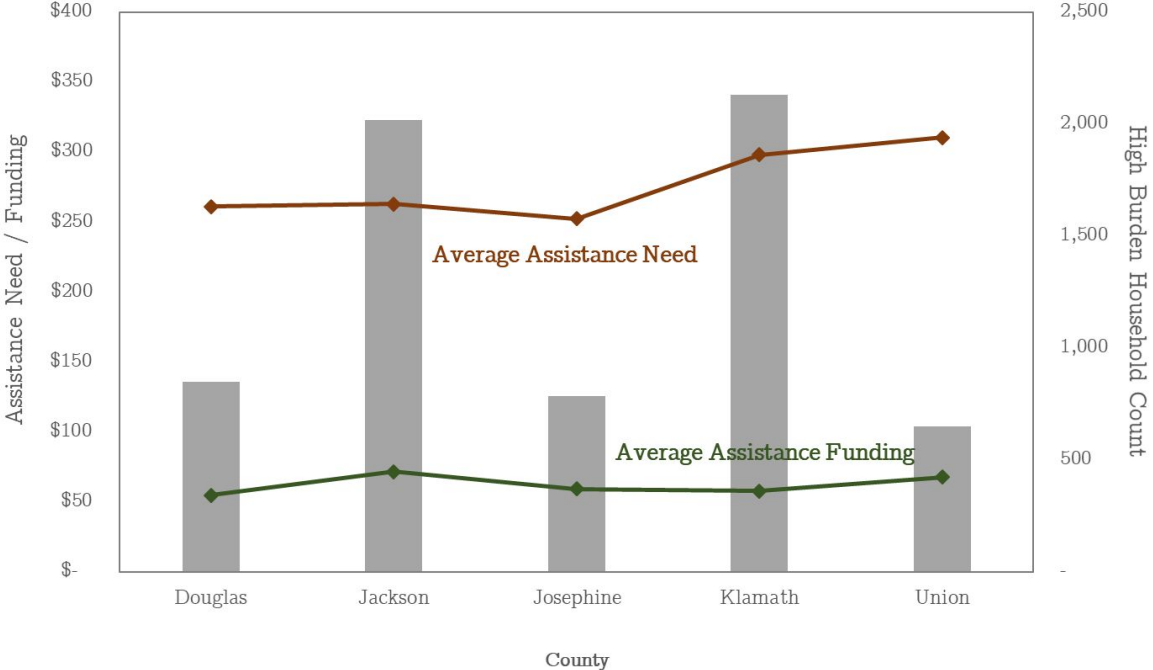
# Douglas/Josephine: South Grants Pass and Old Town Roseburg



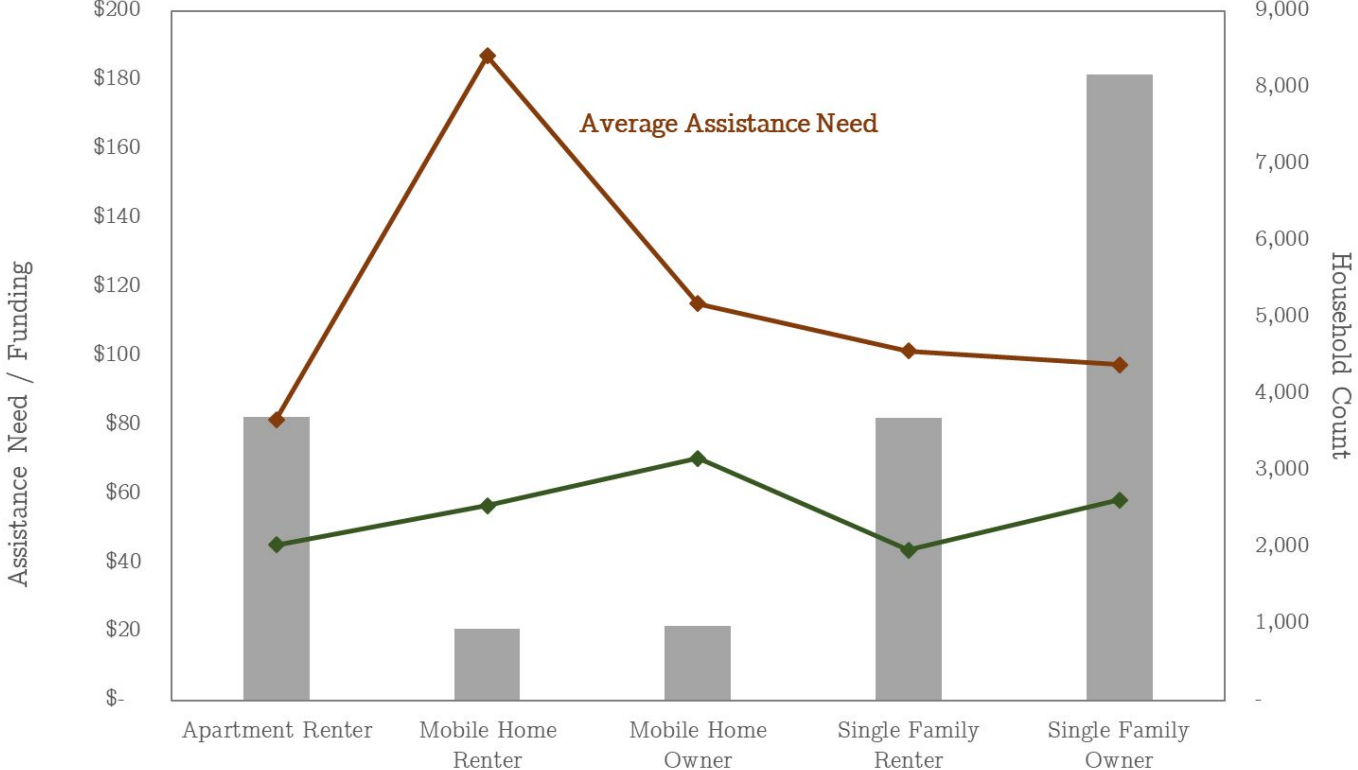
# Union: Northeast La Grande



# Eastern vs. Western Counties



# Mobile Home Renters





# *Recommendations*

# Recommendations

**LIRAP Monitoring:** The tiered LIRAP design is new for Avista's Oregon agencies and will likely require some tweaks as we gain some experience with its implementation. Evaluate the performance of the program on an ongoing basis to identify bottlenecks in program participation and administration.

**Energy Burden Data Sharing through Workbench:** Update the Workbench portal to allow agencies to share demographic and energy burden data, as well as auto-calculate discount tiers for LIRAP participants.

**Revisit Budget Allocations:** Consider a new default budget allocation tied to gas energy burden instead of customer count: a third of budget for Jackson county, a third for Klamath county and the remaining third split evenly between Douglas, Josephine and Union counties.

**Improved customer experience on website/social:** Currently, program information on website is dense and does not clearly specify the program benefits. Recommend to develop a mobile-friendly program wizard or chatbot that can be embedded on the Avista website and social media to provide a smoother experience for customers who are looking into energy assistance options, especially if Avista becomes a customer point of application.

**Targeted Marketing:** This recommendation is for Avista to identify high-burden customers and neighborhoods using data from this Energy Burden Assessment and use these customer lists for targeted informational campaigns about existing programs. These campaigns should be timed during periods of high bills or arrearages (e.g. January/February).

# Recommendations

**Revisit Weatherization Allowances:** Given, drastic increases in equipment and labor costs, we recommend that Avista increase weatherization equipment and per-home allowances. In addition, we recommend considering relaxing measure SIR requirements, by taking into account the Non-Energy Benefits of reduced LIRAP payments and debt write-offs.

**Assist agencies in expanding contractor network:** Look into the feasibility of connecting agencies to additional weatherization contractors, plumbers and electricians - perhaps ones that work with the Energy Trust of Oregon programs.

**Track agency referrals and formalize process:** Some agencies have expressed that they receive a handful of referrals from Avista every year. We recommend investigating this issue to see whether this is related to tracking referrals or whether the referrals are not following through.

**Energy Ambassador Training:** A primary barrier to program participation by low-income customers is lack of trust and the stigma associated with participating in “low-income” programs. In all of Avista’s service area in Oregon, the importance of word of mouth has surfaced again and again. An Energy Ambassador program would formalize this customer referral process by training and paying a stipend to the “Energy Ambassadors” (usually low-income high-burden customers themselves) based on how many applications they bring in to the programs.



# Low-Income Rate Assistance Programs

July 2022

# Proposed LIRAP (ADV 1410)

Affordability	Zero to 60% SMI Bill Discount			
	Zero to 5% SMI 90% discount	6 to 20% SMI 60% discount	21 to 40% SMI 25% discount	41 to 60% SMI 15% discount
Past Due Balances	Zero to 20% SMI Arrearage Forgiveness		21 to 60% SMI Arrearage Management Program	
Hardship/ Emergency	Customers experiencing hardship or energy emergency Project Share			

# Proposed LIRAP (ADV 1410)

## Eligibility:

- Residential customers, up to 60% SMI
- Self-attestation of income or categorical eligibility
- Energy assistance recipients (including LIHEAP and OEAP)

## Administration:

- CAAs and Avista can both enroll customers, with income verification [Bill Discount only] to be completed within 6 months

## Verification:

- Agencies to complete 100% income verification the first year, with the goal to reduce this to lower random audit % in future
- Demographic information to be collected by the Agencies at verification and recertification (every 2 years); recertification period also up for discussion

# Proposed LIRAP (ADV 1410)

The following updates were made *after* the March 2022 presentation, and were included in the ADV 1410 filing:

- 1. Hardship Exception:** Supervisor has discretion to enroll customers who do not qualify under self-attestation of income or categorical eligibility.
- 2. Automatic Enrollments** for those who received energy assistance in the last year
  - Both at the lowest discount level - 15%, until contact is made with Avista or CAA to attest to higher qualification

- Requires OPUC approval
- Subject to further refinement based on additional post-filing stakeholder feedback

# Automatic Bill Discount Enrollment

Avista to auto-enroll customers who have received LIHEAP or LIRAP in the past year

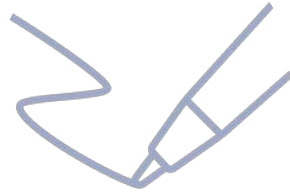
Approximately 1,612 customers  
(may vary at time of auto-enrollment)

Enrolled at 15% discount with instruction to contact agency to qualify for discount that may be more in alignment with need

Customer has option to decline participation



# Discussion/ Feedback



**Income Verification**



**Agency  
Administration Costs**



**Other Considerations**

# Potential Cost Impacts: LIRAP Bill Discount with Increased Numbers Served

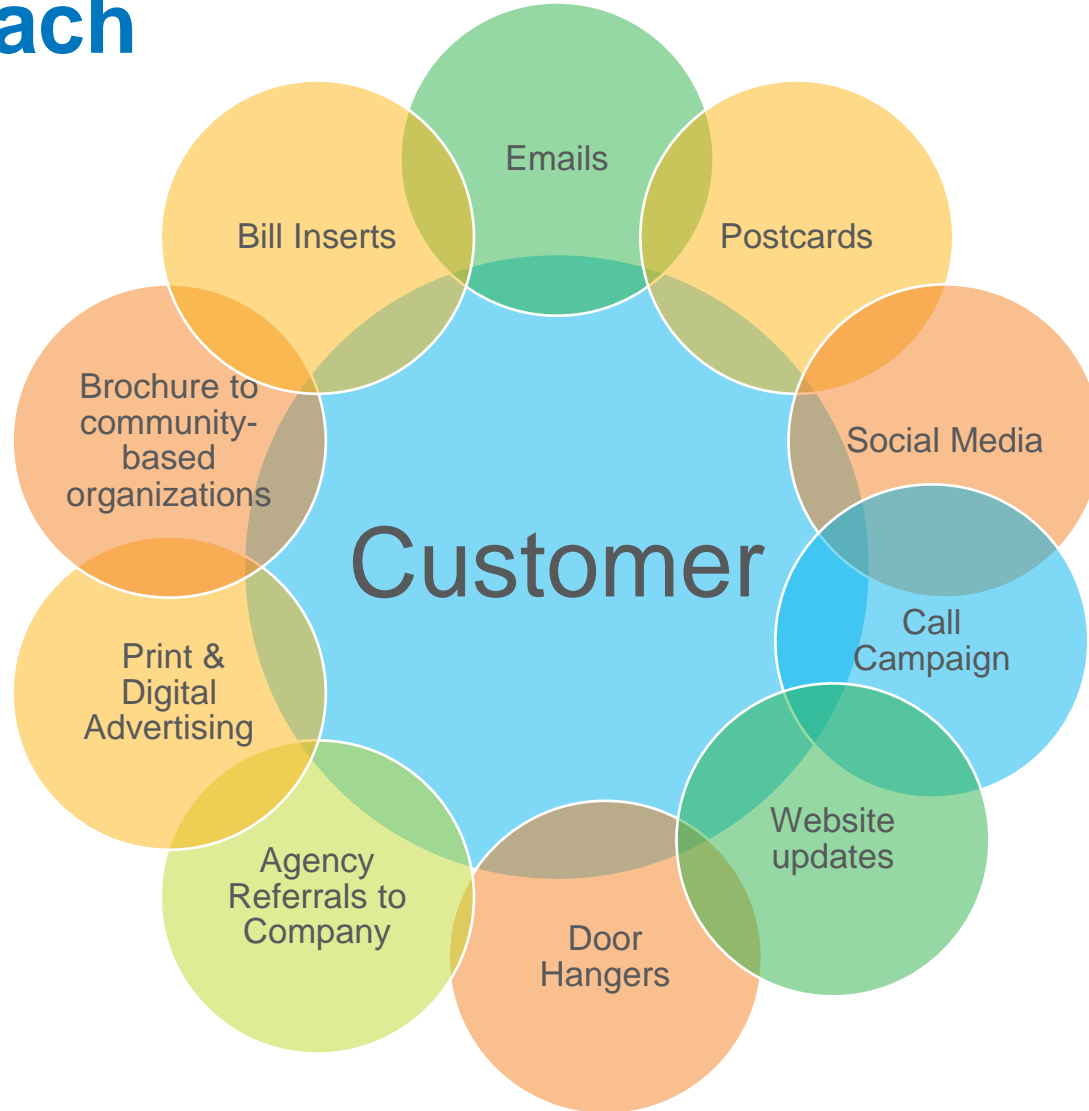
Estimates for Current -10, 20, 40 and 60%  
program penetration

Program	5% Served		10% Served		20% Served		40% Serve	
	Customers Served	Total Direct Service Amount	Customers Served	Total Direct Service Amount	Customers Served	Total Direct Service Amount	Customers Served	Total Direct Service Amount
Bill Discount	849	\$224,985	1,699	\$450,235	3,397	\$900,205	6,795	\$1.8M

# Potential Cost Impacts: LIRAP Arrearage Assistance Direct Service Estimates

Program	Participant Estimates	Benefit	Hardship/Arrearage Direct Service
Forgiveness Zero to 20% SMI (23% of eligible population)	759	\$282	\$214,038
AMP, 90% 21% SMI+ (78% of eligible population)	2,574	\$253	\$651,222
Total	3,300		\$865,260

# Outreach



Dynamic and ever changing

Adjust and ramp up/down

~Thank You~