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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 14, 2023

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

**RE: 2022 Avista Oregon Low-Income Energy Efficiency (AOLIEE) Annual Report**

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 (Report) for calendar year 2022. 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. 2022 Program Overview and Results**

For the 2022 Program year, the AOLIEE Program paid Agencies up to \$11,100 per home treated, inclusive of administration, weatherization measures, and an additional \$4,000 per home

was 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 (HSR) costs. In total, the Program provided weatherization for 39 low-income homes throughout 2022 and the total savings achieved as a result was 4,322 therms of natural gas. To fund these efforts, Avista contributed \$396,128 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 39 homes. After including the Company's administration and support costs, a total of \$437,490 was spent on the AOLIEE Program in 2022.

The Agencies' weatherization efforts for the 2022 Program year proved a slight improvement over the 36 homes weatherized in the prior year, despite the continued challenges experienced due to the COVID-19 health and economic crisis such as supply chain issues and contractor availability resulting in slower completion rates.

To ensure Program awareness, Avista informed all residential customers of AOLIEE via a bill insert included with bills in February to March and a Connections newsletter article published in May (electronically) and July (print). A targeted email or letter was also sent in December, to high energy burden customers that had received bill assistance. While Avista's customer service telephone number and a specified website URL<sup>1</sup> were used for other AOLIEE-related communications, these targeted communications differed from those of the 2021 Program year in that they directed customers to the Agencies' websites and telephone number rather than providing Avista's contact information. This, in turn, resulted in decreased traffic to Avista's website, as noted in Table No. 1 below. The specified URL had 159 unique visits in 2022, with some customers utilizing the page more than once, bringing the total page views for the year to 231. The table below shows, by county, the number of times a customer directly linked from the Avista website to an Agency website.

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<sup>1</sup> Avista deployed a vanity URL specifically for AOLIEE outreach trackability purposes in mid-2020.

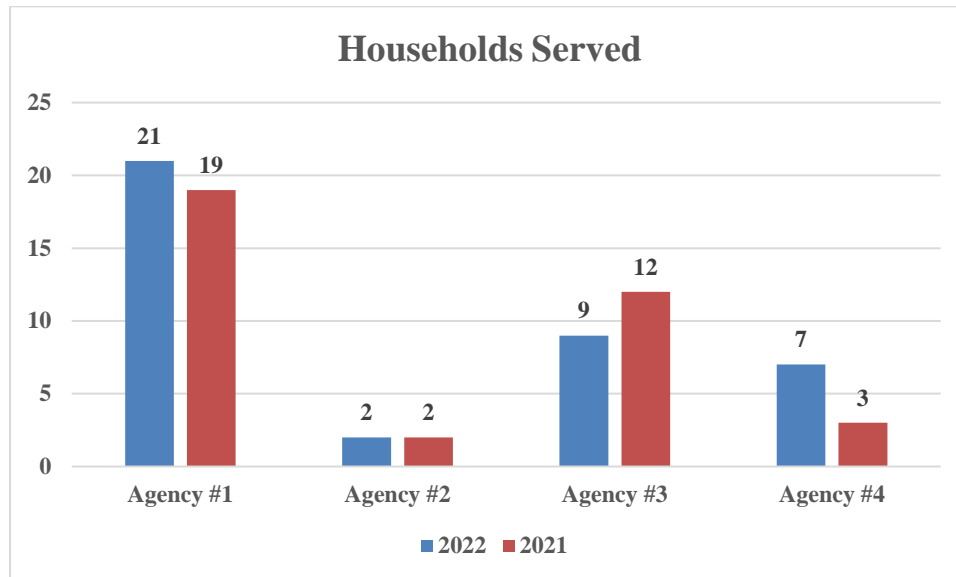


**Table No. 1 – Avista Website Metrics**

Agency Service Area	Total Website Visits		
	2021	2022	Change
Douglas and Josephine County	144	101	-30%
Jackson County	204	128	-37%
Klamath County	121	77	-36%
Union County	63	40	-37%
<b>Total</b>	<b>532</b>	<b>346</b>	<b>-35%</b>

For the 2022 Program year, the majority of the Agencies increased the number of households weatherized in comparison to 2021, utilizing approximately 48% of their available AOLIEE funds during the Program year. Chart No. 1 below illustrates the actual number of households served by each Agency in 2022, verses households served in 2021.

**Chart No. 1 – Households Served**



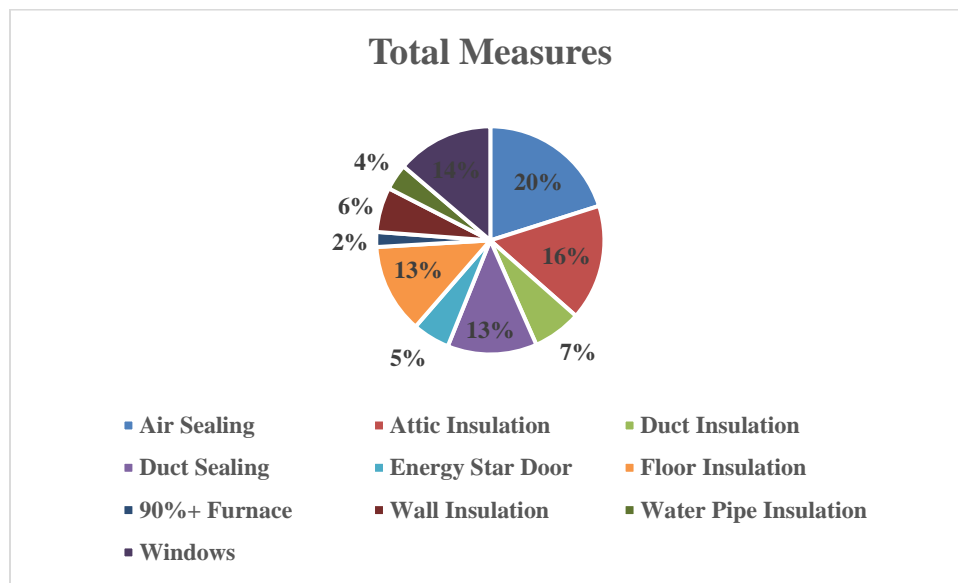
Each home treated during 2022 as part of the Program had an average of 5 measures installed, with an overall total of 189 measures completed throughout the 39 homes. To be considered a valid weatherization measure for the purposes of the AOLIEE Program, all measures must meet a Savings to Investment Ratio (SIR) of 1.0 or a combined SIR of 1.0 if multiple



measures are being performed.<sup>2</sup> The average cost Agencies spent per home, not including Program administration and HSR, was \$13,035. Material costs were the main contributor of the higher cost per home for 2022, compared to the \$12,775 average cost reported in 2021.

Chart No. 2 below illustrates the percentage each measure represents within the total 189 measures installed. 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 gasket covers to further promote energy efficiency within the homes.

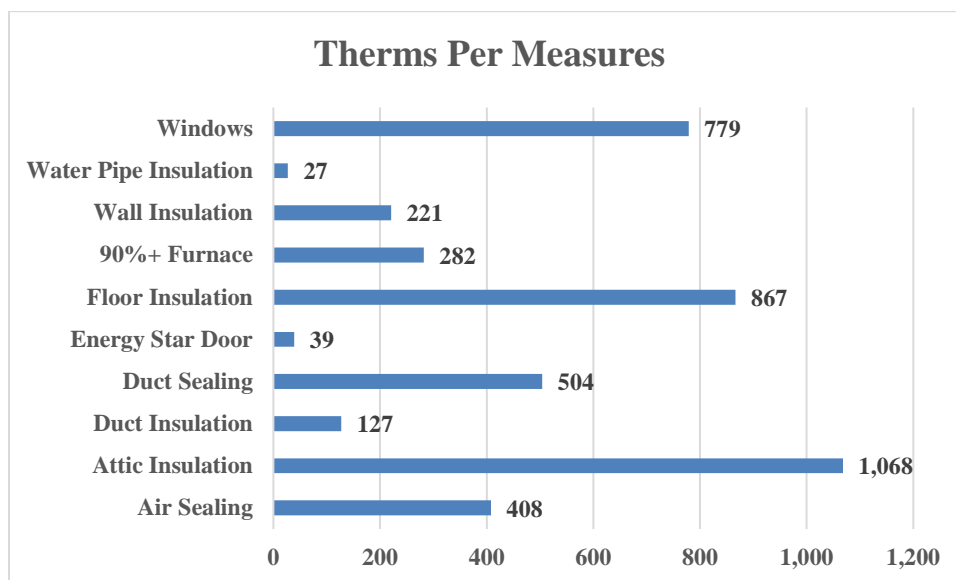
**Chart No. 2 – Total Measures Installed**



The natural gas deemed savings associated with the installation of all measures for 2022 is 4,322 therms. Chart No. 3 below details the therm savings associated with each measure.

<sup>2</sup> As allowed by the Department of Energy.

### **Chart No. 3 – Therms Saved per Measure**



## **II. Future Program Considerations**

Throughout 2022, Avista engaged the Agencies that administer the AOLIEE Program, as well as several other organizations that serve its low-income households,<sup>3</sup> via meetings, email correspondence, and telephone conversations to gain community perspective and collaboratively discuss new ways to possibly increase customer participation in the AOLIEE Program. As noted in the Company’s 2021 AOLIEE Report, Avista also partnered with a third-party contractor, *Empower Dataworks*,<sup>4</sup> to complete an Energy Burden Assessment (Assessment) in 2022.<sup>5</sup> This Assessment helped to better inform the Company of existing gaps in Program structure and provided data needed to better target Avista’s energy burdened customers that may need weatherization services.

These engagements provided the basis for the Company’s requested modifications to its AOLIEE Program for 2023, which were approved by the Commission in Docket No. ADV

<sup>3</sup> Such organizations include Federally Recognized Tribes and Saint Vincent de Paul.

<sup>4</sup> *Empower Dataworks*, a third-party consultant specializing in data, informed marketing, and engineering analytical services, was hired by the Company in 2021 to perform an Energy Burden Assessment. See <https://empowerdataworks.com/> for more detail regarding *Empower Dataworks*.

<sup>5</sup> <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAH&FileName=um2211hah135626.pdf&DocketID=23122&numSequence=66>

1452/Advice No. 22-11-G. These modifications for the 2023 Program year, intended to expand the reach of the existing Program and to prioritize energy burdened customers within these communities to ensure that the energy efficiency services available are reaching those that need them most, are summarized below.

**Administrative Costs.** Rather than the flat \$1,100 Program administration compensation currently provided to each Agency per each household served, Avista will now provide Agencies with 15% of the overall invoiced household cost, not to exceed \$2,000 per household. The Company's own administration funding percentage was also increased from 6% to 10%.

**Distribution of Funds.** Allocation of funding for each Agency, which has historically been determined based on the number of active meters within each Agency's service area, is broadened to instead be a collaborative effort between Avista, the Agencies and interested stakeholders to determine the best prioritization of funds.

**Measure Funding.** Measure funding caps<sup>6</sup> were removed in favor of a model that fully funds 1) any total group of measures that meets or exceeds a Savings-to-Investment Ratio (SIR) of 1.0, and 2) any measure(s) identified within the Priority List of the Department of Energy (DOE). Because measures identified within the DOE Priority List have already been noted by the DOE<sup>7</sup> as those that facilitate greater impacts and reduce administrative burdens, such measures are not subject to SIR requirements. Additionally, measures with identifiable savings, as evidenced by the Company's Deemed Savings List,<sup>8</sup> yet not eligible for funding based on the two (2) criteria listed above will be eligible for funding of up to 100% of the total avoided cost of the measure(s). Finally, the allowance available for HSR measures was increased to 20% of each Agency's overall budget (formerly 15%).

If the home has previously received measures under AOLIEE or another program, the measures provided later may instead meet an SIR of 0.60 or better rather than the

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<sup>6</sup> Currently, Avista provides funding for 100% of the cost of all installed measures, not to exceed \$10,000 per home or \$14,000 if heating equipment is being replaced.

<sup>7</sup> [Weatherization Program Notice 22-8: Streamlining the Energy Audit Process—Optional Regional Weatherization Priority Lists.](#)

<sup>8</sup> See Avista's 2023 Oregon Deemed Savings List, as provided in ADV 1452/Advice No. 22-11-G.



initial 1.0. This accommodation allows customers that are waitlisted for weatherization services to be provided with at least *some* energy efficiency measures while they await more comprehensive whole-home services without the risk that any future measures will no longer meet cost-effectiveness requirements because of the efficiency improvements already made.

In addition to the Program changes noted above, further collaboration with Energy Trust of Oregon (ETO) to launch new programs is ongoing.

### **III. Conclusion**

Avista appreciates the hard work of its partner Agencies in continuing to deliver energy efficiency services to its customers throughout 2022. 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, Energy Efficiency Program Manager, at (541) 858-4719.

Sincerely,

*/s/ Jaime Majure*

Jaime Majure  
Regulatory Policy Analyst

