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**Avista Corp.**

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April 9, 2024

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

**RE: 2023 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 2023. This Report is provided in compliance with the Company's AOLIEE tariff, Schedule 485.

The AOLIEE Program (Program) provides energy efficiency 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 (CCNO), serving Union County; Oregon Human Development Corporation (OHDC), serving Klamath County; and United Community Action Network (UCAN), serving Josephine and Douglas Counties. Each Agency advises the Company as to the minimum target number of low-income households they can fully weatherize with their available funding each year.

**I. 2023 Program Overview and Results**

For the 2023 Program year, the AOLIEE Program paid Agencies up to 100% of the cost of measures as allowed by the Company's Schedule 485. Of an Agency's total budget, up to 20% of

funds could also be utilized for health, safety, and repair (HSR) costs. The Agencies were also compensated for administrative costs (Admin) in the amount of 15% of the total reimbursed cost per home, not to exceed \$2,000 in Admin per home. In total, the Program provided weatherization for 37 low-income homes throughout 2023 and the total savings achieved as a result of these efforts was 4,848 therms of natural gas. To fund these efforts, Avista contributed \$510,744 to the four Agencies responsible for delivering low-income energy efficiency services within the Company's service territory. The Agencies then combined Avista's funding with a variety of other resources (including other funding sources) to complete the weatherization of the 37 homes. After including the Company's administration and support costs, a total of \$543,358 was spent on the AOLIEE Program in 2023. The 37 homes weatherized during the 2023 Program year is a slight decrease from the 39 homes weatherized in the prior year. As in previous years the Agencies noted staff turnover, supply chain issues and contractor availability continued to be the primary challenges resulting in slower project completion rates.

To ensure Program awareness, Avista informed all residential customers in English and Spanish of the AOLIEE program. A bill insert was sent with bills from April to May. In November, a targeted letter – or email, for those customers with an electronic communication preference noted within Avista's system – was sent to high energy burden customers that had received bill assistance, and an article was then published in the Connections newsletter (which is included with all customer bills) in December. While all AOLIEE-related communications contained Avista's customer service telephone number as well as a vanity URL specific to the Program,<sup>1</sup> the more targeted communications noted above had previously directed customers to the Agencies' websites and telephone numbers rather than to Avista.<sup>2</sup> For the 2023 Program year, these targeted communications were aligned with other AOLIEE communications in that all contact information contained within the materials was Avista's. This resulted in increased traffic to Avista's website via the vanity URL, with 279 total page views through September 2023.<sup>3</sup> In addition, the table

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

<sup>2</sup> See Avista's 2022 AOLIEE Report, pg. 2.

<sup>3</sup> Avista transitioned to a new analytics platform in October 2023, after which time URL click tracking became unavailable until additional upgrades are made to the new system.



below shows, by county, the number of times a customer directly linked from Avista’s Oregon energy efficiency webpage<sup>4</sup> to an Agency website.

**Table No. 1 – Avista AOLIEE Webpage Metrics**

Agency Service Area	Total Clicks from Avista to Agency		
	2022	2023	Change
Douglas and Josephine County	101	140	39%
Jackson County	128	186	45%
Klamath County	77	106	38%
Union County	40	38	-5%
<b>Total</b>	346	470	36%

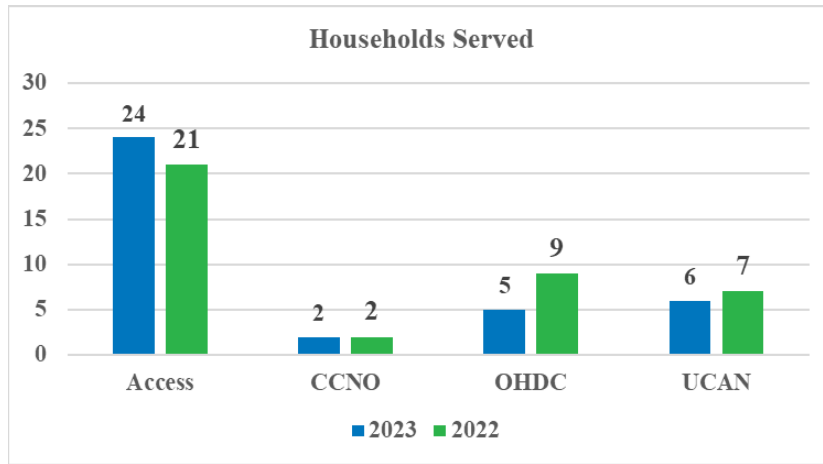
For the 2023 Program year, the number of households weatherized remained relatively flat in comparison to prior years, however, the funding needed to accomplish those homes increased. With the current funding rate providing approximately \$786,621 available for Agencies to utilize in their provision of weatherization measures,<sup>5</sup> the Agencies indicated they would likely be able to spend closer to \$663,674 for the 2023 Program year, based on each Agency’s estimated capacity to complete this work and the total costs associated. They reached nearly 77% of that spending estimate during the Program year, or 65% of the total available funding. Chart No. 1 below illustrates the actual number of households served by each Agency in 2023, verses households served in 2022.

<sup>4</sup> [Find Energy Rebates in Oregon | Avista \(myavista.com\)](https://myavista.com). This includes those viewing the site from the vanity URL as well as those viewing the webpage via other links.

<sup>5</sup> AOLIEE collections provided approximately \$874,023 for the 2023 Program year, which equates to about \$786,621 available for Agency disbursement and \$87,402 for Avista administrative support (including outreach and engagement).



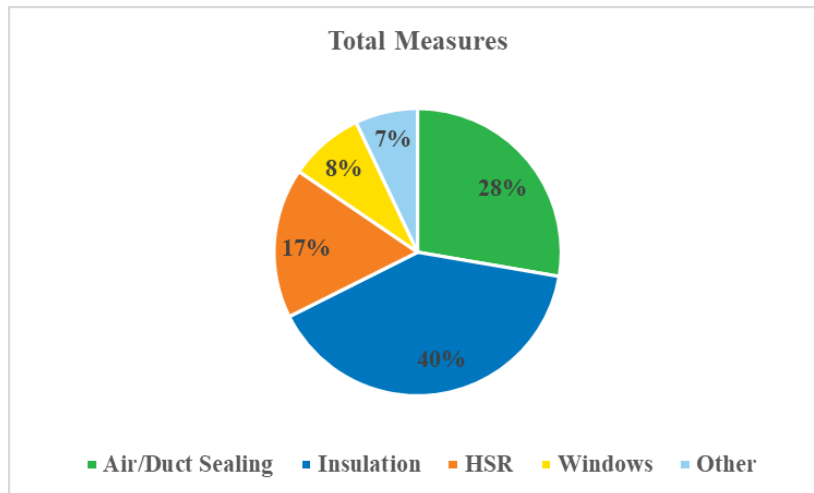
**Chart No. 1 – Households Served, 2023 Program Year**



Each home treated during 2023 as part of the Program had an average of 6 measures installed, with an overall total of 213 measures completed throughout the 37 homes. The average cost Agencies spent per home, including Program administration and HSR, was \$13,804.

Chart No. 2 below illustrates the percentage each measure represents within the total 213 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, which further promote energy efficiency within the homes.

**Chart No. 2 – Total Measures Installed<sup>6</sup>**

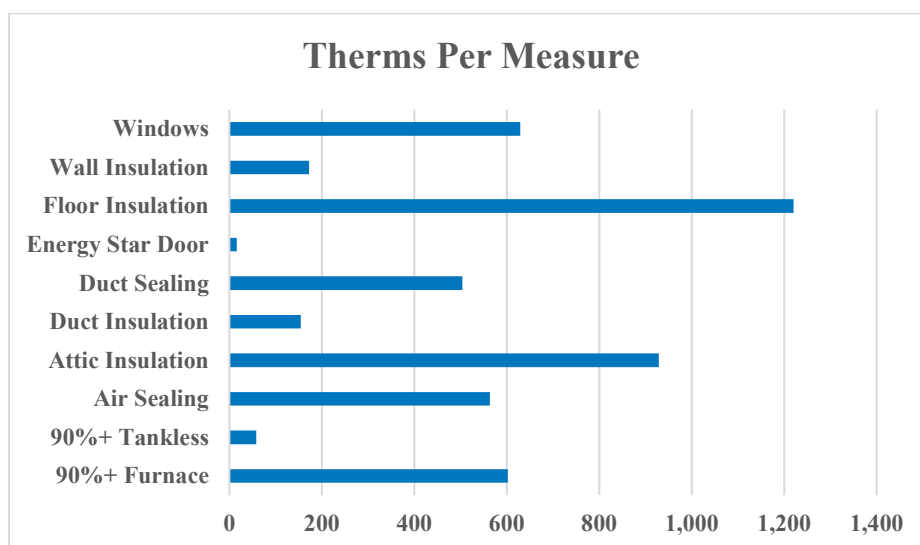


<sup>6</sup> “Other” measures include HE equipment, Energy Star doors, and water saving measures.



The natural gas deemed savings associated with the installation of energy efficiency measures for 2023 is 4,848 therms. To be considered a valid weatherization measure under the AOLIEE Program, a measure 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>7</sup>. Alternately, measures may be listed on the DOE Priority List, or included on the Company’s Deemed Measures List. Chart No. 3 below details total therm savings associated with each measure.

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



**II. Program Considerations**

The Company’s requested modifications to its AOLIEE Program for 2023 were approved by the Commission in Docket No. ADV 1452/Advice No. 22-11-G. Modifications for the 2023 Program year expanded the Program’s reach while prioritizing energy burdened customers within these communities, ensuring that energy efficiency services reached those most in need. Approved program modifications are summarized below.

**Distribution of Funds.** Prioritization and allocation of funding for each Agency became a broader collaborative effort between Avista, the Agencies and, interested stakeholders.

<sup>7</sup> As allowed by the Department of Energy.



**Administrative Costs.** Each Agency’s administration allowance was raised to 15% of the overall invoiced household cost, not to exceed \$2,000 per household. The Company’s administration funding percentage was raised to 10% of the Program budget.

**Health, Safety and Repair Funding:** The allowance available for HSR measures increased to 20% of each Agency’s overall budget.

**Measure Funding.** Measures are now fully funded if they meet the following criteria: 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>8</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>9</sup> yet not eligible for funding based on the two (2) criteria listed above are now eligible for funding of up to 100% of the total avoided cost of the measure(s).

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 initial 1.0. This accommodation allows customers who are waitlisted for weatherization services to be provided with at least *some* energy efficiency measures while they await more comprehensive whole-home services, removing the risk that any future measures will no longer meet cost-effectiveness requirements because of efficiency improvements already made.

Throughout 2023, Avista engaged its Agencies via meetings, email correspondence, and telephone conversations to gain community perspective and collaboratively work together to reduce barriers in program delivery. New ways to increase customer participation in the AOLIEE Program – including the idea of forming partnerships between the Energy Trust of Oregon (ETO)

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

<sup>9</sup> See Avista’s 2023 Oregon Deemed Savings List, as provided in ADV 1452/Advice No. 22-11-G.

and Community Based Organizations (CBOs),<sup>10</sup> since ETO is able to serve moderate-income customers with home energy assessments and low/no cost energy efficiency offers – were explored.

As part of the Company’s 2023 general rate case settlement<sup>11</sup>, Avista agreed, among other things, to form an Equity Advisory Group (EAG), to be in effect no later than January 2025, which will provide input and guidance on effective ways to reach low-income customers. The Company also agreed to the following AOLIEE-related provisions:<sup>12</sup>

- a. The current Schedule 485 AOLIEE authorized budget of approximately \$821,000 would be increased to a total of \$2.0 million (without a change in the present level of customer funding in this case);
- b. Company to conduct home energy assessments for high-usage LIRAP customers and prioritize those customers for energy efficiency improvements as determined through the home energy assessment;
- c. Company to also review and prioritize customers identified in the 2022 Energy Burden Assessment with a high potential for energy efficiency improvements for energy efficiency improvements and weatherization;
- d. Avista agrees to consult with the Equity Advisory Group to ensure that the AOLIEE program prioritizes investments in weatherization and limits the installation of natural gas appliances to health and safety repairs.
- e. Avista shall consult with the Equity Advisory Group and CAPO regarding how to maximize expenditure of the AOLIEE weatherization budget.

EAG formation is currently underway, as is planning regarding the provision of home energy assessments to high energy burden customers receiving low-income rate assistance. Additionally, Avista is cognizant of the fact that it’s AOLIEE Program already does not currently spend its full allotment of funding, and that the requirement noted above to increase funding for the Program more than doubles the current funding levels.<sup>13</sup> As such, partnerships with other organizations or even alternative delivery models for the Program will be required to reach more customers and increase spending. Details regarding further progress made on these commitments will be included in the Company’s 2024 AOLIEE Report.

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<sup>10</sup> Lake County Resources Initiative and NeighborWorks Umpqua

<sup>11</sup> See Docket No. UG 461, Order No. 23-384 ([UG 461 Order.pdf \(state.or.us\)](#)).

<sup>12</sup> Ibid, Second Settlement Stipulation Resolving All Remaining Issues, pg. 12, lines 6-31.

<sup>13</sup> The funding increase required by the Settlement, \$821,000 to \$2.0 million, is an increase of nearly 144%.



### **III. Conclusion**

Avista appreciates the hard work of its partner Agencies in continuing to deliver energy efficiency services to its customers throughout 2023. The Company will continue to monitor the overall need in its service area, and will track potential funding sources that could further benefit low-income customers as it seeks to reach more customers with its AOLIEE Program in the coming years.

If you have any questions regarding this Report, please contact Lisa McGarity, Sr Energy Efficiency Program Manager, at (541) 858-4719.

Sincerely,

*/s/ Jaime Majure*

Jaime Majure  
Regulatory Affairs Manager

