

CEIP Meeting #3 Notes

July 15, 2021 9:00 am – 11:30 am

77 Participants

Welcome and Intros

Jason Thackston: Thank you for your participation and welcome to this meeting and being engaged with Avista. This is something we are really committed to throughout the company, Kevin Christie shared that during the last meeting and we are really incorporating your feedback into our CEIP but also throughout other aspects of the business. Thank you for taking the time to be involved and for giving your thoughts on how we can incorporate them moving forward.

Annette Brandon: Review virtual meeting guidelines and reminders

Q. Claire Richards is looking for a glossary of terms and acronyms

Annette Brandon: Reviewed follow up from CEIP meeting #2, Questions and Answers on Slide 4 in the Meeting slide deck

Annette Brandon: Survey Key Points:

- CBIs must be measurable; this will be discussed during today's meeting in more detail:
- Not all indicators were addressed: Please review pre meeting materials as there is a table that breaks down the higher categories that were discussed.
- Language is too technical, Avista is trying to use less technical terms, but some of the topics are very technical in nature and is hard to break down. The September meeting will be more educational and less technical.

Annette: Reviewed Meeting objectives for today's CEIP meeting and future CEIP meetings throughout 2021

James Gall: Renewable Energy Credits – Interim Target Proposal

Welcome and please feel free to ask questions throughout the presentation as this is a more technical topic.

What is a Renewable Energy Credit (REC)? There is the power that serves the customers and the REC which is a certificate that shows the environmental attribute of the power. This is how we comply with renewable laws today. Washington passed the original goal for IOUs to have 15% renewable energy portfolio, also known as I-937. We match those credits with power generated and we retire those credits on behalf of customers. Wind and hydro resources qualify. There are some complexities, power and RECs can be separated and sold separately. (Slide 8)

Q. Joni-NWEC: The Specified Sales are strictly for California and not for WA.

A. James: clarified that we sell to California and so we wanted to share the information with customers for transparency.

Q. Joni-NWEC: How Do you handle RECs with California sales?

A. James: We do not retire the RECs we just retain them in REGIS.

Q. Michelle Bennington: Does the drought situation impact hydro power?

A. James: We are at 90% of the average production right now, we are creating less, but this is not the worst production we have seen but this could continue to decline based on weather.

James Gall: REC – Additional Information (Slide 9) Avista creates more RECs than what is needed to reach its goals, so we sell those to other utilities and those sales go towards customers in the form of reduced rates.

James Gall: CETA Requirements – Interim Targets (Slide 10)

Discussed how many RECs Avista could sell/retire between now and 2030

Q. Joni-NWEC: Interim targets ask for you to show how you are reaching goals but specific targets ask for how you are complying

A. James: Our proposal shows a separation between how much we plan to add to our system and how much we plan to retire which will be discussed in further detail in a few slides.

James Gall: REC Current State Slide 11

James Gall: Reviewed 2020 Example of Procured Clean Energy vs Retained Clean Energy displayed in megawatt hours (Slide 12)

Q. Claire Richards: Does selling RECs mean there's less renewable energy vs. oil/gas overall?

So, other companies are offsetting their oil/gas by buying your renewable energy? Is that how that works?

A. James Gall: Oil is not a main source of generation for power, natural gas, does not change anything, if we sell RECs to California that is one less megawatt hour that will not be listed in that area, but oil does not have a major impact. The natural gas side has the ability to sell into the market.

Q. Joni-NWEC: This chart seems to indicate that Avista sells almost half of the hydro it generates with the related REC, is that correct?

A. James Gall: The difference between the left bar and the right bars is the specified power we sold in 2020

Q. Claire Richards: It would imply that we have more clean energy than we need?

A. James Gall: That is correct for most years

James Gall: Interim Proposal 2022-2029 (Slide 13)

Procure Clean generation equal to or greater than retail sales

80% (2022-2023)

85% (2024-2025)

90% (2026-2027)

95% (2028-2029)

Avista could comply with the CETA law today by transferring Idaho hydro to comply with our WA laws, but we feel this is not the intent of the law so Avista intends to bring renewable energy into its systems to comply.

Q. Joni-NWEC: James, This is admirable, but why did Avista Choose 100% by 2030, instead of the benchmark of 80% renewables/ non-emitting served to retail load?

A. James Gall: 80% is how much energy is really connected and this is a good question. We did not want to just acquire RECs, we do have our Idaho portion of power that we are planning on limiting to 20%, this may be a lower cost and it may not, we feel the intent of the law is to bring new renewable power to the state.

Q. Joni-NWEC: This is to have utilities bring in new electricity that 80% would be renewable and non-emitting which is renewables with its RECs, not just simply RECs.

A. James Gall: We may be using RECs and energy interchangeably, we are doing this without the RECs being connected to any power to meet our goals,

Q. Joni-NWEC: So, you will be serving all retail load with 100% renewable power and RECs?

A. James Gall: Yes, that is what we are planning for.

Q. Art Swannack: wouldn't your Idaho section need to retain these credits for possible future use should the Federal Govt continue down the renewable power policy road?

A. James Gall: They are always going to be paying for the renewable resource which will be another discussion during another time, Idaho is allocated 1/3 of our renewable resources. If there is a federal requirement they will have those resources and it would make sense for Idaho customers to sell those RECs to lower Idaho customer rates. Idaho could say that they are no longer selling RECs to WA for clean energy? That is a risk down the road that we have with our proposal in the event that happens.

Q. Claire Richards: It seems like since CETA is percentage of electricity but there's more and more gas lines being installed in new construction, that the overall amount of renewable energy vs fossil fuels would be lower than it would be otherwise.

A. Annette Brandon: CETA is based on retail electric sales, so there should be less and less natural gas, there has been a cap and trade law in WA that will be discussed as needed.

James Gall: Proposed Interim Target – Procurement vs Retired RECs - Slide 14

40% of retail load will be held and retired on behalf of customers by through 2029 and then all RECs would need to be retired by 2030.

Q. Debra Reynolds: The Securities and Exchange Commission held a workshop a few years ago on whether or not you can say that you are producing clean energy if you do not retire the REC, as you put this out there and claim that this is your ramp rate to get to your clean energy goal, I understand the desire to save money and not retire RECs before you need them but if you want to report in the fuel mix and other places that this is what you are doing, I feel you might need to retire the REC, I am not sure where that will go, but wanted to flag that for you

A. James Gall: We do show this in the fuel mix and our proposal will show in our fuel mix disclosure. Will we report less clean energy than we are producing, yes.

Q. Joni-NWEC: If you are producing and retaining 40% of the renewable power then aren't you only at 40% of your deliverable load?

A. James Gall: Yes, that is correct

Q. Jessie Twigg-Harris: What kind of measurable rate impact are we talking about for 2030?

A. James Gall: We will get to that in the next slide

Q. Kevin Holland: asked to go back to the previous slide, in 2029 that means 40% of our load obligation is served by green load and another 35% is served by null power as we are choosing to monetize the value?

A. James Gall: That is correct

James Gall: In 2022-2025, The rate impact will most likely be ½ percent. Slide 15 shows a breakdown calculation of the customer impact

Q. Joni-NWEC: In the draft slides sent prior to this meeting, this chart is slightly different, and shows a decrease for electric customers, so are you using electric sales for your gas customers too.

A. James Gall: No, the previously drafted slide was a monthly estimate and this was changed because we wanted to show the annual impacts not monthly and we do not really have an average customer so wanted to show what a customer that is not a dual fuel customer and only uses KWH without the gas offset within the home. At the end of the day is about 1 percent rate impact.

Q. Claire Richards: What legislation do we have or can have in the future to reduce the impact on low income customers?

A. Shawn Bonfield: In 2021 SB 5295 was passed that requires all IOU to pass low income relief to its low income customers, Ana Matthews is leading the effort to look at our low income rate assistance program and we will have some new or modified programs as it pertains to our low income customers.

Q. Art Swannack: It seems like, using a bit of interpolation, that customers in 2030 are going to be impacted by around \$100/yr if using electric heat.

A. James Gall: The values are on the bottom left of the slide on slide 15 that we use today. These are for unbundled RECs. Kevin Holland jumped in to confirm the amounts listed are unbundled. 8.50 is a price that we agree to for a bundled hydro electricity and delivered to CA on active transmission that we have, RECS can have a different value depending on where you are selling it to. Wind and solar require more transmission power so there is a lot of adjustment in the amount where a hydro facility is more flat. Comment to clarify the graph on page 15. The Green is what retail load will be served by renewable energy and the RECs are retired. The dark blue line is from the 40% to the 95% is what part of retail load would be served by "null" energy (via state of Washington) that is energy generated by a renewable resource, but where the REC has been separated from the energy and monetized to reduce the overall rate impact to customers of CETA directed clean energy resource acquisitions. The last 5% would be served by non-renewable energy sources.

Q. Andres Alvarez: How were the REC values of wind/solar calculated? What is driving the difference between solar/wind and other hydro electric projects?

Q. Shawn Collins: CETA also requires services to low-income customers

A. Shawn Bonfield: Yes, it does, we have a number of energy assistance offerings today and CETA has certain requirements. We will be increasing our current low-income offerings from a dollar amount and product offering perspective

Q. Joni-NWEC: The graph on slide 14 is confusing and looks like you are on a path to only retiring 40%, then you are only reaching 40% of the goal, why not increase the amount gradually each year?

A. James Gall: We did discuss and we're trying to maximize the benefit for customers. We looked at what is the max value for customers. Why 40%? We looked at 15% that needs to be kept for I-937 and we look at our historical RECs sold and tried to come up with a reasonable amount that has been historically able to be sold, we came up with 40%.

Q. Art Swannack: I prefer that you help customers as much as you can so I like what you are doing with the REC, I am wondering if this target meets the targets for EV etc., or does this mean we will need more?

A. James Gall: As a percentage we will need more and also included in our projections is an EV scenario. This CEIP is for the first 4 years and my understanding is that we can change the interim targets for the next interim period, if we see we cannot meet the target then we will change them moving forward.

Q. Jessie Twigg-Harris: It seems that the rate impact is reasonable, but for highly vulnerable customers, it is significant. So, it seems a big part of this larger conversation then becomes the ways Avista can increase program opportunities that might balance out that impact. Yes?

A. Shawn Bonfield: As a company affordability is a key pillar we are trying to reach for all of our customers, it is very important to us. There are cost implications of CETA and this is strictly on the power supply side, there are also costs on the transmission and distribution system so we are looking to increase the number of customers who are eligible and the amount customers are eligible for.

Annette Brandon: [Avista's Clean Energy Implementation Plan](#)

CEIP Process Overview of what we have done so far and where we are today (Slide 17)

[Identifying impacts of transitioning to clean energy \(slide 18\)](#)

Review of CBIs discussed and agreed to during June CEIP meeting and what barriers there may be

Amber Lenhart: provided a brief overview of members and customer groups within the Avista EAG and how people can participate. She shared how we captured CBIs on virtual sticky notes and there were so many CBIs that Avista reviewed the stickies and combined the ones that were fairly similar. 26 indicators remained and we asked the participants of the JUNE 17 meeting to vote on the importance of each as it pertains to the benefit of customers. Voted on top two for each category. Slide 22 shows the breakdown and 23 shows the indicator themes.

Ryan Finesilver: [How will we transition to clean energy?](#)

Provided a brief overview of Avista's Energy Efficiency (EE) programs and provided his contact information for those that may have questions outside of this venue.

Ryan Finesilver: How does EE fit amongst these CBIs? Affordability is the biggest piece and EE serves 2 sides, through EE we can defer capital investments and reduces the energy burden for customers. Outreach programs also help educate customers. Slide 27 shares current residential programs but is missing all energy efficiency rebates that Avista offers.

Q. Claire Richards: Can you please put that link in the chat?

A. Amber Lenhart: <https://www.myavista.com/ceta> or <https://www.myavista.com/about-us/washingtons-clean-energy-future>

Q. Jessie Twigg-Harris: You referred to access to the programs through SNAP and other community orgs. Is there a master list of access points to these programs? My concern is about accessibility for especially rural customers. And how a person can identify their local access points to these programs.

A. Ana Matthews: There are a variety of ways folks can learn about/access our programs starting with our website, calling our call center, through our outreach programs, and our and partner marketing campaigns.

Q. Claire Richards: When I called Avista they said the energy audits were funded by a grant and the money ran out.

A.

Q. Clyde Abe: Does the small Home WX include mobile homes?

A. Ryan Finesilver: Yes, they are included in our residential rebate options

Q. Deaneal Mcknight: Does weatherization help apartment recipients?

A. Ryan Finesilver: Yes

Q. Shawn Collins: Will the targeted Wx pilots for named communities be discussed/reviewed in the EE Advisory Group?

A. Ryan Finesilver: Yes, we did discuss this about 4 months back and we are excited to share advancements as they take place

Q. Claire Richards: When will the energy audits restart?

A. Ryan Finesilver: Once we hear from CDC that it is safe to resume

Q. DeAnna Knope: Mobile homes are not very energy efficient at all just saying

A. Ryan Finesilver: Yes, they can lose heat quite quickly and we want to continue to have EE for these customers

Q. Claire Richards: People living in mobile homes are at the highest risk of extreme heat, wildfire smoke etc. So to whatever extent those can be weatherized.....

A. Ryan Finesilver: Yes, thank you for the comment,

Q. Jessie Twigg-Harris: Will the EAG spend more time discussing access and increased outreach? It seems the access points depend significantly on internet/phone access, etc.

Annette Brandon: Clean Power Sources (Slide 31)

- Wind, solar, hydro, biomass, RECs

Contribution to Customer Benefits:

- Reduces emissions (air quality), clean air = healthier, provides locational access, aids in security and resiliency of overall grid

Annette Brandon: Company Initiatives: (Slide 32)

- Diversity, Equity and Inclusion
- Affordability
- Customer resiliency
- Community development (Avista Foundation)
- Environmental
- Conservation, education & outreach
- Transportation Electrification

Q. Claire Richards: I hope we can come back to grid modernization later. I would like to know more about that one, please!

A. Ana Matthews: @Jessie, yes the EAG will discuss access and outreach. You can also call our contact center and visit our website. We also have our energy van where we travel through different communities within our service territory.

Amber Lenhart: Discussion of Customer Benefit Indicators: Slide 36 table review.

Amber asked if the EAG felt like any of the CBIs have been over simplified or lost in translation throughout the process?

Michelle Bennington stated that she does not do anything with Avista except to pay her bill, and she says when we talk about community, the first thing we need to do is talk about the term vulnerable and put it in the terms of “marginalized”. If we are talking about going to communities, we need to break down the technical info and needs a more basic understanding of what RECs are.

Amber Lenhart stated she agrees with terminology and would encourage that kind of language as well, but the law is written with the language written such as “vulnerable populations” and we will try to get to a place where we state preferred terms.

Q. Clyde Abe: I would like more explanation on CETA and the regulatory requirements and I know it has been defined previously but it would be helpful to hear that a little more along with more information about RECs. A definition matrix on CETA alone would be helpful.

A. Annette Brandon: CETA=Clean Energy Transformation Act and we will work on getting a sheet out to everyone that helps explain it in further detail.

Q. Claire Richards: I think one of the things I would like to know more about is energy resiliency. Since we know that it is necessary to ultimately electrify everything with clean energy, if power outages are used as a reason not to electrify, then I would really like to know what Avista is doing to modernize the grid and prevent those impacts once we do electrify everything.

A. James Gall: Energy Resiliency; if there is an outage, energy resiliency is how quickly does the grid normalize and come back on? Another for of energy resiliency is the ability for the customer to overcome an issue, when power is out and a customer needs to stay warm, how easily can a customer overcome the power grid issue and find heat etc.,

Q. Art Swannack: I think vulnerable and marginalized are not necessarily the same thing when planning for electric needs. Vulnerable means to me they may not have access to power when needed. Marginalized means they aren't included in the decision processes.

Q. Julie Henry: Now that we know how really wrong things we never imagined can go really bad, security is a huge concerns. Do we have plans for extreme heat, cold, fires, drought, major snow fall, mudslides, avalanche?

A. Annette Brandon: We are working on this especially after the severe heat we had, we will look into this further and get back to you.

Comment: James Gall: If you have any further questions on REC's please reach out to me via email at james.gall@avistacorp.com. I'll be happy to set up a phone call or answer any questions via email. It's a complicated subject so I understand the confusion.

Q. Adell Whitehead: Even at the Martin Luther King Center we have SNAP and this center is one of the busier sides and helps customers get their business running and we have to refer customers to go downtown for energy assistance. We are at a cross roads and the communication and it is important to get customers information so they go to the right location for the service they are looking for the first time. Need to share that needs are not supported within one central location.

Q. Art Swannack: Following up on Julie's question, are we evaluating renewables as to their strength and weaknesses during different types of weather extremes and then creating a weighting for the time of year they are used vs likelihood of limited generation capacity? Probably a long term issue to examine in Integrated resource plan but will affect what is being talked about here.

A. James Gall: Yes, this is part of the IRP where we look at the reliability option and what it will take to make them reliable. There is a separation between generation and the distribution/transmission component. Although we have the generation, the transmission/Distribution side is where the issue fell during the hot weather experienced by Avista customers.

A. Annette Brandon: Julie, we are currently working internally to address those exact issues. As you might imagine this is top of mind and we are evaluating.

Comment-Jessie Twigg-Harris: Dispersed resources can be especially impactful for rural customers

Comment-Claire Richards: How we respond to disasters and extreme events and power outages is a cross-jurisdictional issues that goes beyond the utility alone.

Amber Lenhart: What other things could be keeping customers from accessing clean energy or the benefit of clean energy?

Q. Michele Bennington: I doesn't understand why the MLK center has to send their customers to other centers for SNAP assistance?

A. Adell Whitehead: I wonder the same thing? We would like to help the customer there but they are require to send them to the SNAP office instead of a one stop shop.

Comment-Jupiter: One small added step could be the difference between an autistic person or someone with ADHD receiving the resource or not

Amber Lenhart: What other ways can Avista help customers to reach benefits and reduce barriers?

Q. Julie Henry: Language might prove very important to connect with populations. They are used to not being approached or empowered. For me, when you reached out to me via email and wrote how important my participation would be that was all I needed to respond. Are we including this information on Avista Bills?

A. Annette Brandon: Our CETA Website has now been translated into Spanish and proofs were received yesterday on translated bill inserts and newsletters.

Comment: Connie Kliewer: I live in Whitman County and the local Energy Assistance office is in Pullman and you can make a phone appointment but you have to have a large list of documents needed to submit in order to qualify so how are customers with phone appointments supposed to get paperwork and documents back to the office? There should be alternate options for customers who cannot make it into the office to qualify for assistance.

Annette Brandon: This comment goes back to one of our CBIs and the importance of alternate communication methods and strategies for customers and that we cannot lose sight of the importance of this CBI.

Amber Lenhart: What is one thing that could prevent customers from benefiting from the transition to clean energy? Or what may prevent customers from participating in programs?

Michele Bennington: Suggests that we have small focus groups for each community leaders/helpers including tribes and talk about the needs of the communities that they work in and live in. People are more likely to talk in smaller groups, provide food and education. The ERV would be the perfect way to do that.

Q. Julie Henry: Do you have personnel to work as facilitators for outreach to help with customers trying to take advantage of Energy Efficient Programs? It can be very intimidating to try and access and qualify for.

A. Ana Matthews: Yes, we do have our outreach team that goes out in the energy outreach van and we also go to events in addition to bill repayment programs, energy efficiency programs and bill assistance programs.

Comment-Amber Lenhart: Feel free to email me if you have thoughts on barriers keeping certain individuals or communities from accessing benefits, or if you have ideas for things Avista could do to promote equitable benefits: amber.lenhart@gmail.com

Comment-Adell Whitehead: It is also important to have someone to speak with the community, I work with the YWCA and if you have a representative that looks like that community, that is who they will listen to, speak to and feel comfortable sharing with. The representative should look like the community they are reaching out to.

Q. Clyde Abe: Can you have a part of the program to train the trainer, train individuals who are taking in the applications for the programs so they can clearly communicate the programs to individuals and how they can apply for services no matter where the office is located.

Annette Brandon: Wrap up and closing, we will consider the feedback provided today and our group will get together to ensure we have captured everything and make sure that we have a metric around communication with communities and this will not be the last discussion on this topic, we will continue this conversation throughout this process.

Annette Brandon: Our draft will be filed August 15 and our next meeting is after that. We will provide an update on the initial draft filing and want to caution everyone that this is an iterative process and changes will take place after filing the initial draft of the CEIP.

Meghan Pinch joined to share the response for the microgrid questions previously posed:

- A. Definition and share 1 project we have submitted an application for a grant with the state department of commerce to partner with the Spokane Tribe, Microgrids are connections of multiple buildings situated close together and is connected to backup battery or solar power in the event of an outage. This will help with grid resiliency

Comment-Clyde Abe: we had to put together a microgrid study and it was done by a consultant out of Seattle and they applauded Avista for the partnership and the grant application.

Meeting Adjourned