



## Pacific Power Equity Advisory Group (EAG)

June 2024 Meeting Notes

June 13, 2024, 1:00 – 4:00 pm, Pacific Time

*These notes were synthesized and summarized by E Source, Pacific Power’s meeting facilitation partner.*

### Executive Summary

There were 31 participants in attendance at the joint Washington EAG and Low-Income Advisory Group (LIAG) meeting on June 13, 2024, including eleven EAG and/or LIAG members. The EAG is intended to elevate issues of energy equity in the planning process by providing a seat at the table to affected communities while the LIAG seeks to alleviate low-income related energy burdens in underserved communities through collaborative programs with Community Based Organizations. Both groups have come together to reach consensus on [Docket UE-230172 Settlement Stipulations](#). The meeting was hosted virtually via ZOOM.

The following is a summary of the content and feedback received during the public meeting.

2024 EAG & LIAG Members	Organization
Candi Jaeger	OIC of Yakima
Erendira Cruz	Sustainable Living Center of Walla Walla
Jose Alvarez	Northwest Community Action Center
Norman Thiel	SonBridge
Paul Tabayoyon	Asian Pacific Islander Coalition
Shaylee Stokes	The Energy Project
Stefan de Villiers	Washington Attorney General’s Office
Sylvia Schaeffer	Blue Mountain Action Council
Todd Hilmes	Northwest Community Action Center
<b>Presenters</b>	
Charity Spires	Low Income Program Manager
Jason Hoffman	Regulatory Affairs Project Manager
Jay Olson	Senior Program Manager
Kimberly Alejandro	Equity Advisory Analyst

Nancy Goddard	Senior Program Manager
Randy Baker	Director of Resource Planning
Robert Meredith	Policy Director, Pricing & Tariff
Jeffrey Daigle	Facilitator, E Source
Morgan Westberry	Facilitator, E Source
<b>Pacific Power Affiliated Attendees</b>	
Christine Pratt	Pricing and Cost of Service Analyst
Clay Monroe	Managing Director of Customer Solutions
Gillian Stanley	Manager of Customer Generation Application
Lee Elder	Load Forecasting Manager
Marcelino Osario	Wattsmart Business Program
Omar Granados	Senior Communications Representative
Tag Galvin-Darnieder	E Source, Facilitation Team
Zanya Morgan	E Source, Facilitation Team
<b>Public Attendees</b>	
Jaclynn Simmons	Washington Utility & Transportation Commission
Mia Iwakura	

## Opening

Pacific Power's Kimberly Alejandro opened the meeting by greeting all attendees and thanking members for their continued participation.

E Source facilitator, Morgan Westberry, then reviewed the agenda and shared meeting experience items, reiterating the joint structure of the meeting. For the first half of the agenda, the Equity Advisory and Low-Income Advisory groups will be combined while the second half will act as the monthly EAG meeting. LIAG members are welcomed to stay for the entire meeting but are not obligated.

## EAG Member Check-In

E Source's Morgan Westberry "checked-in" with meeting attendees by posing the question: *Describe your perfect day*. The overall theme was finding peace in solitude, as well as spending time with loved ones. Responses included:

- Sleeping late – not rising before 7am, enjoying a big meal with friends and family
- Spending quality time with family in cool weather
- Completing all work during the week, relaxing on the weekend
- Experiencing fresh snow fall for skiing on the slopes
- Relaxing at home with family and pets
- Kayaking in desolation sound
- Not too cold, not too hot, all you need is a light jacket
- Snorkeling in warm ocean water and having a great meal/board gaming with friends and family

## Pacific Power's Washington General Rate Case Update

Morgan Westberry introduced Robert Meredith, Director of Pricing and Tariff Policy at Pacific Power, to give general rate case and regulation updates.

Pacific Power filed a general rate case [Docket UE-230172](#) on March 17, 2023, to request an increase due to new investments in renewables and to combat the rising costs of power, along with the inputs required to produce energy such as purchase power and fuel expenses. The company requested a 2-part increase, which consists of an increase of \$26.8 million on March 1, 2024, and \$27.9 million on March 1, 2025. This would result in an average increase of \$12.11 in 2024 and \$9.34 in 2025 for residential customers.

The final order was filed on December 15, 2023, to resolve the disputed issues in the proceedings except for Net Power Costs and Power Cost Adjustment Mechanism. The Washington Utilities and Transportation Commission issued a final order on March 19, 2024. The order allows for a \$10.9 million increase effective April 3, 2024, resulting in a smaller cost increase of \$4.84 per month to residential customers. The allowed increase for 2025 is still to be determined based on current power costs at the time.

Within the rate case filing, Pacific Power proposed an interim successor program to net metering, but it was dropped as part of the settlement agreement. As of April, the company is at 95% capacity of the cap, or 40 megawatts, Pacific Power will continue working with the Washington Equity Advisory Group to strategize a plan for proposal. Another agreement made during the settlement includes Pacific Power working with its Low-Income Advisory (LIAG) and Equity Advisory Groups (EAG) to discuss and seek consensus regarding the following: developing enhancements to Low Income Bill Assistance (LIBA) program, creating an Arrearage Management Plan, discussing changes to the billing logic and developing a community-based organization outreach program. Settlement stipulation OP 22 calls for Pacific Power to create a draft Language Access Plan for its customers in Washington within 6 months of the Commission's final order and share the plan with the LIAG, Demand Side Management (DSM) Advisory Group, and the EAG. Pacific Power will work with the groups to further develop the draft Language Access Plan and seek consensus on the final version. The company is making its best efforts to implement the plan prior to the filing of the next general rate case and will provide a timeline to the LIAG, DSM, and EAG after the plan is finalized. In each Low-Income Bill Assistance (LIBA) annual report, Pacific Power will report on the accomplishments of any objectives in the Language Access Plan and assess the need for updates.

### The Work Ahead; Approach Considerations

Charity Spires, Low Income Program Manager, explored the three different discount tiers offered by Pacific Power in comparison with other utilities, Avista and Cascade Natural Gas, who both have 5 discount tiers. Pacific Power discounts range from 15-72% of the customer's net bill. Avista discounts range from 15-94% of the customer's net bill and Cascade Natural Gas discounts range from 8-90% of the customer's net bill. Current discount tiers were designed with the company's 2022 Energy Burden Assessment results in mind. Customers took a survey expressing their thoughts around the Low-Income Bill Discount Program, stating the program design is particularly good at targeting benefits to higher burden customers, program administration is very efficient relative to other programs in the state, and there is good coordination between the Pacific Power and local agencies on culturally appropriate marketing and program design.

#### ***Prepping for Future Discussion | Discount Tier Considerations***

Questions to consider:

- Will adding or removing discount tiers help to enhance the program? (Pacific Power currently has three tiers)
- What are the impacts of adding or removing discount tiers? (How do you perceive community-based organizations/customers to be impacted?)
- Current percentage levels are at 72%, 36%, and 15%. Are there changes to the percentage levels that you recommend be considered?

To supplement the discount program, in 2023 stakeholders approved the recommendation for self-attestation to declare income or the lack of income. Community agencies would be able to certify a customer for the LIBA program using a self-declaration form, customers are then placed in the 15% discount tier for a year and can work with the agency again to recertify.

### ***Prepping for Future Discussion | Self-Declaration Considerations***

Questions to consider:

- Which tiers should a customer be eligible for using self-declaration? (Currently, only tier 3 at 15% is discount eligible)
- How often can a customer self-declare their income? (Currently only one time)
- How can the process for self-declaration be improved? Currently, customers work with their local community agency to complete the form.

In using other utilities as an example, Avista and Cascade Natural Gas, Pacific Power found that both utilities have Arrearage Management Plans (AMPs) working with their low-income discount programs. Avista and Cascade both allow Arrearage Forgiveness or Relief for customers receiving 71-94% bill discounts, all other customers can be put on a management plan. Currently, Pacific Power does not have a specific AMP in place, but the company is looking to implement a program that works best for its customers.

### ***Prepping for Future Discussion | Arrearage Management Plan***

Questions to consider:

- How often can a customer receive an AMP benefit? Annual? One lifetime benefit?
- What should be included within the program's requirements? Should customers enroll in the Low-Income Bill Assistance Program? Are on-time bill payments important to consider?
- Should the program model similar Arrearage Management Plans or should the program follow an Arrearage Forgiveness framework? What are the impacts to customers implementing each?
- Should income verification be required?

Charity Spires shared the current marketing outreach campaign for this year, divided by spring and fall campaigning. Marketing strategies include radio in Yakima, newspaper publications, cinema in Walla Walla, social media, and community outreach via church advertising. In comparison to 2023, marketing impressions increased by 40% with a budget of \$60k for marketing, outreach, and internal administration.

### ***Prepping for Future Discussion | Outreach Considerations***

Questions to consider:

- What enhancements should be considered to community-based organization outreach?

Jason Hoffman, Pricing and Tariff Analyst further reviewed billing logic aiming to first apply energy assistance to a customer account before low-income bill assistance. Low-income assistance payments are currently received via check and are treated as a payment in the customer service system versus company

bill discounts, which act as a percentage reduction to the customer's monthly charges. When a customer is approved for energy assistance it may take a while for the actual payment to be received, so to reflect the incoming assistance a pledge is recorded and verified on the customer account to clearly notate to the customer the amount of which they are absolved responsibility. To accommodate the proposed change, applying energy assistance before LIBA, the company would have to hold and later apply low-income assistance to credit new monthly charges. Currently, the system cannot accommodate such an idea, therefore a system enhancement would be required. Applying low-income assistance to new monthly charges the customers would receive less benefits from the LIBA program and the overall cost of the program would be reduced. However, this does not mean the customer will receive less benefits. For example, under the current billing logic a customer with a \$200 monthly bill receiving a 15% LIBA discount and a \$500 LIHEAP payment would receive a bill reduction of \$860 for the entire year. Under the alternative proposed logic, a customer with the same monthly bill, discount, and LIHEAP payment would receive a bill reduction of \$785 for the entire year.

### ***Prepping for Future Discussion | Billing Logic***

Pros: Reduces cost for Low-Income Bill Assistance program, thereby reducing costs to ratepayers

Cons: Provides less benefit to low-income customers, administrative burden/cost to enhance customer service system, may discourage customers from seeking energy assistance

Questions to consider:

- Should we make a change to the billing logic?

Kimberly Alejandro, Equity Advisory Analyst, provided a recap of the LIAG meeting. On April 23, 2024, Pacific Power's Low-Income Advisory Group convened. Agenda items included:

- Low-Income Bill Assistance (LIBA) program updates
- Low-Income Bill Assistance surcharge proposal
- Pacific Power Washington General Rate Case updates (Docket UE-230172 Settlement Stipulations)

Themes surfaced:

- The role of workgroups to address multiple topics
- Time constraints and barriers to participation
- The importance of accessibility in the process
- Prior experiences and where and what we apply to Pacific Power's process

To consider (incorporating surfaced feedback):

- Frequency of meetings, timing, and duration
- Joint sessions vs. workgroups per topic
- Process to reaching "consensus"

### ***Meeting Discussion***

Jeffrey Daigle, E Source Facilitator, lead the discussion around the work ahead and approach considerations asking members to address thoughts on frequency of meetings, timing and duration, joint sessions versus workgroups per topic, and how members perceive reaching consensus.

Regarding frequency of meetings, timing, and duration:

- Blue Mountain Action Council (BMAC) expressed appreciation for LIBA program updates, as it will help future discussions

- The Energy Project (TEP) prefers regular meetings every few weeks that are about an hour long, there should not be too much time passing between meetings and addressing topics to avoid playing catch up and having to re-center the group at every meeting. TEP has worked with other Washington utilities in revamping or designing discount programs and AMPs, which typically takes longer than expected and requires regular meetings.
  - The Sustainable Living Center of Walla Walla likes the idea of addressing discussion in already committed meeting spaces.
  - BMAC suggests meeting more regularly for one hour instead of once a month and advocates for more transparency in LIBA program updates, but it is recognized that there is a lot of discussion and information to take in. Based on previous work, the agency has more direction about what customers would like to see and what customers prefer to steer away from which will help develop the AMP program in a way that is sustainable over time.

Regarding joint sessions versus workgroups per topic:

- SonBridge pointed out the importance of focused technical expertise per topic, however, this is only helpful when the client is known so there must be a balance between “hyper experts” and broad knowledge
- The Energy Project is open to working with smaller groups of volunteers from the EAG and LIAG. The topics are interrelated, especially discount tiers, AMP, and the billing logic. TEP recommends issues not be siloed but have a consistent group working on those topics.
  - Jeffrey Daigle further explored TEP’s suggestion, adding that Pacific Power should work sequentially. For example, spending 4 weeks honing “area A” then moving onto “area B”
  - Kimberly Alejandro offered to provide milestones in larger prescheduled meeting spaces for those who cannot offer additional time for more meetings. This allows the opportunity to follow along and engage in a way that currently works. All groups offer unique insight and contributions so if it makes more sense to take a milestone approach, Pacific Power is open to that idea. An approach that meets everyone in the middle is ideal.
- Jeffrey Daigle acknowledged that sometimes agencies may want to loop in other representatives to participate in these meeting spaces, especially those who can offer a distinct perspective. That is welcomed and encouraged
- Sustainable Living Center of Walla Walla suggested that if there are subject matter experts that can make recommendations to the larger group, that would be an effective use of time and expertise

Regarding consensus on proposed topics:

- Northwest Community Action Center asked if it is plausible to expect consensus on some of the issues raised?
  - Jeffrey Daigle acknowledged that it is okay to not know what consensus in this space may look like at this time, but it may be helpful to have guard rails outlining when to check in.
  - Sustainable Living Center of Walla Walla expressed concern that typically when trying to reach consensus in decision making, people are not allowed to vote against the group.
    - Jeffrey Daigle reassured the group that this space is aimed at empowering agencies to say yes instead of being empowered to say no, it is important to analyze how the group can come together to vote yes.
- BMAC stated the importance of everyone being heard, statements like “we agreed as a group” does not account for those who did not speak up. Everyone should be afforded the opportunity

to provide input and feedback. The difference must be recognized in stating “the group stated” instead of “the group agreed.”

- Jeffrey Daigle agreed with this point and suggested using group input as a measure instead of group consensus, framing the indicator as “have everyone in the group been heard?”
- Kimberly Alejandro offered different avenues for input, recognizing some people may prefer writing while others prefer speaking, others may even need more time to review internally with their larger organization. The meeting spaces continue to improve and in doing so, Pacific Power aims to empower everyone to provide feedback.
- NCAC added the process might be a multi-tiered approach where consensus is not achieved, and members vote instead. However, that is not an ideal situation for clients, but the reality is that everyone has different interests. A true interest-based group would require more training, time, and resources.
- SonBridge suggested the idea of taking temperature throughout insightful discussions before moving forward. Consensus can look like moving towards a better understanding.
- Jeffrey Daigle agreed with the idea of taking temperature checks during meetings to bring everyone to the same knowledge level.
- Asian Pacific Islander Coalition highlighted the methodology seen in other organizations where temperature checks are conducted as latest information is provided. Sometimes current information is thrown out at the last minute that changes everything, and it is important that group members understand new information that changes the outcome of the decision.
- Jeffrey Daigle reiterated that there are continued opportunities to provide feedback throughout the space, calling attention to the feedback form sent out with the pre-read packet and the after-meeting survey link. The next step includes the team digesting feedback from today’s meeting and providing a summary of what was heard at next month’s meeting.
  - Kimberly Alejandro echoed that feedback received will be reviewed in the EAG meeting in July to continue the conversation. All are welcome to attend the meeting! Pacific Power is targeting the month of August for more robust meeting sessions, forming the process by what is surfaced today.
    - The Energy Project asked if July’s meeting will be another joint session?
      - Kimberly Alejandro replied that the meeting may be a joint meeting as a similar setup is being explored. Based on the feedback provided today and in the coming weeks, Pacific Power will consider a mixed approach incorporating different ideas.

## Break

## Equity Advisory Group Meeting Community Calendar

Kimberly Alejandro presented the community calendar, including the following events:

### June Events –

- [June 2 – Downtown Yakima Farmer’s Market @ Rotary Marketplace 9am-1pm](#)



- [June 8 – Downtown Farmers Market @ Walla Walla Transit Center 9am-1pm](#)
- [June 9 – Downtown Yakima Farmer’s Market @ Rotary Marketplace 9am-1pm](#)
- [June 13 – Online – Pacific Power’s Equity Advisory Group Meeting 1pm-4pm](#)
- [June 14 – Chambers Coffee & Conversation @ Greater Yakima Chamber of Commerce 8am-9am](#)
- [June 15 – Downtown Farmers Market @ Walla Walla Transit Center 9am-1pm](#)
- [June 16 – Downtown Yakima Farmer’s Market @ Rotary Marketplace 9am-1pm](#)
- [June 18 – Online – Clean Energy Implementation Plan Engagement Series Meeting / Vulnerable Populations Workshop #1 9am-12pm](#)
- [June 22 – Downtown Farmers Market @ Walla Walla Transit Center 9am-1pm](#)
- [June 23 – Downtown Yakima Farmer’s Market @ Rotary Marketplace 9am-1pm](#)
- [June 24 – Nature Day Camp @ Yakima Area Arboretum M -F thru August 16 9am-3pm](#)
- [June 25 – Ink Trails & Wilderness Tales with Jim Christensen @ Yakima Area Arboretum 6pm-8pm](#)
- [June 29 - Downtown Farmers Market @ Walla Walla Transit Center 9am-1pm](#)

## Closing the Feedback Loop

Kimberly Alejandro gave a snapshot of some things the group heard and saw in the April 2024 session. Some of the central themes the last time the EAG convened included:

### April Themes:

- Reviewed prioritization activity results
- Introduced Distribution System Planning (DSP) and its planned engagement
- Learned about the importance of emergency management and personal preparedness
- Communicated Integrated Resource Planning and Regulation Updates

### April Feedback Highlights:

- Exploring how Pacific Power is planning for resiliency in Distribution System Planning
- Participants would like to learn more about new energy technologies
- Members recognize the emotional capacity required to prepare for emergencies
- Meeting participants want to continue building psychological safety and trust between Pacific Power and service communities

### Impacts:

- Revisited community priorities
- Using current engagement spaces to continue driving growth, building EAG feedback into Distribution System Planning
- Better understanding preparedness in community, investigating the possibility of a microgrid and backup power storage facility in Yakima, Washington

Pacific Power continues to plan with previous themes, feedback highlights and impacts in mind whilst continuing to welcome feedback and prospective opportunities of where the EAG space will go this year.

## May One-on-One Community Visits

Kimberly Alejandro recapped May’s one-on-one community visits in Yakima and Walla Walla counties to build upon existing relational partnerships by meeting with Pacific Power’s Washington Equity Advisory Group members where they are in community and share updates and resources. It is recognized that



there is a continuous increase in those seeking service and there is still a lot of need, navigating available resources can be difficult for individuals. Pacific Power is brainstorming ways to problem solve, making it easier to connect the community to available services – this is where the company leans on trusted community action agencies to act as a bank of knowledge and resources.

#### **Key Takeaways:**

- Large emphasis on partnerships built on trust (relational partnerships)
- Recognition of the increase in energy program opportunities
- Community Calendar as a resource to several EAG members
- In community, language needs (mostly) met
- Access to information at an all-time high

#### **Challenges:**

- Increase in those seeking services
- Navigation of (all) available resources is difficult

#### **Opportunities:**

- Strategic outreach and engagement efforts
- Braid funding opportunities/resources when possible

#### **Meeting Discussion:**

- WUTC asked Kimberly Alejandro to please send the Vulnerable Populations workshop information to the advisory groups as a reminder and asked if the Vulnerable Population workshops will be intertwined with the Clean Energy Implementation Plan Engagement Series Meeting next Tuesday.
  - Jeffrey Daigle shared that the Vulnerable Population workshop's first session will be intertwined with next week's CEIP meeting.
- BMAC expressed gratitude for the one-on-one community visits and being able to hear everyone's thoughts and suggestions while also meeting new people face to face.

## **Integrated Resource Planning Updates**

Randy Baker, Director of Resource Planning at Pacific Power, provided Integrated Resource Planning (IRP) updates highlighting current topics planned for the 2025 IRP – anticipated to be published March 31, 2025. These topics will also impact Washington Clean Energy Implementation Planning. President Joe Biden signed into law the Inflation Reduction Act (IRA) in August 2022 to address clean energy and climate change. The IRA covers many types of credits and activities, but the most important for Pacific Power is the two types of tax credits which offset the cost of non-emitting resources. New resources can receive 1 of 2 tax credits if in service by 12/31/2037.

- 1) Production Tax Credit (PTC): a 10-year credit based on the megawatt hours of energy produced by a resource
- 2) Investment Tax Credit (ITC) – an upfront tax credit on the build costs of a resource

The IRP filing will include these credits for all future resources built through 2037. Based on location or development, resources can be eligible for a bonus credit. Pacific Power is looking for ways to advance

how tax credits are handled in IRP modeling and welcomes all feedback. The company's current IRP modeling looks for the tax break that is most beneficial given the conditions or the type of resource involved. For example, a PTC may provide the most cost savings for a solar energy project, whereas an ITC may provide the most cost savings for a wind facility. These benefits can also extend to nuclear energy development projects.

Mr. Baker shared the Infrastructure Investment and Jobs Act signed into law in November 2021 which provides funding for transportation and infrastructure spending, offering financing options. Pacific Power is pursuing these benefits on projects and investments currently on owned items. However, a challenge with this modeling is that the company *may* see reduced cost from developments in the future based on these benefits, but it is not guaranteed that the incentives will be passed onto customers. From a risk standpoint, Pacific Power has chosen not to model any benefits to projects related to this act since these benefits are not guaranteed to pass to customers. Since pricing has been volatile in recent years, these cost savings and grants can mitigate cost increases due to other factors such as supply issues and material costs. The company is pursuing grants and benefits under recent legislation as best as it can.

Another federal rule implemented in the IRP is the modeling of the U.S Environmental Protection Agency's 111(d) Rule, finalized in May 2024 to standardize fossil fuel fired power plants. The rule addresses emissions from existing coal fired plants and ensure that new combustion turbines are constructed to minimize greenhouse gas emissions by requiring those plants to achieve emissions reductions equivalent to those that would be possible through carbon capture and sequestration. For the 2025 IRP and CEIP, Pacific Power has already evaluated options for coal powered and natural gas facilities, under the 111(d) rule further analyses may be required.

Washington statute mandates Pacific Power to run a study for Maximum customer benefits. Changes in options from a fully optimized system modeled portfolio include:

- No transmission upgrades in Washington are allowed to be selected
  - Most cost effective and flexible way to increase resources,
  - Increasing community focus can avoid building potentially disruptive transmission projects
- Requires selection of all Energy Efficiency and Demand Side Management programs regardless of cost
- The highest forecasted level of customer generation will be included

Pacific Power is also looking for ways to enhance reporting:

- Examining typical mix of end uses for key customer types, including vulnerable populations:
  - E.g., heating, cooling, water heating, refrigeration, cooking, lighting
- Energy efficiency selections in the Maximum Customer Benefits portfolio reduce these end use demands

Non-energy impacts (NEIs) can be analyzed from two different angles, energy efficiency/demand response versus all resources for supply side management. Non-energy impacts, impacts not directly related to the

generation of energy and the serving load, can affect several other measures that may be difficult to assess and measure.

Pacific Power mapped NEIs to energy efficiency measures for Washington, including additional impacts specified by the Regional Technical Forum.

- NEIs were primarily sourced from a study performed by DNV for Washington. Includes revisions to valuation made with the DSM advisory group in 2022.
- Recently calculated NEI of resiliency for weatherization measures will be included in the 2025 Conservation Potential Assessment.

A literature review found no quantifiable NEIs for demand response, however, WA staff has directed PacifiCorp to account for NEIs for demand response. In the last IRP demand response costs were de-rated by 10% in WA to reflect non-quantifiable NEIs

NEIs were applied to savings in the model by specific measures and distributed to affected parties:

- Utility
- Customers
- Participant
- Vulnerable Population
- Highly Impacted Communities
- General Public

NEI impacts related to all resources in the IRP are evaluated using the social cost of greenhouse gas emissions (SCGHG) as a cost adder equal to the cost per metric ton of carbon dioxide emissions. The SCGHG value can be considered a non-energy impact in that it is an externality associated with certain energy resources. The SCGHG is a monetary value of the net harm to society from greenhouse gas emissions. In principle, it includes the value of all climate change impacts, (but not limited to)

- Changes in net agricultural productivity, including
- Human health
- Effects, property damage from increased flood risk natural disasters,
- Disruption of energy systems,
- Risk of conflict,
- Environmental migration,
- And the value of ecosystem services

Mr. Baker shared the 2025 IRP public input meeting schedule with the next general public input meeting scheduled for June 26-27, 2024. The following general public input meeting will be hosted on July 17-18, 2024, with additional monthly meetings in August and September. The 2025 draft IRP is expected to be distributed on January 1, 2025, with the actual filing on March 31, 2025.

## Energy Efficiency Updates

Nancy Goddard, Wattsmart Business Energy Efficiency Senior Program Manager provided energy efficiency updates on recent report filing. Pacific Power does an annual report reviewing accomplishments

of the year prior. Every other year, the company publishes a report looking back 2 years prior analyzing progress against biennial conservation targets. This year Pacific Power drafted both reports to be filed.

The 2022-2023 Biennial Conservation Report outlines the savings for each energy efficiency program and expenditures and highlights the total costs. Energy efficiency programs analyzed in the report include Low-Income Weatherization, Home Energy Savings, Home Energy Reports, and Wattsmart Business. There have been adjustments made in the Biennial report, to call out savings, that did not appear in the annual report.

In 2022, Pacific Power achieved about 35 million kilowatt hours in energy savings from the energy efficiency programs. In 2023, these savings increased to 46 million. The increase from 2022 to 2023 can be conflated with lingering effects of the pandemic and supply chain issues, but nonetheless it shows that the company is moving in the right direction with customers and program development and utilization. 2022-2023 targets were not fully reached, presumably due to the pandemic effects. It is the hope in tandem with the results in 2023, moving into 2024 and 2025 meeting or exceeding results will not be an issue. Cost effectiveness results were run on the entire portfolio excluding the Low-Income weatherization program, the goal is to achieve a benefit to cost ratio greater than 1.0. The evaluation shows total resource cost test exceed 1.0. On the program level, the same analysis was run, and comparable results were found with results exceeding 1.0.

Ms. Goddard reviewed the system benefits charge filing draft, which is what funds the energy efficiency programs. In the most recent filing Pacific Power proposed to add demand response and the cost of an equity analyst as additional types of expenses that the company would need to recover in the system benefits charge to request an increase to \$24 million annually, a 1.1% increase compared to base rates on average. The system benefits charge filing was submitted on May 24, 2024, after a draft was published on May 1, 2024, with comments requested by May 16, 2024. If the filing is approved the effective date will be August 1, 2024, if not the filing will be reanalyzed no later than March 2025.

## 2024-2025 Energy Efficiency Pilots

Jay Olson, Senior Program Manager at Pacific Power, provided an update on 2024-2025 energy efficiency pilots including new, ongoing, and ending programs. These pilots are not standalone programs but are initiatives embedded into current programs with the purpose of catering to specific service territories, especially highly impacted communities. On-Bill financing for residential customers is a home energy savings program tasked with reducing the upfront cost barrier to participation in residential energy efficiency programs by offering on-bill financing, including manufactured homes on rented space and home on tribal trust lands. However, Craft3 recently announced that they are temporarily stopped the Home Energy Loan program as of July 1, 2024, to resign the program in 2025 (given the availability of IRA funding) to better meet the needs of customers. To date, 49 customers have received \$705k in efficiency loans and 22 trade allies have participated in the program to inform their customers about the opportunity to receive a loan. Pacific Power is planning to work closely with Craft3 as much as possible but will also explore other opportunities to fill the gap for customers.

Mr. Olson also provided an update on the Manufactured Home Targeted Delivery program for home energy savings. This pilot is intended to support the residential sector with the goal of reaching between 500 and 1000 customers over 2023 and 2024. Initially, Pacific Power was not seeing much participation, so the company tried new outreach methods including communicating with distributors to provide marketing material and manufactured home sales teams to provide a stipend of \$500 per project.

- **New Homes**
  - Increased engagement with distributors and working closely with their sales teams
  - In 2023, 6 new manufactured homes
  - 2024 to date, 5 new manufactured homes
- **Heat Pumps**
  - In 2023, heat pumps accounted for ~520,000 kWh in manufactured homes.
  - 2024 to date, achieved 375,000 kWh in HVAC...mostly heat pumps).
- **Direct-install**
  - In 2023, **more than 1,000 HIC customers living in manufactured homes** received no cost duct sealing installation.
  - 2024 to date, 358 manufactured homes have participated in direct install offers
  - Lower than 2023
    - Approaching saturation, temporary supply shortage of insulation
    - Looking for a measure to replace duct sealing

Moving forward, Pacific Power is looking to shift efforts from manufactured homes with direct installation to single family homes concentrated in highly impacted communities.

The Heat Pump Water Heater Web Platform (HPWH) pilot also has an update. This pilot's purpose was to find a delivery channel that would advance technology that was underperforming. There was a partial/early launch in Walla Walla November 2023 that results in 9 enrollments before the full launch.

- Fully launched in Yakima in January 2024
- No uptake in Q1 so initiated marketing effort to generate awareness
- 4 projects in Walla Walla and 5 projects in Yakima
- 7 of 9 customers have opted to self-install
- Planning a feedback survey to understand customer motivations for selecting HPWH through the platform

Based on these results, the company would like to explore if this program helped customers make the decision to purchase a water heater or would they have done it on their own anyway? If customers state that this program is guiding them through the process, Pacific Power will look at the pilot as successful.

#### ***Meeting Discussion:***

- Asian Pacific Islander Coalition questioned if it would be possible to hold a workshop to display the linear path customer used to use the efficiency program, community members are providing feedback that they are not able to understand the process and are unsure of who to contact.
  - Jay Olson agreed with the idea of hosting a workshop and offered to have a private conversation to analyze where those disconnects are and to ensure the program is as streamlined as possible.
- Asian Pacific Island Coalition asked if the heat pump water pilot program is being used by customers as an emergency replacement program?

- Jay Olson shared that typically the most prevalent issue with water heater replacements is that they are kept for emergencies, if a water heater dies it cannot be replaced quickly. During emergencies, customers are not quick to consider incentives and efficiency, but are instead looking for an immediate fix, so the goal here is to get customers thinking ahead towards emergency management and preparation. Therefore, this program cannot be viewed as an emergency outlet because there is a delay in ordering the product, ensuring availability and shipping.
- Sustainable Living Center of Walla Walla asked if the replacement for direct install measure is one being explored internally or externally?
  - Jay Olson replied that the company has been looking at different options, but they must hit a certain amount in savings while being cost effective and fitting a model that provides a reasonable profit margin for contractors. Using door sweeps as an example, there are not enough savings generated and does not have an associated profit model for contractor installation. Pacific Power is looking for other measures, such as window options (replacements, storm windows). Currently, direct install offers are at no cost to the customers although options that are more expensive can be explored. There are still lots of opportunities surrounding direct install.

## Regulation

Kimberly Alejandro closed the meeting with Clean Energy Implementation Plan Updates.

The Washington Utilities and Transportation Commission (WUTC) has recently initiated an adjudication to resolve the Company's [2023 Biennial CEIP Update](#). The Company continues to work with parties to resolve the issues presented, and a Commission decision on the CEIP Update is expected, at the latest, at the end of this year.

Pacific Power will file its Clean Energy Implementation Plan Progress Report (2023 results) by July 1, 2024.

There are upcoming CEIP engagement series meetings and Vulnerable Population workshops. So far planned are **three** Vulnerable Population Workshops consisting of:

- Clean Energy Implementation Plan Engagement Series & Vulnerable Populations Workshop #1:
  - June 18, 2024, from 9am – 12pm (3-hour session)
    - The team will table set, providing background information on current methods used to identify Vulnerable Populations in Pacific Power's WA service area
- Workshop #2:
  - August 2024 (2-hour session)
    - The team will walk through Pacific Power's Settlement Condition factors
    - Collaborate with interested parties to develop alternatives and the identification of a preferred methodology to identifying/tracking Vulnerable Populations in WA
- Workshop #3:
  - October 2024 (2-hour session)
    - The team will review results from the workshops and discuss next steps

## Public Comment

There was no public comment.

## Next Steps

The agenda for the remainder of the year is robust and Pacific Power will continue to bring important topics to the group. If an EAG member wants to propose topics, please contact Kimberly Alejandro.

The next EAG meeting is set for July 11, 2024, [online via Zoom](#) from 1pm-4pm. August will be another joint Low-Income and Equity Advisory Group meeting, more details are to be announced. On September 12, 2024, Pacific Power will host the EAG meeting on site at the Marcus Whitman Hotel in the 2<sup>nd</sup> floor boardroom (with [an online option](#) for those unable to make it), discussing community connections, providing energy efficiency, IRP, and demand response program updates. [October's meeting](#), hosted virtually via Zoom, will be another joint meeting between the LIAG and EAG.

Kimberly Alejandro closed the meeting by sharing the [June 2024 EAG meeting survey link](#). The survey link provides another avenue to provide feedback on EAG meetings and is available for both EAG members and members of the public.