



Clean Energy Implementation Plan

Biennial Report Update

September 14th, 2023 - Public Participation Meeting

Agenda

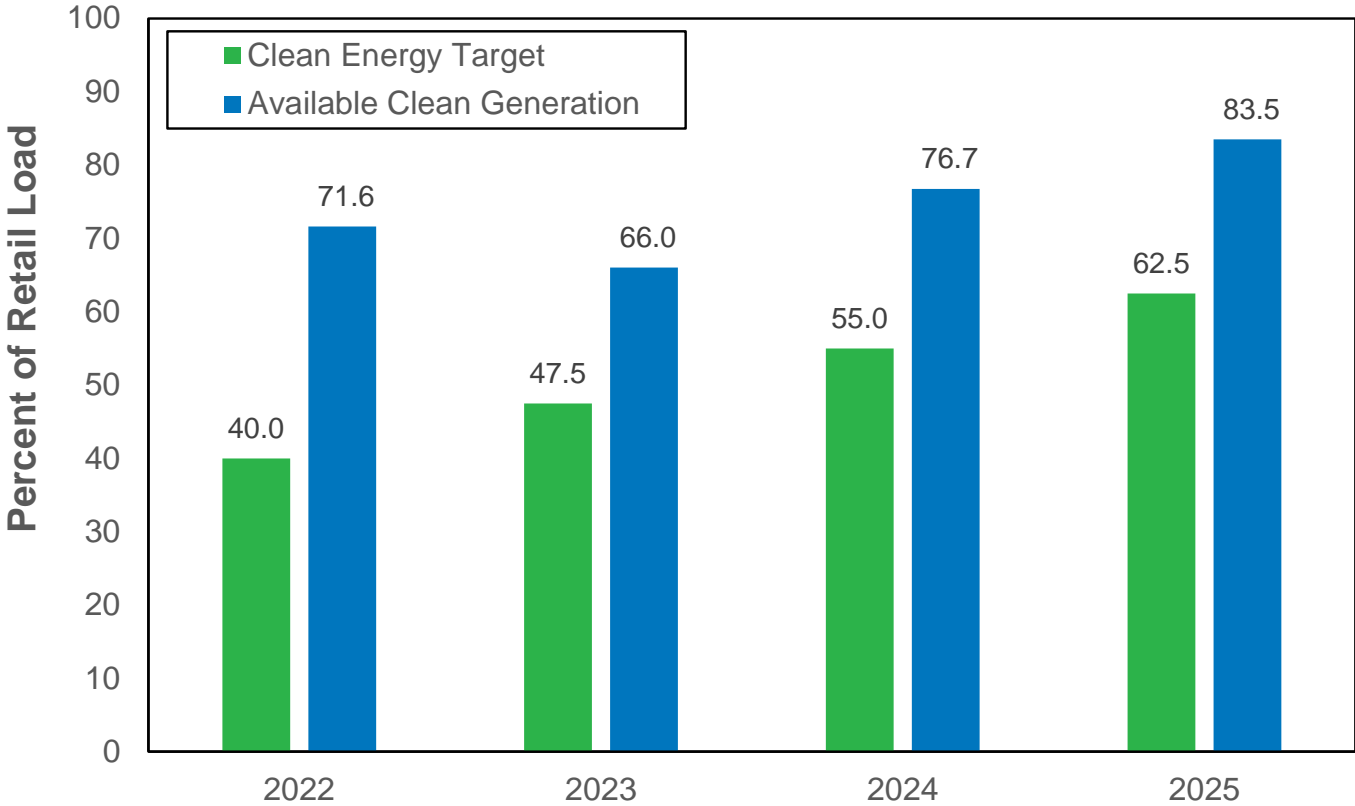
Topic	Speaker
Introduction Welcome	Tamara Bradley, Manager of Social Impact
Energy Supply Specific Actions	James Gall, Manager of Integrated Resource Planning
Customer Benefit Indicators	Tamara Bradley, Manager of Social Impact Kelsey Solberg, Community Outreach Program Manager
Energy Efficiency & Demand Response Specific Actions	Meghan Pinch, Manager, Energy Efficiency Program Managers Renee Zimmerman, Energy Efficiency Program Manager
Named Communities Investment Fund	Kristine Meyer, Avista Foundation Executive Director Ana Matthews, Senior Energy Efficiency Program Manager
Public Participation	Tamara Bradley, Manager of Social Impact
2 Conditions	Tamara Bradley, Manager of Social Impact



Electric Energy Supply Update

Specific Actions

Washington Clean Energy Targets



Notes:

- 1) Available generation through July 1, 2023 is actual generation;
- 2) Beyond July 1, 2023, assumes normal weather conditions;
- 3) Excess generation/ environmental attributes may be sold to reduce customer cost burden. All excess 2022 environmental attributes were sold.

Clean Energy Actions (Purchases)



Power Purchase Agreement
5% share, ~87 MW in 2024 & 2025
10% share, ~175 MW between 2026-2045



Power Purchase Agreement
100 MW between 2024 and 2045



Rock Island Dam



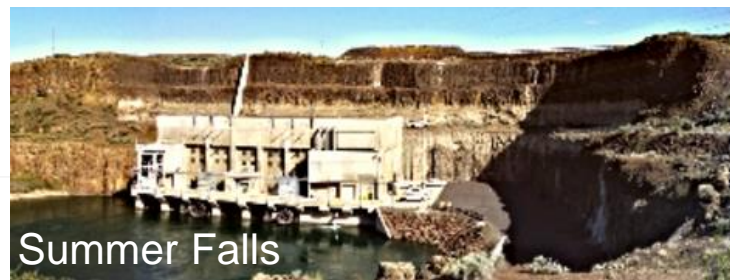
Rocky Reach Dam



Clearwater Wind Farm



Power Purchase Agreement
Up to 146 MW using 7 irrigation projects in
Central Washington



Summer Falls

Clean Energy Actions (Utility Projects)



Kettle Falls
Generating Station

Purchase Steam from MynoCarbon's BioChar facility, increasing plant capacity by 12 MW



Post Falls Hydroelectric Development

Replace Post Falls turbines (circa 1906) with modern technology, increasing plant capacity by up to 6 MW



Customer Benefit Indicators

CEIP Customer Benefit Indicators



Affordability

- Participation in Company Programs
- Households with High Energy Burden
- Residential Arrears & Disconnects



Energy Security & Resilience

- Energy Availability
- Energy Generation Location



Access to Clean Energy

- Methods/Modes of Outreach & Communication
- Transportation Electrification



Environmental

- Outdoor Air Quality
- Greenhouse Gas Emissions



Community Development

- Named Community Clean Energy
- Investments in Named Communities



Public Health

- Employee Diversity
- Supplier Diversity
- Indoor Air Quality

Energy Assistance at Avista



Avista Utilities' **Low-Income Rate Assistance Program (LIRAP)** collects funding through electric and natural gas tariff surcharges, which are distributed by Community Action Agencies (i.e. SNAP).



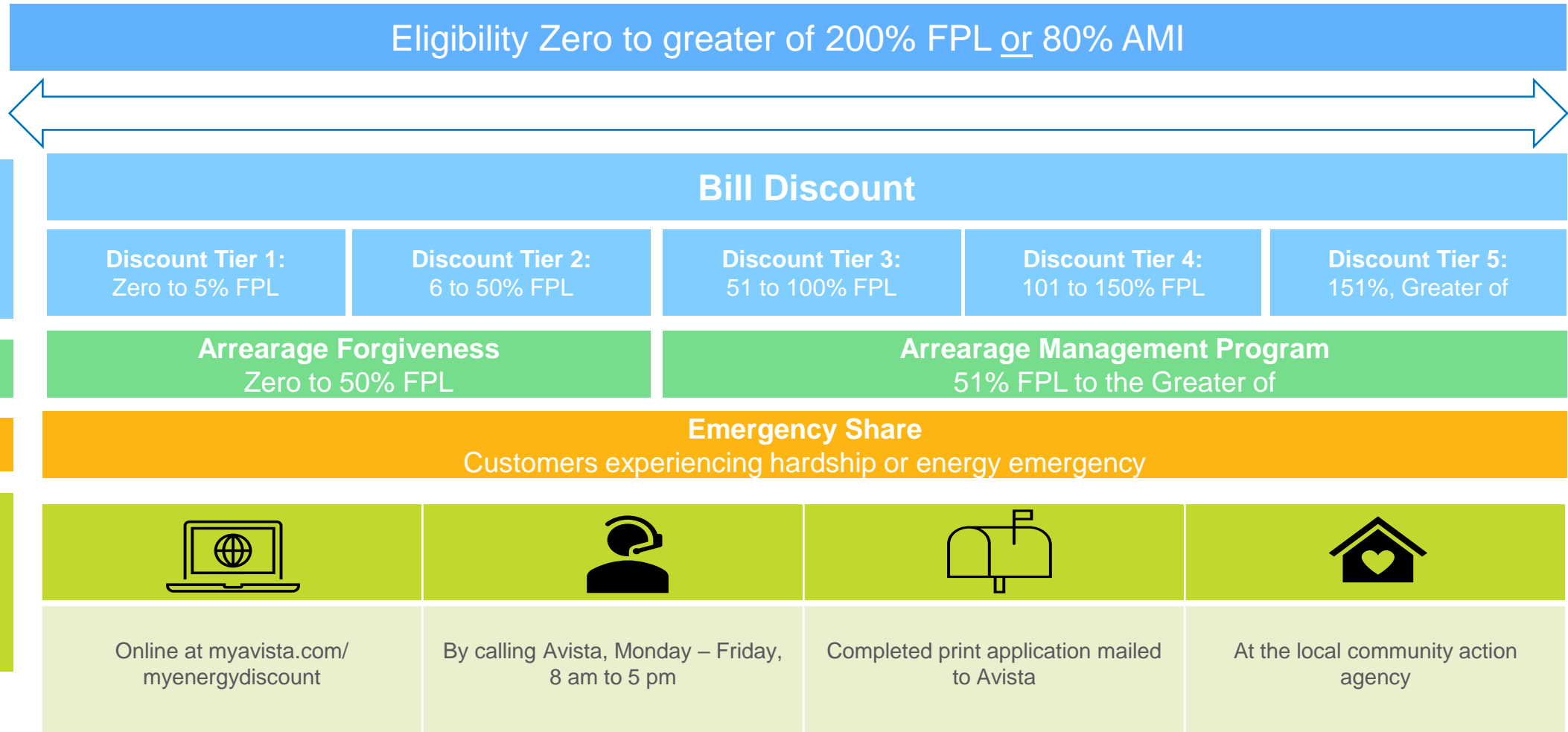
LIRAP can help a household avoid having its utilities shut off, reestablish service after a disruption, and/or improve affordability of energy.



PURPOSE: Reduce Energy Cost Burden and Encourage Energy Conservation

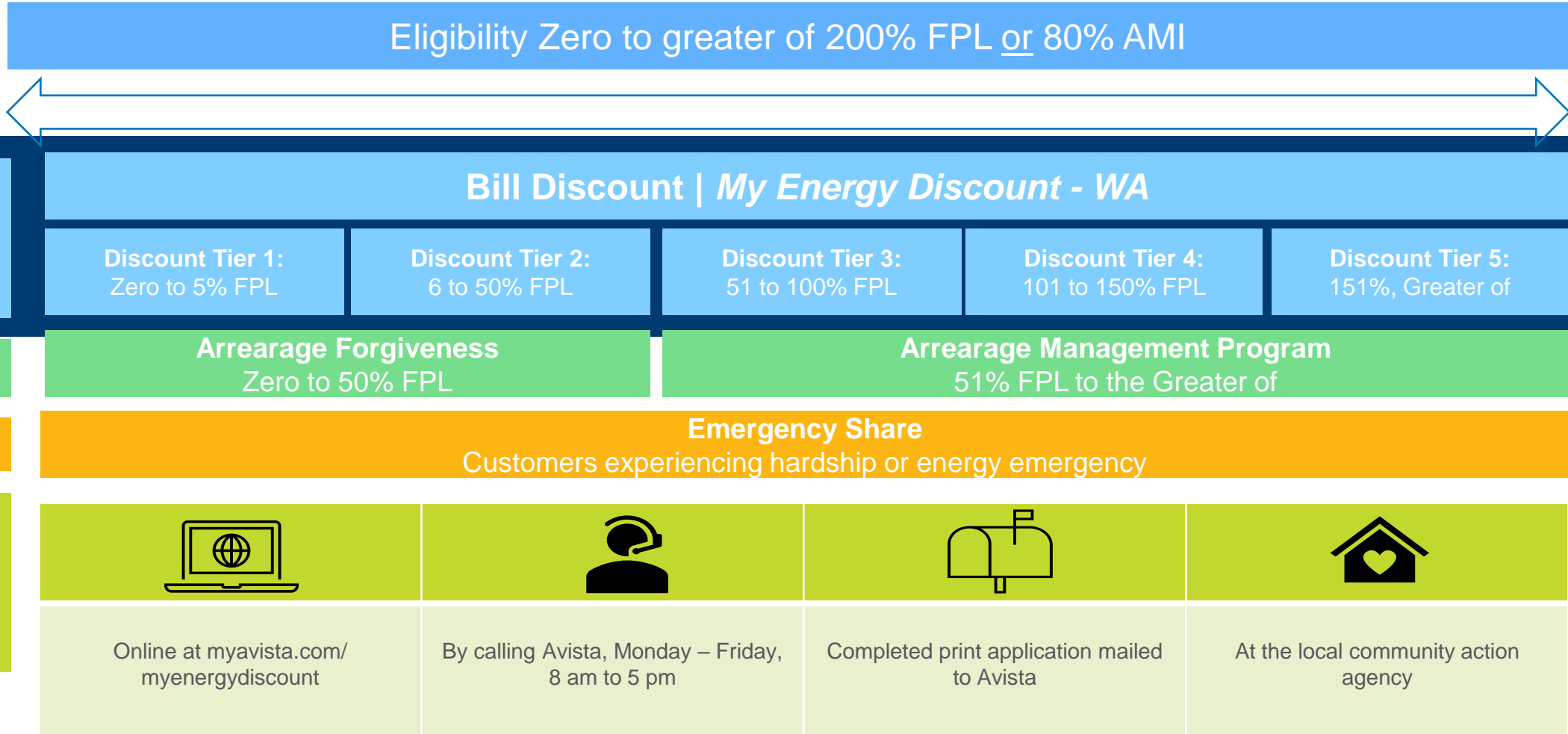
New Washington LIRAP

Effective October 1, 2023



New Washington LIRAP

Effective October 1, 2023

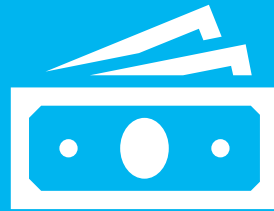


Program Eligibility

My Energy Discount - WA



WA residential customer with gas and/or electric service



Self-declared household gross income is less than 80% AMI *or* 200% FPL



Agreement with the terms & conditions

Program Features

My Energy Discount - WA



Discounts are based on self-declared monthly or annual income



Jointly administered between Avista and agencies



Customers who have received assistance in the last two years will be auto-enrolled on October 1st



No paperwork required



Participants remain eligible for other helpful programs through their local agencies, as well as other energy assistance

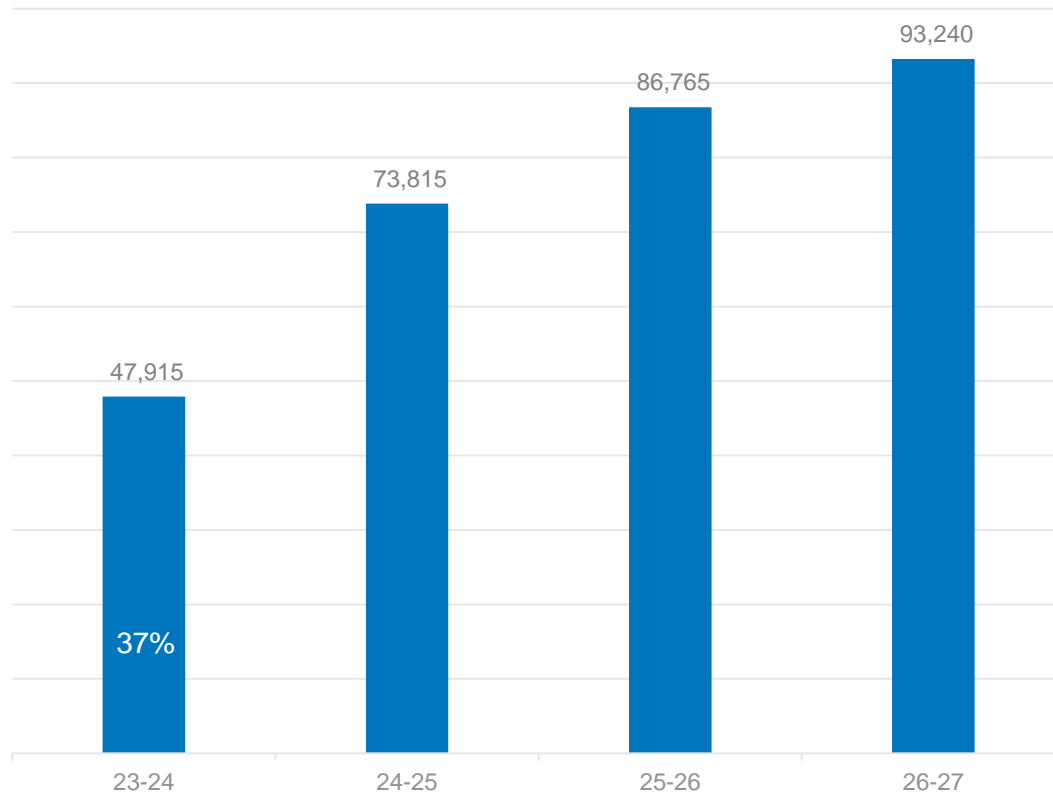


6% of enrolled customers will be randomly selected to verify their income through their CAA

Forecasted Impact

My Energy Discount - WA

Forecasted Saturation by Program Year



Eligible Avista Customers:

129,266

Average Saturation (2017-2019):

20%

Forecasted Saturation, year one:

37%



Specific Actions: Energy Efficiency and Demand Response

2024 and 2025

Energy Efficiency and Demand Response Overview

Demand Response Pilots for 2024-2025

Small Business Lighting Direct-Install Program

Avista-Spokane Tribe Energy Partnership

Low Income Weatherization and Deferred Maintenance Pilot

Named Communities Investment Fund



<https://www.myavista.com/energy-savings/rebate-overview>



Demand Response Pilot Programs- Time of Use, Peak Time Rebate

Who can participate?

1,000 residential customers and 500 small business customers in each initial pilot

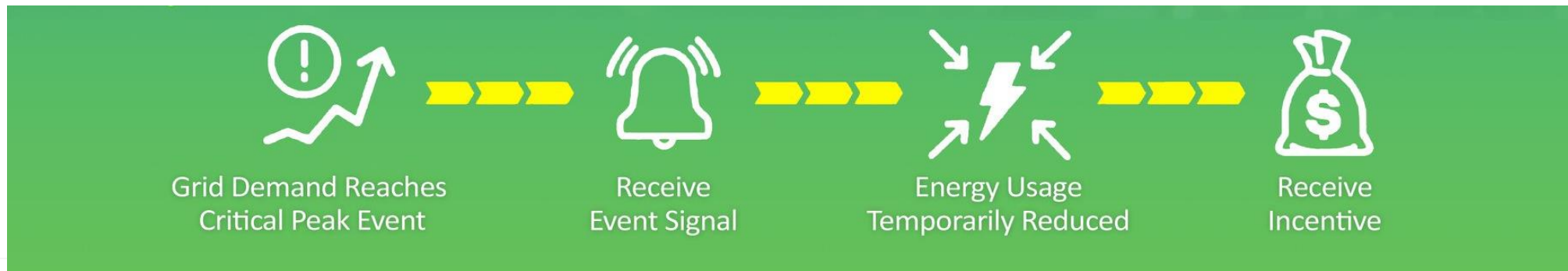
Time of Use:

Two new rate options that create the ability for customers to choose different electricity pricing at different times of the day

Peak Time Rebate:

Participating customers get payments for reducing their electricity load when a utility requests them to do so during a particular “peak time” event.

Availability: Starting June 1, 2024



Small Business Direct-Install Lighting Program

What customers receive:

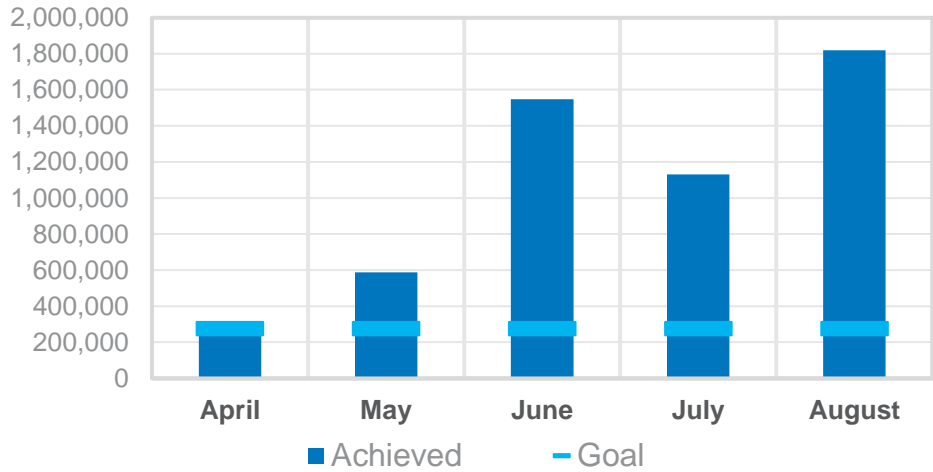
Installation of low/no-cost energy-saving lighting (LED lamps, fixtures and controls), a brief onsite audit to identify opportunities and interest in other Avista programs as well as leave-behind materials and contact information for customer follow-up.

How customers participate:

In partnership with 20 local Trade Allies, customers are contacted by direct mail postcards, door-to-door sales or by expressing interest directly on MyAvista.com

Who can participate?
 Small and medium (Sch 11/12) retail electric customers in Washington and Idaho

kWh Savings (WA)



\$2,998,176 in customer lighting upgrade costs covered (WA)



Avista is here to help you save.

Increasing energy-efficiency through lighting is one of the easiest ways for a small business to bring down operating costs. Avista is now working with trade allies in your area to help you get the most out of every dollar spent on lighting. Upgrade your lighting and start saving today!

Avista- Spokane Tribe Energy Partnership



Spokane Tribe
of Indians

Clean Energy Fund Grid Resiliency Design Project: Financial support to design and engineer an energy storage and microgrid project in partnership with the Spokane Tribe. The project will support increased energy resilience and energy sovereignty.

Energy Audits for 11 buildings in Wellpinit: Help the Tribe understand current energy consumption and evaluate potential of possible energy efficiency upgrades; can help shape Tribe's energy strategy.

Grant Writing support: Help identify and pursue funding opportunities to carry out various energy efficiency and grid modernization projects that advance the Tribe's energy strategy



RESOURCE
SYNERGY

Photographs



Carrier ASHP



Tear In Fabric Duct Transition



Example 1500W Space Heater



Proposed 200W Panel Heater

Low-Income Weatherization Program

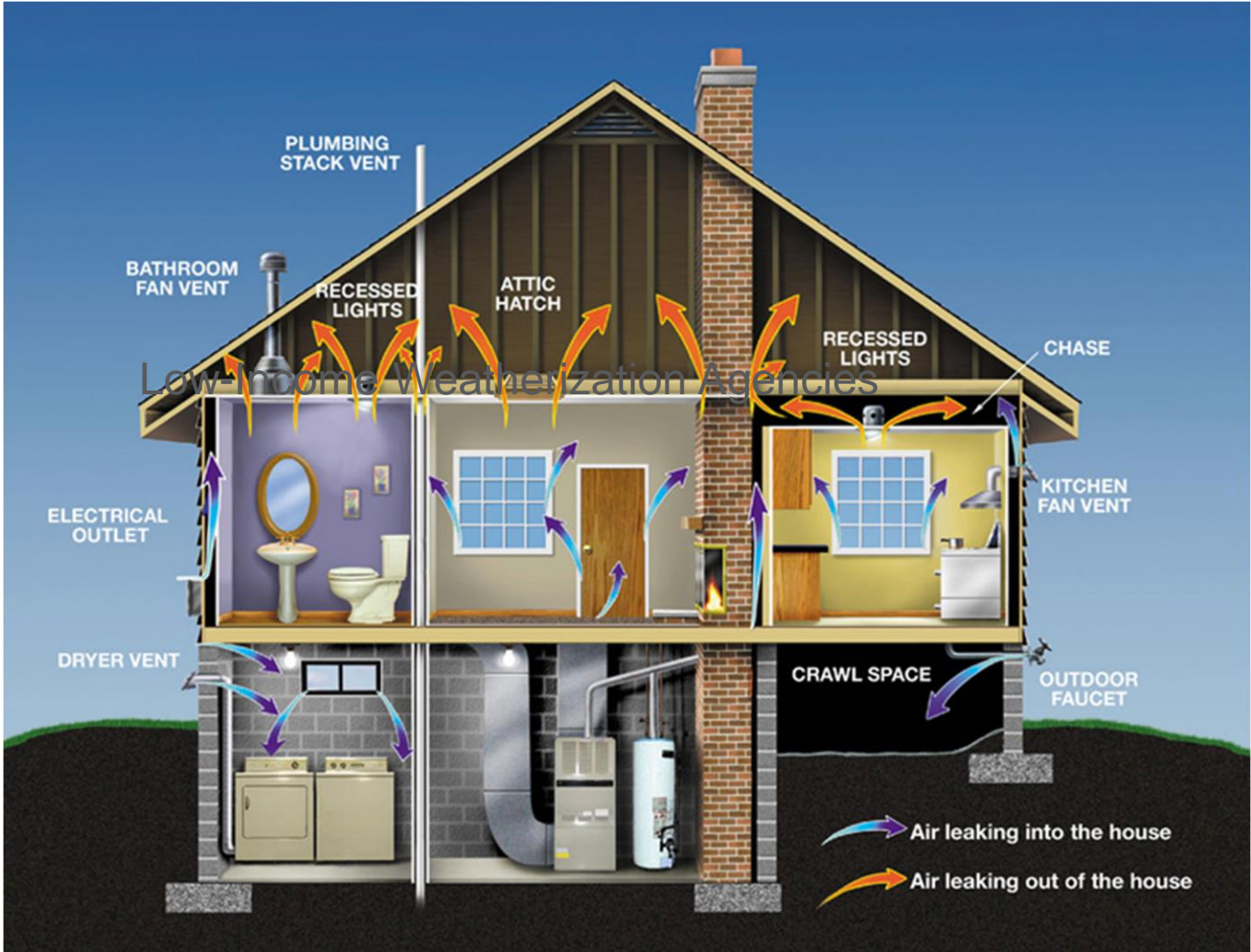


Image credit: South Middlesex Opportunity Council

Low-Income Weatherization Agencies



Community Action Council
of Lewis, Mason & Thurston Counties



Deferred Maintenance Pilot

UE-220053, UG-220054, and UE-210854 *(Consolidated)*

Avista agrees to the following related to low-income conservation/weatherization:

- ii. In consultation with its EEAG, **to develop a pilot program to overcome the inability to weatherize homes because of deferred maintenance or large repairs.**



Pilot Summary

Timeline

October 1, 2023 – Q4-2024



Location

Washington service territory



Customer Segment

Qualified low-income electric Avista customers who qualify with the local WA State Community Action Agency, including customers living in a Named Community.



How

Community Action Agencies



Community Action Council
of Lewis, Mason & Thurston Counties



Pilot Intent & Value

What are the intended and allowed uses of funds?

- Replace knob and tube wiring
- Full electrical rewiring or panel upgrade
- Roof replacement
- Removal of asbestos or vermiculite
- Mechanical upgrades to all electrical heat pumps and heat pump water heaters
- Other projects that would enable “weatherization-ready” homes

Relationship to Existing Program

Low Income Weatherization



- Insulation (*floor, attic, ceiling, etc.*)
- Heat pumps
- Weather stripping
- LED
- Windows and doors
- Water heaters
- Smart thermostat
- Door Sweep
- Energy Star refrigerator

Health & Safety



- 30% funding cap
- EXAMPLES
- bathroom fans
 - smoke detectors
 - carbon monoxide detectors



Deferred Maintenance Pilot



- \$1 million total
- up to \$25k per customer
- Demo – 1 year
- Flexible dollars to move customer to “weatherization-ready”

CETA Equity Areas

Equity Areas

Affordability: Participation in Company programs.

Affordability: Number of households with high energy burden.

Community Development: Investment in Named Community

Public Health: Indoor air quality



Named Communities Investment Fund

Named Communities Investment Fund

- Specific Action dedicated to the equitable distribution of energy and non-energy benefits and reduction in burdens to Named Communities
- Funding is limited to 1% or approximately \$5.0 million annually

40% or up to \$2M
Supplement and support **energy efficiency** efforts targeted to Named Communities

20% or up to \$1M
Investments in distribution resiliency efforts for Named Communities

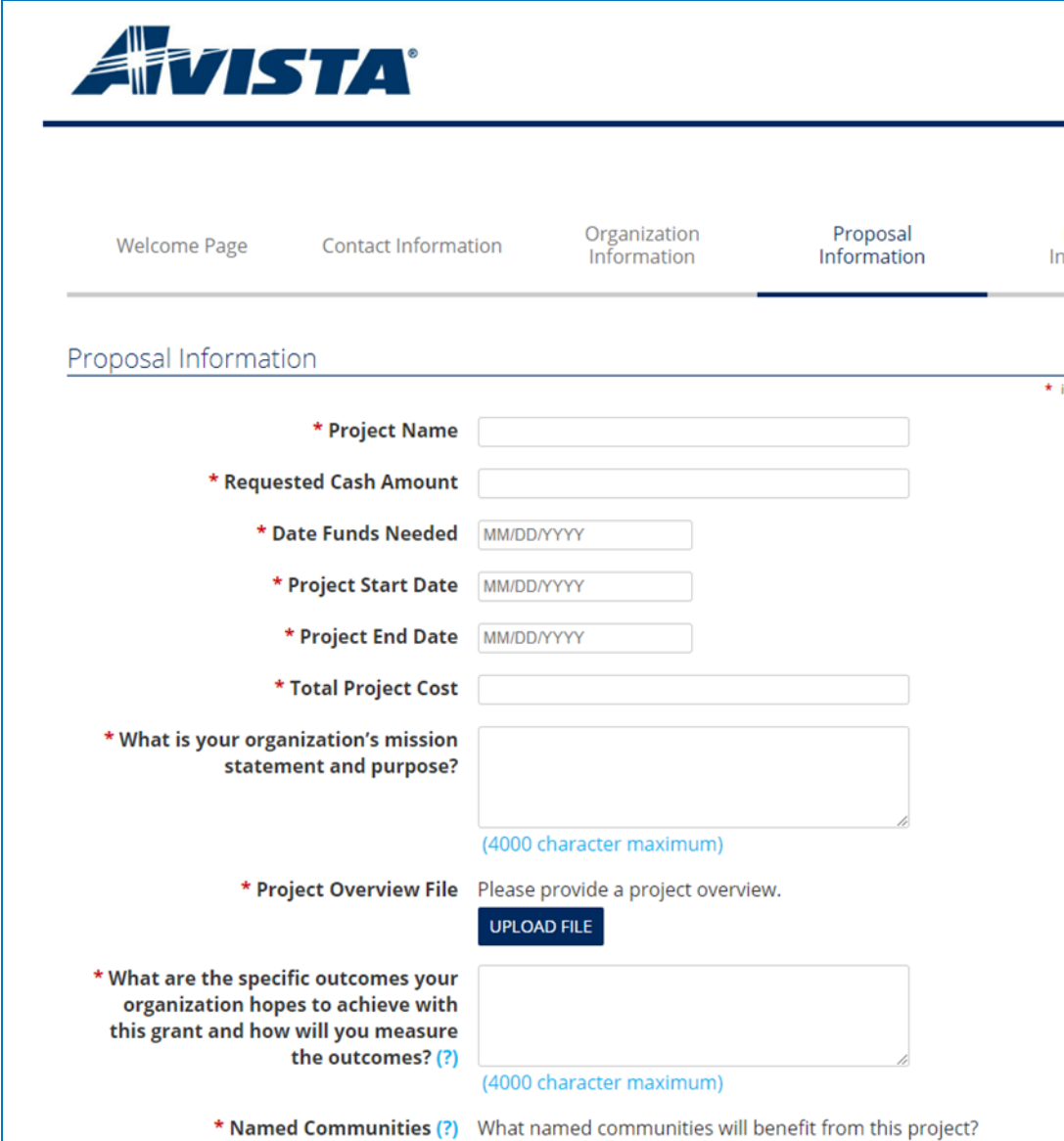
20% or up to \$1M
Incentives or grants to develop projects by local customers or third parties

10% or up to \$500,000
Used for newly developed targeted outreach and engagement efforts specifically for Named Communities.

10% or up to \$500,000
Used for other projects, programs or initiatives specific to Named Communities

Application Process

- Easily accessible via online portal
- Applicants establish a user ID and password
- Gathers general information about the applicant and proposal
- The application is open continuously and award decisions will be communicated within 45 days of submission



The screenshot displays the AVISTA logo at the top left. Below it is a navigation menu with five items: "Welcome Page", "Contact Information", "Organization Information", "Proposal Information" (which is highlighted with a blue underline), and "In". The main content area is titled "Proposal Information" and contains several required fields, each marked with a red asterisk:

- * Project Name**: A text input field.
- * Requested Cash Amount**: A text input field.
- * Date Funds Needed**: A date input field with the format MM/DD/YYYY.
- * Project Start Date**: A date input field with the format MM/DD/YYYY.
- * Project End Date**: A date input field with the format MM/DD/YYYY.
- * Total Project Cost**: A text input field.
- * What is your organization's mission statement and purpose?**: A large text area with a blue link "(4000 character maximum)" below it.
- * Project Overview File**: A section with the text "Please provide a project overview." and a blue "UPLOAD FILE" button.
- * What are the specific outcomes your organization hopes to achieve with this grant and how will you measure the outcomes? (?)**: A large text area with a blue link "(4000 character maximum)" below it.
- * Named Communities (?)**: A section with the text "What named communities will benefit from this project?"

Scoring and Prioritization

Proposal Assessment, includes the following factors:

- Serving Named Communities
- Addressing the Customer Benefit Indicators
- Equity Areas
 - Affordability, Access to Clean Energy, Energy Security, Community Development, and Environment



Customer Benefit Indicators

Participation in Company Programs
Number of households with a high energy burden
Availability of Methods/Modes of Outreach & Communication
Transportation Electrification
Named Community Clean Energy
Investments in Named Communities
Energy Availability
Energy Generation Location
Outdoor Air Quality
Greenhouse Gas Emissions
Employee Diversity
Supplier Diversity
Indoor Air Quality

Equity Advisory Group's Energy Efficiency Prioritization

Rank	EAG NCIF Prioritized Initiatives
1	Focus efforts on improving energy efficiency (and EE awareness/education) for schools, community centers, and other places where Named Communities spend time
1	Focus efforts on improving energy efficiency for Spokane Tribe partners
2	Improve energy efficiency in multi-family and mobile home communities
3	Increase tree canopy and shade in Named Communities (consider tradeoffs with solar)
3	Increase access to energy efficient products and appliances for Named Communities
4	Increase awareness of and engagement in energy efficiency programs while also meeting whole-house needs through community-based partnerships and referrals to services
5	Set aside funds to match for energy efficiency grant applications for community organizations and tribal partners (could have higher feasibility)
6	Focus efforts on improving energy efficiency for community members without stable housing (consider including with other initiatives)

NCIF projects

Health & Safety for Mobile Homes

- Partnership with Spokane Neighborhood Action Programs (SNAP)
 - Phase 1 Mobile Home Co-Op
 - Phase 2 Manufactured Homes in Census Block with high low income



Don't miss out on free home improvements!

Avista and SNAP care about your comfort and safety at home. So we're partnering to offer residents free home improvements, including:

- new heating and hot water equipment
- added insulation
- new doors and windows
- smoke and carbon monoxide detectors
- furnace servicing

We'd like to visit with you to determine what your home needs. Then we can decide together on the best time to do the work. It's all free and we want to help every interested resident as soon as possible. Call for an appointment today: **509-456-7627 (extension 2419)**





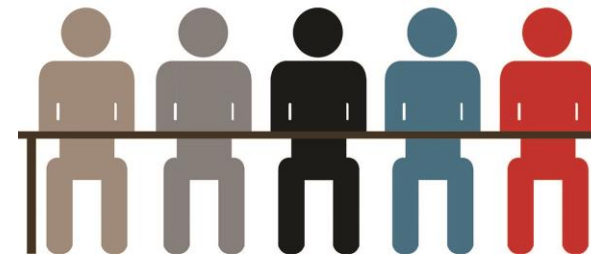
Public Participation



Avista’s Public Participation Plan was filed May 1, 2023, which outlines ways in which Avista intends to mitigate public participation barriers and implement meaningful strategies to engage all customers including vulnerable populations and highly impact communities, ensuring the equitable distribution of energy and non-energy benefits throughout the CEIP implementation period.

Biennial Updates

- Multi-Language Strategy
- CEIP Newsletter
- Public Comment Form
- Frequently Asked Questions and Answers
- Public Participation Meeting
- Equity Advisory Group (EAG)





Conditions

Conditions

38 conditions agreed to by Avista

- Interim & Specific Targets
- Baseline Conditions
- Specific Actions
- Demand Response
- Distributed Energy Resources & Distribution Planning
- Energy Efficiency
- Customer Benefit Indicators
- Public Participation & Equity Advisory Group
- Incremental Cost of Compliance
- Integrated Resource Plan
- Cost Recovery



Thank You

www.myavista.com/ceta

ceta@avistacorp.com



Appendix

CEIP Conditions

Condition 1

Once the Commission has adopted final “use” rules in Docket UE-210183, in its Clean Energy Implementation Plan (CEIP) docket, if different than Table 2.1 on page 2-3 in the CEIP, Avista shall update its CEIP to reflect the percentage of retail sales of electricity supplied by non-emitting resources and renewable resources in 2020 within 30 days.

Condition 2

Avista will apply Non-Energy Impacts (NEIs) and Customer Benefit Indicators (CBIs) to all resource and program selections in determining its Washington resource strategy, in its 2023 Integrated Resource Plan (IRP) Progress Report and will incorporate any guidance given by the Commission on how to best utilize CBIs in CEIP planning and evaluation. Avista agrees to engage and consult with its applicable advisory groups (IRP Technical Advisory Committee (TAC) and Energy Efficiency Advisory Group (EEAG)) regarding an appropriate methodology for including NEIs and CBIs in its resource selection.

Condition 3

Regarding transparency of resource acquisitions, Avista will provide an update at its next IRP TAC meeting following the acquisition, of any material demand-side resource acquisition or utility scale resource acquisition with a term longer than 2 years.

Condition 4

While inclusion in the CEIP could factor into a prudence determination, Avista agrees not to rely solely on the 2021 CEIP to justify prudence of utility scale renewable resource acquisitions made on or after January 1, 2022. While the CEIP may include specific actions Avista may take to comply with CETA's clean energy targets, prudence determinations of utility scale renewable resource acquisitions will be made through the general rate case process.

CEIP Conditions

Condition 5

In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include descriptions of quantitative (i.e., cost based) and qualitative (e.g., equity considerations) analyses that support interim targets to comply with the Clean Energy Transformation Act's (CETA) 2030 and 2045 clean energy standards.

Condition 6

In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost solution that complies with CETA.

Condition 7

Avista commits to the following minimum Interim Renewable Energy Targets for the 2022-2025 CEIP implementation period:

Year Interim Target

2022	40%
2023	47.5%
2024	55%
2025	62.5%

Condition 8

Avista in its IRP resource selection model for the 2023 IRP Progress Report will give the model the option to meet CETA goals with a choice between an Idaho allocated existing renewable resource at market price (limited to Kettle Falls, Palouse Wind, Rattle Snake Flats Chelan PUD purchase contracts 2 & 3) or acquiring a new 100% allocated Washington renewable resource for primary compliance. Further, the model will have the option to acquire new 100% allocated resource, market REC, or Idaho allocated REC (at market prices) to meet alternative compliance.

CEIP Conditions

Condition 9

Avista agrees to update and expand its Vulnerable Populations areas within its 2023 Biennial CEIP Update taking into account the additional criteria developed by the EAG and Energy Assistance Advisory Group (EAAG) and to ensure updates are in line with the definition of Vulnerable Populations outlined in RCW 19.405.020(40). Additional work is needed to develop a consistent methodology and data source identification. This additional work is primarily related to identifying a consistent data source(s) to evaluate each characteristic and then overlaying it onto a map.

Condition 10

By December 1, 2022, in collaboration with its EAG and EAAG and per WAC 480-100-640(5)(a) and (c), Avista agrees to identify at least one specific action that will serve a designated subset of Named Communities, to be funded by the Named Communities Investment Fund, and to identify and track all CBIs relevant to this specific action. The location identified for the specific action will be at the granularity of the designated Named Communities subset.

Condition 11

Avista will share and present the results, analysis, and conclusions of its pricing pilots with its EEAG, EAAG, and IRP TAC following the completion of the third-party evaluator's review of the pilots. If Avista develops pricing programs based on the results of its pricing pilots, it will work with its advisory groups to develop program targets.

Condition 12

When the Department of Commerce adopts a permanent standard for grid-enabled water heaters in WAC 194-24-180, Avista will develop a pilot demand response program. Avista will work with its EEAG on the pilot program implementation timing and how to incorporate results into its planning efforts.

CEIP Conditions

Condition 13

Avista will initiate its Distribution Planning Advisory Group (DPAG) no later than the end of 2022, and it must invite all existing advisory groups to participate in the new group. Avista acknowledges that stakeholders have limited resources and will consult between existing advisory groups and stakeholders regarding streamlining.

Condition 14

Avista will include a Distributed Energy Resources (DERs) potential assessment for each distribution feeder no later than its 2025 electric IRP. Avista will develop a scope of work for this project no later than the end of 2022, including input from the IRP TAC, EEAG, and DPAG. The assessment will include a low-income DER potential assessment. Avista will document its DER potential assessment work in the Company's 2023 IRP Progress Report in the form of a project plan, including project schedule, interim milestones, and explanations of how these efforts address WAC 480-100-620(3)(b)(iii) and (iv).

Condition 15

Avista agrees to evaluate the need for a targeted DER Request for Proposals (RFP) if a need is demonstrated as part of its DPAG process.

Condition 16

Avista will update its energy efficiency (EE) target no later than the 2023 Biennial CEIP Update, when the next Biennial Conservation Plan is due on November 1, 2023, based on continued discussion of its residential EE savings target and programs with its EEAG. Discussion will include program design elements which could promote more participation and additional uses of the Named Communities Investment Fund, if approved.

CEIP Conditions

Condition 17

As part of its CBI Participation in Company Programs, Avista agrees to track the number of residential appliance and equipment rebates provided to customers residing in Named Communities and the number of residential rebates provided to customers residing in rental units and commits to work to expand data availability during this CEIP period. Avista agrees to discuss programs to increase the number of participating households in Named Communities with its EEAG and move forward with feasible programs, if identified.

Condition 18

Avista agrees that the CBI – Number of Households with a High Energy Burden (>6%), will be separately tracked for all Avista electric customers, Known Low Income (KLI) customers and Named Communities. KLI customers are defined as those who have received energy assistance during the prior two years.

Condition 19

Avista agrees that for its CBI – Availability of Methods/Modes of Outreach and Communications, an additional metric will be identified to track increased availability of translation services by October 1, 2022. Once identified, a baseline for the metric will be established and the metric will be reported in the 2023 Biennial CEIP Update.

Condition 20

Avista agrees that for the CBI – Outdoor Air Quality, it will adopt a metric related to decreased wood use for home heating in its 2023 Biennial CEIP Update. The data included in this metric may include the data from the Company's wood stove replacement program offered in partnership with the Spokane Clean Air Agency, as well as data from other sources. Avista will work with its EEAG and other appropriate advisory groups to identify and evaluate additional wood stove usage metrics to be proposed in the 2023 Biennial CEIP Update, if applicable.

CEIP Conditions

Condition 21

Avista agrees that the CBI – Energy Availability will include a metric related to the frequency of customer outages for all customers, Vulnerable Populations, and Highly Impacted Communities.

Condition 22

Avista agrees to add the following CBI and metrics related to Energy Security:
CBI: Residential Arrearages and Disconnections for Nonpayment Measurement 1. Arrearages and 2. Disconnections

Condition 23

Avista must formally present and discuss any Joint Advocate or other stakeholder proposed CBI that was not included in the Company's filed CEIP and the final Commission approved CEIP with conditions, to its advisory groups, customers, and other interested stakeholders at a CEIP Public Participation Meeting(s) and at a separate joint advisory group meeting(s), to include the EEAG, EAAG, and EAG. Following these discussions and careful consideration of the feedback received, Avista will propose an updated set of CBIs and associated metrics in its 2023 Biennial CEIP Update.

Condition 24

Avista must engage collaboratively with its advisory groups (EAG, EEAG, EAAG) to create a metric for Indoor Air Quality and submit formal metric for evaluation no later than in its 2023 Biennial CEIP Update.

Condition 25

Avista agrees that in its 2023 Biennial CEIP Update and future CEIPs and CEIP updates, CBIs will be categorized by statutory benefit area.

CEIP Conditions

Condition 26

For the CBI – Named Community Clean Energy Avista agrees to eliminate the current metric on “percent non-emitting renewable energy located in Named Communities,” and instead measure the following in Named Communities: (1) total MWh of distributed energy resources 5 MW and under; (2) total MWs of energy storage resources 5 MW and under; and (3) number (i.e., sites, projects, and/or households) of distributed renewable generation resources and energy storage resources.

Condition 27

Avista’s EAG shall not be responsible for the designation of Highly Impacted Communities and the Company’s advisory groups should be facilitated such that this designation is not under consideration.

Condition 28

Avista will include a publicly available and regularly updated list of its EAG members and their organization or community affiliations on its website and in future Biennial CEIP Updates and CEIPs.

Condition 29

Avista agrees that all future EAG meetings will be fully open to the public.

CEIP Conditions

Condition 30

On or before October 1, 2022, Avista must file with the Commission:

a. A progress report on what actions have been taken since October 2021 to reduce barriers to public participation (e.g., steps taken to reduce barriers including but not limited to non-English speaking customers).

b. An update to the Company's customer engagement plan it will implement during the 2022-2025 timeframe and provide a progress report of this plan in the 2023 Biennial CEIP Update.

Condition 31

On or before October 1, 2022, Avista agrees to provide in its CEIP docket a report on the changes regarding the EAG Equity Lens Sessions discussed and made with the EAG in March 2022, the facilitator, and the Company.

Condition 32

Avista will participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.

Condition 33

Avista agrees to model a scenario in the 2025 Electric IRP meeting the minimum level of primary compliance requirements beginning in 2030 that will create the glide path to 2045. If the results of this modeling differ from the Company's PRS and Clean Energy Action Plan, it must explain why.

CEIP Conditions

Condition 34

For its 2023 IRP Progress Report, Avista commits to reevaluate its resource need given acquisitions the Company has made since its 2021 IRP (e.g., Chelan PUD hydro slice contracts) and include those proposed changes in its 2023 Biennial CEIP Update.

Condition 35

Avista recognizes that not all CBIs will be relevant to resource selection (for example, some CBIs pertain to program implementation). For its 2023 IRP Progress Report, and future IRPs and progress reports, Avista should discuss each CBI and where the CBI is not relevant to resource selection, explain why.

Condition 36

For its 2023 IRP Progress Report, Avista will:

- a. At the September 28, 2022, Electric IRP TAC meeting, present draft supply side resource cost assumptions, including DERs. The Company commits to revising said cost assumptions if TAC stakeholder feedback warrants changes. Avista will update its 2023 Electric IRP Work Plan (UE-200301) to reflect the date of this TAC meeting.
- b. Use the Qualifying Capacity Credit (QCC) for renewable and storage resources from the Western Power Pool's Western Regional Adequacy Program (WRAP), if available, or explain why the WRAP's QCCs are inappropriate for use.
- c. Update its load forecast to include the baseline zero emission vehicle (ZEV) scenario from its Transportation Electrification Plan.

CEIP Conditions

Condition 37

In order to provide a means of recovery of prudently incurred costs associated with implementing this CEIP and associated conditions, the Company will file a separate accounting petition to address deferred accounting for such costs until they are reviewed and deemed prudent for recovery or not by the Commission.

Condition 38

Avista must choose at least two of its current CBIs which it will track for at least five subsets of Named Communities, at a granularity to be determined by agreement with Staff, stakeholders, and the Company's Equity Advisory Group. Avista will incorporate relevant updates in its 2023 Biennial CEIP update.