

April 22, 2021

To Our Valued Customers,

We have seen a growing focus on clean energy at the national, regional and local levels. Our customers and communities continue to express interest in how Avista is planning for the future and the role we play in contributing to the long-term sustainability of our communities. Since our founding in 1889, we've embodied our commitment to environmental stewardship with ongoing innovation and a focus on clean energy.

This is why we're proud to announce our aspirational goals to reduce natural gas emissions 30% by 2030 and to be carbon neutral in our natural gas operations by 2045.

These new goals build on the clean electricity goals we set in 2019 to serve our customers with 100 percent clean electricity by 2045 and to have a carbon-neutral supply of electricity by the end of 2027. Today's natural gas goal announcement demonstrates that Avista's vision of a clean energy future encompasses both electric and natural gas resources. We are dedicated to reducing and ultimately eliminating greenhouse gases from the energy we deliver to our customers.

Keeping costs affordable will be central in how we move forward, and innovation and new technologies are necessary to achieve these goals. Avista's approach to reducing natural gas emissions includes investing in new technologies, like renewable natural gas (RNG), hydrogen and other renewable biofuels. We are evaluating how to best integrate RNG into our gas supply portfolio and researching hydrogen as another renewable fuel. Our other strategies include reducing consumption via conservation and energy efficiency and improving infrastructure.

Natural gas is one of the cleanest burning fuels, and it plays a key role in reducing carbon emissions, particularly when used directly by customers in their homes rather than used to generate electricity to meet the same need. Even though natural gas is a clean fuel, we believe we can make it greener.

Throughout our history, we've maintained a generation portfolio that is more than half renewable and a track record of environmental stewardship. Some examples of this include:

- In 2020, Avista doubled wind power generation—Rattlesnake Flat Wind and Palouse Wind projects together have 115 wind turbines, generating enough electricity to power nearly 75,000 homes.
- Forty years ago, Avista was one of the first utilities in the nation to establish an energy efficiency program, and since this program started, customer electric usage has been reduced by 15 percent.
- In the 1980s, the company built the first utility-scale biomass wood-fired power plant, improving air quality where waste from the timber industry was otherwise burned onsite without emissions controls.

As we plan for the future, listen to our customers and continue to invest in clean energy, we recognize the value of establishing defined clean energy goals. We are committed to continuing

our investments in research and development to enable a sustainable future that benefits all of us.

We will continue to engage with our customers and partners to make our goals a reality.

For more information about our clean energy goals and commitment to environmental stewardship, please visit www.myavista.com/greener.

We are proud to be your energy provider.

Sincerely,
Dennis Vermillion, President and CEO of Avista

