

Solar Select™ Frequently Asked Questions

Contents

Program Overview and How Solar Select Works	1
Participation Requirements	3
Cost and Payment	4
Solar Production.....	5
Development, Equipment, Operations and Maintenance.....	5
Environmental Benefits.....	6
Solar Resource Development Costs	6
Current Net Metering Customers	7

Program Overview and How Solar Select Works

What is Avista Solar Select?

Avista is bringing a renewable energy option to its large commercial & industrial customers through the development of a 28 MW (DC) shared commercial solar production facility (Solar Resource). The facility will be regionally located in Lind, Washington, Adams County. It is estimated to generate nearly 50 million kilowatt hours (kWhs) each year. This clean renewable energy from the sun will directly serve Avista’s electric grid for decades.

How does a shared commercial solar program work?

Shared commercial solar enables Avista Washington Electric Customers, Schedule 21, 25, and 31, to participate in the benefits of solar energy through a centralized solar production facility without the need to place panels on your own property.

Many commercial properties in the United States are not well suited for the installation of traditional rooftop solar for a variety of reasons, including shading limitations, shared rooftop ownership, structural issues, maintenance accessibility, and building code limitations.

By participating in the Solar Select program, you are supporting the integration of regional solar on to the Avista electric grid and you can send the powerful message that you are operating all or a portion of your business with renewable energy. You will also receive the renewable energy credits associated with this solar resource.

Participating customers may purchase a defined volume of kWhs, not to exceed 1.2 million kWhs, at a fixed rate per kWh over an eight year period.

In addition, Avista will acquire the Renewable Energy Credits (RECs) that are created from the Solar Resource and will retire them on your behalf in the Western Renewable Generation Information System (WREGIS), unless other terms are agreed upon between you and Avista.

What is a Renewable Energy Credit (REC)?

A renewable energy credit represents the environmental attributes associated with one megawatt-hour of renewable energy generated and delivered to the power grid.

Avista will acquire the RECs that are created from the Solar Resource electricity production and retire them on your behalf in the Western Renewable Generation Information System (WREGIS), unless other terms are agreed upon between you and Avista.

How do I participate?

All qualifying Avista customers must fill out a Reservation Request form for an opportunity to participate in the Solar Select Program. Reservation Request forms are available at www.myavista.com/solarselect.

Reservation forms must be electronically submitted to solarselect@avistacorp.com after the [enrollment period begins on May 1, 2018 at 8:00 am PDT](#). Participation will be granted on a “first come first served” basis. Electronic receipt of your reservation form will determine the success of your reservation status.

In order to qualify for the Solar Select program, you must be an Avista Washington electric commercial/industrial customer in good standing who operates within one of the following rate Schedules: 21 - Large General Service, 25 - Extra Large General Service, 31 - Pumping Service. Each customer or entity may only designate a single meter to participate in the program.

What is the process for participation?

- Avista will begin accepting Reservation Request forms on May 1, 2018 at 8:00 am PDT;
- You will receive a response confirming the receipt of your Reservation Request form within (2) business days;
- Within (10) business days of submitting your Reservation Request form you will receive confirmation of your reservation status, either letting you know that your spot is reserved in the program or that the program is already full;
- If your reservation is successful in the program you will be sent a Solar Select Service Agreement with your confirmation. The agreement must be signed and returned to Avista within (60) days of your receipt of confirmation, or your spot in the program will be forfeited;
- If the program is oversubscribed you will be placed on a waiting list for any potential opening;
- If you desire more kWh from the program beyond the meter you designate, you can check a box on the Reservation Request form and Avista will look to allocate any remaining kWhs available from the Solar Resource after October 1, 2018. Any remaining kWhs will be allocated to customers in the same order by which Reservation Request forms were received with those boxes check for additional kWh.

What happens if Avista is unable to fulfill my reservation request?

You will be notified by email soon after Solar Select is fully subscribed to let you know that Avista is currently unable to fulfill your reservation request and you will be placed on a “waiting list”. Should other enrolled customers not move forward with signing a Solar Select Service Agreement you will be contacted for inclusion. You will also be contacted if any other commercial solar programs are planned for development by Avista in the future.

Avista offers other renewable energy programs that may be of interest to you, such as Buck-A-Block which allows customers to purchase blocks of alternative renewable energy. With each \$1 block purchased, Avista is then able to purchase a Renewable Energy Certificate (REC) from a qualified renewable energy resource. Each REC represents 300 kWh of renewable energy (such as solar, wind, or biomass) that is then introduced into Avista's grid and used to fulfill its customers' energy demands.

What happens if my business moves?

If your business moves at any time during the eight year term of the program, your commitment in the program can easily "move" with you if you remain within Avista Utilities electric service area in Washington. You can update your agreement and have your solar kWhs applied to your new Schedule 21, 25 or 31 commercial account with just a phone call to 1-800-727-9170.

In the event your business is moving out of Avista Utility's electric service area in Washington, you may transfer your kWhs to another Avista Utilities Schedule 21, 25 or 31 commercial customer, with Avista's assistance.

What agreements must I sign to participate?

You must fill out a Reservation Request form available at www.myavista.com/solarselect.

Reservation forms must be electronically submitted to solarselect@avistacorp.com after the [enrollment period begins on May 1, 2018 at 8:00 am PDT](#).

If you are selected, you must sign a Solar Select Service Agreement, which outlines all terms and conditions of the program. If your service agreement is not fully executed within 60 days, your reservation in the program will be forfeited.

Your service agreement must be signed by a qualified representative of your organization and Avista.

Participation Requirements

Who is eligible for Solar Select?

In order to qualify for the Solar Select program, you must be an Avista Washington electric commercial/industrial customer in good standing who operates within one of the following rate Schedules:

- 21 - Large General Service
- 25 - Extra Large General Service
- 31 - Pumping Service

What is the duration of the program?

You will be expected to make a commitment to the Solar Select Program for eight years and there may be a fee for early termination. If you do need to terminate your participation in the program, you can transfer your obligation from one location to another or you may also assign your Solar Select Program Service Agreement to another eligible customer. In either scenario you will avoid any early termination fees.

Cost and Payment

Will I have to pay additional fees in the future?

No you will not. There are no upfront fees or capital costs for participating in the program. On your monthly bill you will see three new line items:

1. Solar Resource Charge: this is the charge you pay per kWh from the Solar Resource.
2. Solar Resource Credit: this the credit you will receive for the kWhs you no longer need from Avista's existing generation resources.
3. Renewable Generation Incentive: this is a credit you will receive per kWh for the difference between the Solar Resource Charge and Solar Resource Credit.

The sum of the three items above will equal a net cost of \$0.000 per kWh, for all kWhs you purchase from the Solar Select Program.

How do the Federal Tax Credit and Washington State Incentive Program apply to Solar Select?

The federal tax credit has already been applied in the financing and development cost of the Solar Facility in order to make this program economical for commercial participants. No filing or paperwork is required on your end.

Washington State's current shared commercial solar incentive, the Renewable Generation Incentive, will be applied as discussed above.

How much can I purchase?

The amount of kWhs produced at the facility has been carefully forecasted but can vary seasonally and year-to-year. The maximum amount of kWhs available to you will be determined according to your historical annual consumption, actual facility production, and the parameters of Avista's Solar Select program. The total amount of annual kWh you can commit to is 1.2 million kWh per year. Due to the actual production of the Solar Facility you may receive slightly less or more than what you commit to.

What will my monthly bill look like?

Your monthly bill will show the three new line items previously discussed, in addition, you will continue to pay the costs applicable to your existing tariff Schedule (whether Schedule 21, 25 or 31), which may fluctuate as they currently do.

How are the costs and credits calculated?

Your monthly Solar Resource charge is based on a Power Purchase Agreement Avista has established with the project owner of the Solar Facility. The Solar Resource Charge will be fixed over the eight year term of your service agreement and is \$0.05268 per kWh.

Solar Resource Credits will also be fixed over the eight year term of your service agreement and are based on the energy portion of rate Schedule 21, 25, and 31. Specifically the credits are \$0.02982 per kWh for Schedule 21, \$0.02707 per kWh for Schedule 25 and \$0.02664 per kWh for Schedule 31.

Additionally, Washington State's Renewable Generation Incentive will be available to offset the difference between the Solar Energy Charge and Solar Energy Credit. The Renewable Generation Incentives will be fixed over the eight year term of the program and will be \$0.02286 per kWh for Schedule 21, \$0.02560 for Schedule 25 and \$0.02604 for Schedule 31 customers. The impact of the incentive results in a net cost of \$0.00 per kWh for all kWh purchased through the Solar Select Program.

Solar Production

Will I get the same amount of solar kWhs each month?

No you will not. You will receive a volume of kWhs each month, based on your commitment and the overall level of production of the Solar Facility, which will vary seasonally and from year-to-year.

Is my subscription or commitment of kWhs in the program guaranteed?

No it is not. The actual kWhs you receive on a monthly basis will depend on the actual production of the Solar Facility. On an annual basis the amount of kWhs you receive should be close to what you signed up for.

What happens to the electricity produced by Solar Select?

The electricity produced by the shared commercial facility feeds directly into the local Avista Utilities grid. The electricity is metered on site in the same way as your home, and is tracked to determine the allocation to individual participants.

Development, Equipment, Operations and Maintenance

Who is developing the Solar Facility?

Avista has partnered with Strata Solar who will develop, operate and own the shared commercial solar facility located in Lind WA, within Avista's electric service area. Strata Solar is a

leading developer of utility-scale solar production facilities with 1,100 MW's of solar installed in the United States since 2008. Strata's vertically integrated structure spans the complete business value chain from Development, Project Finance, EPC, O&M to Asset Management as part of a comprehensive service to its utility partners and their customers.

What panels and equipment are being used for the Solar Facility?

The Solar Facility will be comprised of more than 81,000, 340-watt polycrystalline silica photovoltaic (PV) solar panels. The inverter, which converts the electricity from DC to AC before it is sent to the grid, is produced by Sungrow. The facility features a single-axis tracking system applied to rotate all panels for maximum solar power production.

Who is responsible to maintenance of the facility?

As the owner and operator of the system, Strata Solar is responsible for all maintenance of the facility. PV solar is an extensively tested technology that has been around for many decades with a strong track record of performance. Solar facilities are low-maintenance power assets as compared to traditional power facilities. However, solar arrays do require monitoring and maintenance throughout their lifetime.

What is the project development timeline?

Facility construction is scheduled for spring 2018 with energy production to begin in December 2018.

Environmental Benefits

What are the environmental benefits associated with the system?

During the program, the facility is estimated to offset 400 million pounds of carbon dioxide which is equivalent to planting about 15,000 trees! Since it's designed to continue producing power for decades, it has the potential to multiply those initial benefits many times over.

What is a Renewable Energy Credit (REC)?

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Avista will acquire the RECs that are created from the Solar Resource electricity production and retire them on your behalf in the Western Renewable Generation Information System (WREGIS), unless other terms are agreed upon between you and Avista.

Solar Resource Development Costs

Who is bearing the development cost of the shared commercial solar facility?

The Solar Resource Charge that participating customers pay per kWh for all kWhs purchased through the program is designed to cover all costs associated with the power purchase agreement and additional costs to offer the program. Through the execution of a long-term

power purchase agreement with Strata Solar, Avista Utilities is committing to acquire all kWhs produced at the solar facility.

Does Avista make a profit from the development of Solar Select?

Avista will recover its power purchase costs from customers who choose to participate, but it will not make any profit from the arrangement. The Solar Resource Charge is designed to cover all costs associated with the program. Customers will receive solar energy and renewable energy credits and can feel good knowing they helped establish a clean power-producing asset that will be on the local grid for years to come.

Current Net Metering Customers

Can I still participate in the program if I currently have net-metered rooftop/on-site solar or other solar assets?

Yes you can. If you are currently receiving a Renewable Generation Incentive for your participation in Avista's Community Solar program or you are receiving an incentive for an on-site renewable generation system, you still qualify to receive an incentive up to \$35,000 per year for your participation in the shared commercial solar facility.