



GREG GERVAIS, CO-FOUNDER OF COPPER BASIN CONSTRUCTION, WITH **SUE BALDWIN**, AVISTA ACCOUNT EXECUTIVE

Natural gas benefits builders and tenants.

Local developers are installing natural gas in their multifamily projects, as this clean, economical fuel adds value to their buildings. The cost for them to do so is also making financial sense now that one regional energy provider, Avista, is providing builders and developers with cash incentives.

Avista generates approximately half of its electricity from hydropower. And while the company embraces renewables such as wind and solar, these are considered intermittent energy resources (i.e., the wind does not always blow, especially in extreme cold temperatures when demand for electricity is at its peak). About 35% of the utility's diverse resource mix comes from natural gas, which provides reliable and affordable energy for many of its customers.

"As demand for energy grows, we're always looking for ways to increase energy efficiency," explains Avista Account Executive Sue Baldwin. "To help meet this demand, we burn natural gas in combustion turbines to generate electricity. However, when gas is converted to electricity and sent over power lines to our customers, nearly half of that energy produced is lost. That's why delivering it directly to a home for heating is much more efficient than using electricity."

And that's also why Avista is offering incentives to assist developers in bringing this plentiful and versatile fuel to multifamily projects. Avista's program provides up to \$3,500 per unit for installation of either space heating, hot water, or a combination of both (capped at 100% of the incremental cost to install natural gas).

Available in Avista's Washington and Idaho service territory through 2018, the incentive is for construction projects with five or more units per building.

One of the developers to take advantage of Avista's program is Greg Gervais, co-founder of Copper Basin Construction. The Hayden Lake, Idaho-based company specializes in commercial and residential land development and is today one of the Inland Northwest's largest multifamily builders.

Developers can get up to \$3,500 per unit to install natural gas.

According to Gervais, installing gas heat requires additional framing (such as soffits for ductwork), along with multiple stages of sheetrocking and added fire prevention between floors.

Gervais installed natural gas in his latest project, the sophisticated 728 apartments in downtown Coeur d'Alene, Idaho. Gervais explained that he is after high-caliber tenants who want some of the amenities they would enjoy with a house. A natural gas furnace lets him provide space heating and central air without unsightly wall heaters and window cooling units. Natural gas also supplies faster and more even heat throughout the apartment.

"We recognize there is a greater cost and additional effort to install natural gas, but the quality of the building is so much better," says Gervais. "And with Avista's help to offset some of those costs, it's definitely worth it."

Another development company that has partnered with Avista is Diamond Rock Construction in Spokane Valley. Diamond Rock has been building quality Spokane-area homes for over 20 years. The company also develops unique multifamily dwellings, one of its latest being Bella Tess, an upper-end apartment complex in the Valley, near the scenic Spokane River and Centennial Trail.

According to Baldwin, Diamond Rock is the area's first developer to successfully determine how to make three-story buildings pencil out using Avista's incentive.

"We had to feel good about bridging the financial gap ourselves," says Diamond Rock President Dennis Crapo. "Avista's incentive program certainly helped with that."

Diamond Rock chose natural gas heating for Bella Tess because it fits the company's environmentally-conscious vision for the property (even the center of the club house has a 15-foot tree growing under a skylight). According to Crapo, the Bella Tess property is Green Globe certified—a nationally recognized, green-rating assessment program that promotes adopting sustainability goals with construction projects.

Crapo listed several things that contribute to Green Globe status, including quality of the windows, thickness of the walls, amount of insulation and other improvements. A high-efficiency natural gas furnace also contributes, as does its integral central air.

"In addition to the energy-efficiency benefits, natural gas is also a plus for our tenants," said Crapo. "Once people experience the comfort that natural gas provides—especially during our cold winter months—they'll begin to expect it in other apartment buildings."

Natural gas space heating is just one of the ways developers are taking advantage of Avista's incentive. Baker Construction & Development, Inc. of Spokane found natural gas hot water to be a perfect solution for its latest 61-unit/214-bedroom apartment building, 940 North.

The company has been an industry leader in the western U.S. for seven decades. Their new 940 North building in Spokane serves as premier student housing primarily for Gonzaga University.

According to V.P. of Construction Lucas Holmquist, the luxurious 3- and 4-bedroom floor plans are designed much like a traditional college dorm, where student tenants share the apartment's main living spaces.

"For that reason alone, it made sense to install a central natural gas water heater system instead of individual electric water heaters," says Holmquist.

Most students take showers early in the morning before classes, he explained. The endless supply of hot water keeps roommates happy because the last one out of bed doesn't end up with a cold shower.

"The building's owner also benefits," he says. "This natural gas solution means fewer maintenance costs and a longer life cycle for the system. It's better for the environment, too."



LUCAS HOLMQUIST, V.P. OF CONSTRUCTION, BAKER CONSTRUCTION & DEVELOPMENT, INC.

Developers interested in the incentive program should contact Avista early in the process. "We want to help as much as we can," says Baldwin, "and avoid engineers and architects having to redesign their plans to accommodate a different system."

To date, participating developers have installed nearly 2,000 gas-heated multifamily units.

"That converts to more than 7,000,000 kilowatt-hours of energy savings," said Baldwin.

To learn more about Avista's Multifamily Natural Gas Incentive Program, contact Sue Baldwin at 208-769-1340, or sue.baldwin@avistacorp.com



DENNIS CRAPO, DIAMOND ROCK PRESIDENT