

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 62
QUALIFYING FACILITIES
WASHINGTON

(T)

AVAILABLE:

In all the electric territory served by Avista in the State of Washington.

APPLICABILITY:

(T)

Except as expressly provided herein, this schedule is only applicable to any individual, partnership, corporation, association, governmental agency, political subdivision, municipality, or other entity (the "Customer") installing, owning and generating electricity for delivery to the Company at a point of delivery on the Company's electrical system in the State of Washington where: a) the facility is a Qualifying Facility ("QF"), meaning either a cogeneration facility or a small power production facility, pursuant to Section 201 of the Public Utility Regulatory Policies Act of 1978 and defined in WAC Chapter 480-106, and b) output is offered for sale to Avista pursuant to WAC Chapter 480-106.

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(C)

(D)

Avista's contracting procedures and standard contract provisions filed with the Commission shall be used where applicable.

(N)

(N)

POWER RATES:

Avista will pay the following avoided cost rates for delivered electricity, paid in United States dollars based on megawatt-hour (or partial megawatt-hour) production:

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I. Power Rate Options Available to Qualifying Facilities with a nameplate rating of five (5) megawatts alternating current (MW-AC) or less.

(N)(D)

(1) Specified Term-Standard Power Rates

(a) Total payment will be the summation of energy and applicable capacity values in their associated tables.

(b) The capacity contribution for existing resources, with an operating history of thirty-six (36) to sixty (60) months or longer shall be its average on-peak delivery rate for all historical years up to the past five (5) years divided by its nameplate capacity. On-peak is defined as hours 6:00 am through 10:00 pm all days during the months of November through February.

(c) The capacity contribution for new resources, or for resources without a full thirty-six (36)-month operating history, shall use the Specified-Term Standard Power & Short-Term Time of Delivery Capacity Rates table.

(d) This schedule does not provide compensation for RECs; they remain the property of the customer.

(N)(D)

Issued March 4, 2020

Effective March 13, 2020

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By Patrick Ehrbar, Director, Regulatory Affairs

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Specified Term-Standard Power Energy Rates
 Hourly Values (\$/MWh)

HLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Jan	26.10	24.74	24.10	26.24	27.89	32.58	35.85	36.76	38.67	40.07	42.08	43.00	43.52	44.32	47.71
Feb	22.20	20.13	19.56	22.11	22.85	26.57	28.49	30.72	31.42	32.09	33.86	35.98	40.61	43.19	41.49
Mar	17.65	16.64	16.10	16.29	18.04	21.17	22.26	26.00	26.09	34.76	38.42	39.53	48.38	50.38	55.99
Apr	12.65	12.52	14.61	16.41	18.64	17.57	13.37	13.69	15.13	16.37	20.98	18.79	18.03	22.45	17.47
May	4.31	5.42	2.78	1.85	1.87	(3.04)	(5.93)	(5.09)	(6.78)	(7.70)	(6.41)	(8.71)	(9.10)	(7.84)	(9.07)
Jun	13.06	12.99	13.67	11.42	11.31	10.31	3.94	3.41	(1.14)	(5.11)	(4.35)	(4.76)	(4.56)	(4.63)	(6.18)
Jul	18.26	18.59	18.13	20.25	22.98	26.36	27.05	28.29	29.62	27.83	30.04	27.48	23.80	20.33	19.24
Aug	25.07	24.76	23.94	27.93	28.74	32.13	33.50	35.00	36.42	36.57	37.27	37.30	38.24	38.29	44.11
Sep	21.79	22.32	22.21	23.27	27.35	28.97	30.32	31.61	32.13	32.36	34.73	35.24	35.80	36.23	38.00
Oct	20.13	20.62	19.20	22.17	24.30	27.41	26.64	27.58	29.80	28.93	31.19	33.59	34.96	35.03	37.10
Nov	19.90	17.87	19.21	20.89	22.58	29.15	28.30	30.77	31.00	32.57	31.96	35.52	38.38	42.24	41.06
Dec	25.44	23.43	24.55	26.70	30.50	38.71	37.06	39.53	39.33	42.38	42.54	45.79	48.73	52.09	51.19
LLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Jan	21.72	20.44	19.03	22.42	23.90	32.33	35.53	36.42	38.37	40.47	43.19	43.23	46.30	49.54	51.63
Feb	18.58	16.48	16.31	18.98	19.63	27.40	30.89	32.76	34.74	34.57	35.88	38.57	43.50	46.07	46.98
Mar	14.33	13.79	14.86	15.46	17.45	23.31	25.79	30.72	34.17	45.77	53.96	52.20	65.04	69.17	76.24
Apr	11.95	11.63	16.81	18.90	22.10	26.02	23.63	27.47	29.62	28.63	36.61	28.77	28.61	35.73	32.37
May	(3.63)	(1.17)	(4.24)	(5.56)	(5.19)	(7.98)	(11.02)	(9.76)	(13.41)	(16.51)	(14.39)	(18.28)	(19.61)	(17.12)	(21.50)
Jun	7.65	7.19	6.97	7.31	4.67	1.12	(4.73)	(6.15)	(9.72)	(14.30)	(14.10)	(14.02)	(15.17)	(15.69)	(18.34)
Jul	14.50	12.72	15.24	16.04	19.90	21.61	21.38	21.71	21.55	22.93	23.91	25.01	22.77	22.44	20.17
Aug	15.40	14.82	15.44	18.23	20.23	26.51	26.94	28.40	31.81	33.64	35.63	35.56	38.33	37.06	41.16
Sep	14.52	14.58	15.99	17.19	20.64	26.08	27.70	30.12	32.07	33.37	35.32	35.96	38.68	38.50	45.72
Oct	13.45	15.80	14.21	16.50	18.18	25.95	24.98	28.20	29.01	31.24	31.24	34.57	36.40	40.54	42.29
Nov	17.55	15.63	16.82	18.87	20.89	30.10	29.33	32.16	31.80	35.43	36.27	38.58	40.27	43.59	40.92
Dec	22.61	19.35	21.15	23.64	25.70	35.72	36.81	39.08	39.85	43.56	45.65	46.89	49.18	50.51	49.31

* New resources must sign contracts through the end of 2035. Existing resources must execute 10-year contracts. Resources not RCW 80.80.40 compliant must execute 5-year contracts. All new resource contracts must begin delivery within 3 years of execution; renewal QF contract terms must begin at time of existing contract expiration.
 ** HLH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LLH (light load-hours) are defined as all other hours.
 *** QF may cease deliveries during periods where prices are negative.

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**Specified-Term Standard Power & Short-Term Time of Delivery Capacity Rates
Hourly Values (\$/MWh)**

(N)

RCW 80.80.40 Compliant Resources - Contracts Ending in 2035							
First Delivery Year	Hourly Capacity Value <3 Year History						3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Other	
2021	1.83	10.10	0.98	7.68	15.18	11.66	8.51
2022	1.99	10.97	1.06	8.34	16.47	12.66	9.24
2023	2.17	11.96	1.16	9.10	17.97	13.81	10.08

RCW 80.80.40 Compliant Resources - Renewal Contracts Ending after 10 Years							
First Delivery Year	Hourly Capacity Value <3 Year History						3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Other	
2021	1.17	6.43	0.62	4.89	9.66	7.42	5.42
2022	1.49	8.22	0.80	6.25	12.35	9.49	6.93
2023	1.83	10.09	0.98	7.67	15.15	11.65	8.50

RCW 80.80.40 Non-Compliant Resources - Renewal Contracts Ending after 5 Years							
First Delivery Year	Hourly Capacity Value <3 Year History						3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Other	
2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2023	0.58	3.21	0.31	2.44	4.82	3.70	2.70

- Capacity payments are based on an annual capacity value multiplied by the standardized on-peak capacity contribution divided by a standardized capacity factor. Once QF output exceeds that of the assumed capacity factor level, capacity payments will cease until the next contract year.
- Existing resources with 3 years of operating history will receive a \$/MWh payment derived using the \$/kW-mo rate. To convert the \$/kW-mo rate to a per-MWh rate, multiply the \$/kW-mo rate by 12 months and multiply it again by the capacity contribution factor defined in tariff and then divide that figure by the average capacity factor over the same number of years used to define the capacity contribution factor.
- On-Peak Capacity Contribution Assumptions <3 Years Operating History:
On-System Wind: 5% Montana Wind: 42% Solar: 2% Solar + 4Hr Battery: 15%
Hydro: 48% Other: 100%
- Standardized Capacity Factor Assumptions <3 Years Operating History:
On-System Wind: 32% Montana Wind: 48% Solar: 24% Solar + 4Hr Battery: 23%
Hydro: 37% Other: 100%
- Fixed rate is for contracts ending in 2035. Shorter terms will receive capacity payment based on value provided over the term of the contract.
- Capacity contribution payment with batteries is based on the size of the resource itself, not the summation of the battery and resource. Battery size is assumed to be equal to a multiple of the underlying resource capacity (e.g., 2 MW solar + 4 hr battery = 8 MWh battery).

(N)

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(2) Short Term–Time of Delivery Power Rates

- (a) Total payment will be the summation of the energy and applicable capacity payment on a per-delivered MWh basis.
- (b) The energy payment shall be equal to the summation of all metered net output of the QF multiplied by the Powerdex Hourly Mid-Columbia Electricity Index (“Mid-C Index”) price in effect at the time of the delivery. Where the Mid-C Index ceases to exist, its successor will be used. Where no successor exists, another index shall be agreed to by the parties.
- (c) The capacity contribution for existing resources, with an operating history of thirty-six (36) to sixty (60) months or longer shall be its average on-peak delivery rate for all historical years up to the past five (5) years divided by its nameplate capacity. On-peak is defined as hours 6:00 am through 10:00 pm all days during the months of November through February.
- (d) The capacity contribution for new resources, or for resources without a full thirty-six (36)-month operating history, shall use the Specified-Term Standard Power & Short-Term Time of Delivery Capacity Rates table.
- (e) This schedule does not provide compensation for RECs; they remain the property of the customer.

(3) As-Available Power Rates

The As-Available Power Rate shall apply to all customers providing QF output to the Company on an as-available basis. It shall be based on the Powerdex hourly Mid-C Index for electricity, calculated on an hourly or monthly basis as determined by the Company. Where the Mid-C Index ceases to exist, its successor will be used. Where no successor exists, another index shall be agreed to by the parties. There will be no capacity payment made for As-Available deliveries. This schedule does not provide compensation for RECs; they remain the property of the customer.

II. Power Rates Available to Qualifying Facilities with a nameplate rating exceeding five (5) MW-AC.

- (1) IRP-Based Rates – IRP-Based Rates are calculated using a Commission-approved methodology. In the absence of an approved methodology, IRP-Based Rates will be calculated in a manner consistent with the last acknowledged Integrated Resource Plan. For illustrative purposes, the present forecasts of capacity and energy, both independently and combined, are provided below.

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Estimated Avoided Costs
Combined Energy and Capacity Value Assuming Flat Delivery All Hours in a Year -- Example Rates For Large QF Resources, Not Applicable to Small QF
Hourly Values (\$/MWh)

HLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Jan	26.10	24.74	24.10	26.24	27.89	32.58	55.32	56.57	58.94	60.67	63.14	64.51	65.38	66.64	70.48	74.54	78.83	83.37	88.17	93.25
Feb	22.20	20.13	19.56	22.11	22.85	26.57	47.96	50.53	51.68	52.70	54.92	57.50	62.47	65.50	64.26	63.03	61.83	60.65	59.50	58.36
Mar	17.65	16.64	16.10	16.29	18.04	21.17	41.72	45.81	46.35	55.36	59.48	61.05	70.24	72.69	78.76	85.33	92.44	100.16	108.51	117.56
Apr	12.65	12.52	14.61	16.41	18.64	17.57	32.84	33.50	35.40	36.97	42.05	40.31	39.89	44.77	40.24	36.17	32.51	29.22	26.26	23.61
May	4.31	5.42	2.78	1.85	1.87	(3.04)	13.54	14.72	13.48	12.91	14.65	12.80	12.76	14.47	13.70	12.97	12.28	11.63	11.01	10.42
Jun	13.06	12.99	13.67	11.42	11.31	10.31	23.40	23.22	19.12	15.49	16.71	16.76	17.30	17.68	16.59	15.56	14.59	13.69	12.84	12.05
Jul	18.26	18.59	18.13	20.25	22.98	26.36	46.52	48.10	49.88	48.43	51.10	48.99	45.65	42.64	42.00	41.38	40.76	40.15	39.54	38.95
Aug	25.07	24.76	23.94	27.93	28.74	32.13	52.97	54.81	56.68	57.18	58.34	58.82	60.10	60.61	66.87	73.79	81.42	89.83	99.12	109.37
Sep	21.79	22.32	22.21	23.27	27.35	28.97	49.78	51.42	52.39	52.97	55.79	56.76	57.66	58.54	60.77	63.09	65.49	67.99	70.58	73.27
Oct	20.13	20.62	19.20	22.17	24.30	27.41	46.11	47.39	50.06	49.54	52.26	55.11	56.82	57.34	59.87	62.51	65.26	68.13	71.13	74.27
Nov	19.90	17.87	19.21	20.89	22.58	29.15	47.77	50.58	51.27	53.17	53.02	57.04	60.24	64.56	63.83	63.10	62.38	61.68	60.98	60.28
Dec	25.44	23.43	24.55	26.70	30.50	38.71	56.52	59.33	59.60	62.99	63.60	67.31	70.59	74.41	73.96	73.51	73.07	72.62	72.19	71.75
LLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Jan	21.72	20.44	19.03	22.42	23.90	32.33	55.00	56.23	58.63	61.08	64.25	64.75	68.16	71.86	74.40	77.02	79.75	82.56	85.48	88.50
Feb	18.58	16.48	16.31	18.98	19.63	27.40	50.36	52.57	55.00	55.18	56.94	60.09	65.36	68.38	69.75	71.13	72.55	73.99	75.47	76.97
Mar	14.33	13.79	14.86	15.46	17.45	23.31	45.25	50.53	54.43	66.38	75.03	73.72	86.90	91.49	99.01	107.14	115.95	125.47	135.79	146.94
Apr	11.95	11.63	16.81	18.90	22.10	26.02	43.09	47.28	49.88	49.23	57.67	50.29	50.47	58.04	55.14	52.38	49.77	47.28	44.91	42.67
May	(3.63)	(1.17)	(4.24)	(5.56)	(5.19)	(7.98)	8.44	10.04	6.85	4.09	6.67	3.23	2.25	5.19	1.27	0.31	0.08	0.02	0.00	0.00
Jun	7.65	7.19	6.97	7.31	4.67	1.12	14.73	13.66	10.54	6.30	6.97	7.49	6.68	6.62	4.43	2.96	1.98	1.32	0.88	0.59
Jul	14.50	12.72	15.24	16.04	19.90	21.61	40.85	41.52	41.81	43.53	44.97	46.53	44.63	44.76	42.94	41.20	39.53	37.92	36.38	34.91
Aug	15.40	14.82	15.44	18.23	20.23	26.51	46.40	48.21	52.07	54.24	56.69	57.08	60.19	59.38	63.93	68.82	74.10	79.77	85.88	92.46
Sep	14.52	14.58	15.99	17.19	20.64	26.08	47.17	49.92	52.33	53.97	56.38	57.47	60.54	60.81	68.49	77.14	86.89	97.86	110.23	124.15
Oct	13.45	15.80	14.21	16.50	18.18	25.95	44.44	48.01	49.27	51.85	52.30	56.09	58.26	62.85	65.05	67.33	69.69	72.13	74.65	77.26
Nov	17.55	15.63	16.82	18.87	20.89	30.10	48.80	51.97	52.06	56.04	57.33	60.10	62.13	65.90	63.69	61.55	59.48	57.48	55.55	53.69
Dec	22.61	19.35	21.15	23.64	25.70	35.72	56.28	58.88	60.11	64.16	66.71	68.41	71.03	72.83	72.08	71.33	70.60	69.87	69.15	68.44

1. HLH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LLH (light load-hours) are defined as all other hours.
2. After 15 years rates are escalated using growth rate between year 14 and year 15.
3. Rate does not include adjustments for variable energy resource integration charges.

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Estimated Avoided Costs
Energy Only Value Assuming Flat Delivery All Hours in a Year -- Example Rates For Large QF Resources, Not Applicable to Small QF
Hourly Values (\$/MWh)

HLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Jan	26.10	24.74	24.10	26.24	27.89	32.58	35.85	36.76	38.67	40.07	42.08	43.00	43.52	44.32	47.71	51.35	55.27	59.49	64.03	68.91
Feb	22.20	20.13	19.56	22.11	22.85	26.57	28.49	30.72	31.42	32.09	33.86	35.98	40.61	43.19	41.49	39.85	38.28	36.77	35.32	33.93
Mar	17.65	16.64	16.10	16.29	18.04	21.17	22.26	26.00	26.09	34.76	38.42	39.53	48.38	50.38	55.99	62.22	69.15	76.85	85.40	94.91
Apr	12.65	12.52	14.61	16.41	18.64	17.57	13.37	13.69	15.13	16.37	20.98	18.79	18.03	22.45	17.47	13.59	10.57	8.23	6.40	4.98
May	4.31	5.42	2.78	1.85	1.87	(3.04)	(5.93)	(5.09)	(6.78)	(7.70)	(6.41)	(8.71)	(9.10)	(7.84)	(9.07)	(10.49)	(12.12)	(14.02)	(16.21)	(18.74)
Jun	13.06	12.99	13.67	11.42	11.31	10.31	3.94	3.41	(1.14)	(5.11)	(4.35)	(4.76)	(4.56)	(6.18)	(8.25)	(11.01)	(14.70)	(19.62)	(26.19)	
Jul	18.26	18.59	18.13	20.25	22.98	26.36	27.05	28.29	29.62	27.83	30.04	27.48	23.80	20.33	19.24	18.20	17.22	16.29	15.42	14.59
Aug	25.07	24.76	23.94	27.93	28.74	32.13	33.50	35.00	36.42	36.57	37.27	37.30	38.24	38.29	44.11	50.80	58.51	67.38	77.61	89.38
Sep	21.79	22.32	22.21	23.27	27.35	28.97	30.32	31.61	32.13	32.36	34.73	35.24	35.80	36.23	38.00	39.87	41.82	43.87	46.02	48.28
Oct	20.13	20.62	19.20	22.17	24.30	27.41	26.64	27.58	29.80	28.93	31.19	33.59	34.96	35.03	37.10	39.29	41.61	44.07	46.68	49.44
Nov	19.90	17.87	19.21	20.89	22.58	29.15	28.30	30.77	31.00	32.57	31.96	35.52	38.38	42.24	41.06	39.90	38.78	37.69	36.63	35.60
Dec	25.44	23.43	24.55	26.70	30.50	38.71	37.06	39.53	39.33	42.38	42.54	45.79	48.73	52.09	51.19	50.30	49.42	48.57	47.72	46.89
LLH	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Jan	21.72	20.44	19.03	22.42	23.90	32.33	35.53	36.42	38.37	40.47	43.19	43.23	46.30	49.54	51.63	53.80	56.06	58.42	60.88	63.44
Feb	18.58	16.48	16.31	18.98	19.63	27.40	30.89	32.76	34.74	34.57	35.88	38.57	43.50	46.07	46.98	47.90	48.84	49.80	50.78	51.78
Mar	14.33	13.79	14.86	15.46	17.45	23.31	25.79	30.72	34.17	45.77	53.96	52.20	65.04	69.17	76.24	84.02	92.60	102.05	112.47	123.96
Apr	11.95	11.63	16.81	18.90	22.10	26.02	23.63	27.47	29.62	28.63	36.61	28.77	28.61	35.73	32.37	29.33	26.57	24.08	21.82	19.77
May	(3.63)	(1.17)	(4.24)	(5.56)	(5.19)	(7.98)	(11.02)	(9.76)	(13.41)	(16.51)	(14.39)	(18.28)	(19.61)	(17.12)	(21.50)	(26.98)	(33.87)	(42.52)	(53.38)	(67.01)
Jun	7.65	7.19	6.97	7.31	4.67	1.12	(4.73)	(6.15)	(9.72)	(14.30)	(14.10)	(14.02)	(15.17)	(15.69)	(18.34)	(21.44)	(25.06)	(29.29)	(34.24)	(40.03)
Jul	14.50	12.72	15.24	16.04	19.90	21.61	21.38	21.71	21.55	22.93	23.91	25.01	22.77	22.44	20.17	18.13	16.30	14.65	13.16	11.83
Aug	15.40	14.82	15.44	18.23	20.23	26.51	26.94	28.40	31.81	33.64	35.63	35.56	38.33	37.06	41.16	45.70	50.75	56.36	62.58	69.49
Sep	14.52	14.58	15.99	17.19	20.64	26.08	27.70	30.12	32.07	33.37	35.32	35.96	38.68	38.50	45.72	54.31	64.50	76.61	90.98	108.06
Oct	13.45	15.80	14.21	16.50	18.18	25.95	24.98	28.20	29.01	31.24	31.24	34.57	36.40	40.54	42.29	44.10	46.00	47.98	50.05	52.20
Nov	17.55	15.63	16.82	18.87	20.89	30.10	29.33	32.16	31.80	35.43	36.27	38.58	40.27	43.59	40.92	38.41	36.06	33.85	31.78	29.84
Dec	22.61	19.35	21.15	23.64	25.70	35.72	36.81	39.08	39.85	43.56	45.65	46.89	49.18	50.51	49.31	48.13	46.98	45.86	44.76	43.70

Capacity Only Value Assuming Flat Delivery All Hours in a Year -- Example Rates For Large QF Resources, Not Applicable to Small QF
Hourly Values (\$/MWh)

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
-	-	-	-	-	-	19.47	19.81	20.26	20.61	21.06	21.52	21.86	22.31	22.77	23.23	23.71	24.19	24.69	25.19

1. HLH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LLH (light load-hours) are defined as all other hours.
2. After 15 years rates are escalated using growth rate between year 14 and year 15.
3. Rate does not include adjustments for variable energy resource integration charges.
4. Capacity value is applied to all delivered energy during a calendar year.

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(2) As-Available Power Rates – The As-Available Power Rate will be negotiated on a case-by-case basis reflecting the unique attributes of the QF facility and the Company’s avoided costs.

(3) Non-Binding Term Sheets for QFs with nameplate capacities exceeding 5 MW-AC can be found at: <https://myavista.com/about-us/services-and-resources/interconnection>.

III. Contracting Procedures.

These contracting procedures are provided by Avista pursuant to WAC 480-106-030(2) and apply to Qualifying Facilities. They apply to any Customer intending to contract to deliver the output from its Qualifying Facility to the Company at a point of delivery on the Company’s electrical system in the State of Washington. These contracting procedures may be adjusted periodically.

(1) Procedures

A. To obtain an indicative pricing proposal for a proposed Qualifying Facility, the Customer shall provide the Company information that is reasonably required to develop such a proposal. Indicative pricing for facilities with a nameplate generation capacity of five megawatts (5 MW) or less shall be the Power Rates contained in this schedule. Existing Qualifying Facilities that are seeking to renew an expiring contract with Avista are not required to provide information previously provided to Avista, but shall provide Avista any updates to the information previously provided. General information regarding a Qualifying Facility shall include:

- i) Qualifying Facility owner name, organizational structure and chart, and contact information;
- ii) generation and other related technology applicable to the Qualifying Facility;
- iii) design capacity, station service requirements, and the net amount of power, all in kilowatts (kW), to be delivered to the Company’s electric system by the Qualifying Facility;
- iv) schedule of estimated Qualifying Facility electric output, in an 8,760-hour electronic spreadsheet format;
- v) ability, if any, of Qualifying Facility to respond to dispatch orders from the Company;

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vi) map of Qualifying Facility location, electrical interconnection point, and point of delivery;

vii) anticipated commencement date for delivery of electric output;

viii) list of acquired and outstanding Qualifying Facility permits, including a description of the status and timeline for acquisition of any outstanding permits;

ix) demonstration of ability to obtain Qualifying Facility status;

x) fuel type(s) and source(s);

xi) plans to obtain, or actual, fuel and transportation agreements, if applicable;

xii) where Qualifying Facility is or will be interconnected to an electrical system besides the Company's, plans to obtain, or actual, electricity transmission agreements with the interconnected system; *and*

xiii) interconnection agreement status.

B. Where the Company determines that the Customer has not provided some or all of the information that is required by Section (1)A, the Company shall, within ten (10) business days of the date that Customer provides information to the Company pursuant to Section (1)A, notify the Customer in writing of any deficiencies.

C. Following the Company's receipt of all information required in Section (1)A, the Company shall, within twenty (20) business days of such receipt of information, provide the Customer with an indicative pricing proposal containing terms and conditions tailored to the individual characteristics of the proposed Qualifying Facility; provided, however, that for Qualifying Facilities eligible for Published Rates pursuant to the Washington Utilities and Transportation Commission's eligibility requirements, the indicative pricing proposal shall be the Power Rates contained in this schedule which shall be deemed to be provided to the Customer on the day the Company receives all of the information required in Section (1)A and the proposed non-price terms and conditions shall be as set forth in the Form of Power Purchase Agreement for Small Qualifying Facilities on file with the Washington Utilities and Transportation Commission.

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SCHEDULE 620
QUALIFYING FACILITIES

(N)

D. The indicative pricing proposal provided to the Customer pursuant to Section (1)C will not be final or binding on either party. Prices and other terms and conditions will become final and binding on the parties under only two conditions:

i) The prices and other terms contained in a power purchase agreement shall become final and binding upon full execution of such power purchase agreement by both parties, or

ii) If an irreconcilable disagreement arises during the contracting process, the Company or the Customer may petition the Washington Utilities and Transportation Commission to resolve the disagreement, which may include making a determination about whether the Customer is entitled to a legally enforceable obligation in the absence of a fully executed power purchase agreement for the output of such Qualifying Facility and, if so, the date such legally enforceable obligation occurred.

E. If the Customer desires to proceed with contracting its Qualifying Facility with the Company after reviewing the indicative pricing proposal provided in accordance with Section (1)C, it shall provide the Company with any additional information that the Company reasonably determines necessary for the preparation of a draft power purchase agreement, which shall include:

i) updated information of the categories described in Section (1)A;

ii) evidence of site control for the entire contracting term;

iii) anticipated timelines for completion of key Qualifying Facility milestones, to include:

a. licenses, permits, and other necessary approvals;

b. funding;

c. Qualifying Facility engineering and drawings;

d. significant equipment purchases;

e. construction agreement(s);

f. interconnection agreement(s); and

g. signing of third-party transmission agreements, where applicable;

and,

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iv) additional information as explained in the Company's indicative pricing proposal.

- F. If the Company determines that the Customer has not provided sufficient information as required by Section (1)E, the Company shall, within ten (10) business days of the date that Customer provides information to the Company pursuant to Section (1)E, notify the Customer in writing of any deficiency.
- G. Following satisfactory receipt of all information required in Section (1)E, the Company shall, within fifteen (15) business days of the Company's receipt of the information required in Section (1)E, provide the Customer with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions; provided, however, that for Qualifying Facilities that are eligible for Published Rates pursuant to the Washington Utilities and Transportation Commission's eligibility requirements, the draft power purchase agreement shall be the Form of Power Purchase Agreement for Small Qualifying Facilities on file with the Washington Utilities and Transportation Commission. The draft power purchase agreement provided to the Customer pursuant to this Section (1)G shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company.
- H. Within ninety (90) calendar days after its receipt of the draft power purchase agreement from the Company pursuant to Section (1)G, the Customer shall review the draft power purchase agreement and shall: i) notify the Company in writing that it accepts the terms and conditions of the draft power purchase agreement and is ready to execute a power purchase agreement with same or similar terms and conditions as the draft contract; or ii) provide the Company with written comments and proposals based on the draft power purchase agreement. The Company shall not be obligated to commence negotiations with a Customer or draft a final power purchase agreement unless or until the Company has timely received an initial set of written comments and proposals from the Customer, or notice from the Customer that it has no such comments or proposals, in accordance with this Section (1)H.
- I. After Customer has satisfied the requirements set forth in Section (1)H above, unless the Customer has notified the Company in writing that it accepts the terms and conditions of the draft power purchase agreement and that it does not have any additional issues to discuss prior to executing a final power purchase agreement, Customer shall contact the Company to schedule a meeting to negotiate or discuss any issues regarding the draft power purchase agreement.

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The Company may request such a meeting if it has any issues regarding the Qualifying Facility or draft power purchase agreement that it wants to discuss with the Customer prior to executing a final power purchase agreement. All meetings scheduled pursuant to this Section (1)(I) shall be scheduled at such times and places as are mutually agreeable to the parties.

- J. In connection with any contract negotiations between the Company and the Customer, the Company:
- i) shall not unreasonably delay negotiations and shall respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the Customer;
 - ii) may request to visit the site of the proposed Qualifying Facility if such a visit has not previously occurred;
 - iii) shall update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed Qualifying Facility or proposed terms of the draft power purchase agreement;
 - iv) may request any additional information from the Customer necessary to finalize the terms of the power purchase agreement and to satisfy the Company's due diligence with respect to the Qualifying Facility.
- K. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, including the price to be paid for delivered power pursuant to such draft agreement, the Company shall prepare and forward to the Customer, within ten (10) business days, a final, executable version of the power purchase agreement.
- L. The Customer shall, within sixty (60) business days of its receipt of a final, executable version of the power purchase agreement, execute and return the final power purchase agreement to the Company.
- M. Where the Customer timely executes and returns the final power purchase agreement to the Company in accordance with Section (1)L, the Company will, within sixty (60) business days of its receipt of the power purchase agreement executed by the Customer, execute such power purchase agreement.
- N. Failure of the Customer to meet any timelines set forth in this Section relieves the Company of any obligation under this tariff until such time as the Customer

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resubmits its Qualifying Facility and the procedures begin anew. If the Customer does not execute the final power purchase agreement per Section (1)L, such final power purchase agreement shall be deemed withdrawn and the Company shall have no further obligation to the Customer under this tariff unless or until such time the Customer resubmits the Qualifying Facility to the Company in accordance with this Schedule.

- (2) The Company’s obligation to purchase a Qualifying Facility’s energy and/or capacity is conditioned upon the Qualifying Facility obtaining a valid interconnection agreement prior to its first delivery of such output. Where the Qualifying Facility will be interconnected to a third-party electrical system, the Company’s obligation to purchase such electrical output will be conditioned on the Customer obtaining a firm transmission agreement or agreements to deliver electrical output to the Company’s system for the term of the power purchase agreement.

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