

Background

Washington's Clean Energy Transformation Act (CETA) was enacted into law in May 2019, and requires electric utilities to eliminate coal-fired electricity from serving Washington retail electric customers by the end of 2025, use a carbon-neutral supply of electricity by 2030, and source 100 percent of their electricity from renewable or non-carbon-emitting sources by 2045. Each electric investor-owned utility is required to file a Clean Energy Implementation Plan (CEIP) every four years describing the specific and interim targets to reach these goals, as well as specific actions which will be taken over the four-year implementation period to reach these clean energy goals. In addition to the CEIP, a clean energy progress report is required to be filed annually, this document based on calendar year 2023 data, serves as Avista's 2024 Annual Clean Energy Progress Report.

Progress Report Requirements

Avista's 2024 Annual Clean Energy Progress Report, in compliance with WAC 480-100-650 (3), includes details regarding energy conservation, greenhouse gas emissions, renewable energy credits (RECs), specified and unspecified energy sales, wholesale market sales, and coal generated energy, amongst others, for the calendar year 2023.

For ease of reading, each WAC requirement is listed as notated in WAC 480-100-650 (3) with the corresponding response indicating Washington's share figures and the appropriate appendix reference providing the total system figures and Washington's share figures where applicable.

Annual Clean Energy Progress Report

WAC 480-100-650 (3)

On or before July 1st of each year beginning in 2023, other than in a year in which the utility files a clean energy compliance report, the utility must file with the commission, in the same docket as its most recently filed CEIP, an informational annual clean energy progress report regarding its progress in meeting its targets during the preceding year. The annual clean energy progress report must include, but is not limited to:

- a) **Beginning July 1, 2027, and each year thereafter, an attestation for the previous calendar year that the utility did not use any coal-fired resource as defined in this chapter to serve Washington retail electric customer load;**

Avista will provide this attestation for 2026 data in its 2027 Annual Clean Energy Progress Report.

- b) **Conservation achievement in megawatts, first-year megawatt-hour savings, and projected cumulative lifetime megawatt-hour savings;**

Conservation achievement for the 2023 calendar year was 4.27 average MW, with first-year savings of 37,389 MWh and projected cumulative lifetime savings of 335,650 MWh. Please reference Appendix A for additional conservation achievement details.

c) Demand response program achievement and demand response capability in megawatts and megawatt hours;

Demand response program achievement during 2023 was 880.7 MWh with 30 MW of capacity. Please reference Confidential Appendix B on the “Summary Sheet” tab for details.

d) Renewable resource capacity in megawatts, and renewable energy usage in megawatt hours and as a percentage of electricity supplied by renewable resources;

Avista defines ‘renewable resource capacity’ as the nameplate capacity of renewable resources used to serve Avista’s Washington customers which equates to a 65.64% share of Avista’s total renewable resources. The Company’s system renewable energy capacity in 2023 was 1,103 MW.

Renewable energy use was 2,736,092 MWh, Avista defines ‘renewable energy usage’ as energy produced from renewable resources less specified sales, bundled sales, and sales of non-bundled RECs associated with each resource for Washington’s 65.64% share of the Company’s renewable resources.

The percentage of electricity¹ available to be supplied by renewable resources in 2023 was 47.67%.

Avista also estimated the amount of Washington’s share of renewable production prior to specified sales and REC sales, this results in 3,300,397MWh or 57.51% of total electricity supplied to retail load.

Please reference Confidential Appendix B on the “Renewable Capacity and Usage 3(d)” tab for details.

e) All renewable energy credits and the program or obligation for which they were used (e.g., voluntary renewable programs, renewable portfolio standard, clean energy transformation standards);

¹ Assumed to be retail sales.

Avista has two voluntary renewable programs – My Clean Energy² and Solar Select. My Clean Energy had a 2023 program obligation of 35,536 RECs. WREGIS retirements totaled 26,312 RECs. Additionally, 9,224 RECs were retired via attestation. Solar Select generated 36,961 RECs in 2023. All RECs were retired in WREGIS on behalf of the participating customers. Please reference Appendix C for additional REC and REC retirement information.

- f) Verification and documentation of the retirement of renewable energy credits for all electricity from renewable resources used to comply with the requirements of RCW 19.405.040, 19.405.050, a specific target, or an interim target, except for electricity purchased from Bonneville Power Administration, which may be used to comply with these requirements without a renewable energy credit until January 1, 2029, as long as the nonpower attributes of the renewable energy are tracked through contract language;**

Avista's 2023 CETA REC obligation was 2,624,321 and was fulfilled with RECs from Avista-owned hydro, biomass, and solar generation, and from REC rights associated with purchased wind and hydro generation. WREGIS REC retirements totaled 2,620,159, with a remaining 4,162 RECs yet to be certified in WREGIS and are from a 2023 renewable energy resource.

The 2023 Renewable Portfolio Standard (RPS) REC obligation of 871,917 will be fulfilled with 137,056 2023 RECs used for CETA compliance, and 734,861 carry-forward RECs from 2022. The filing for the RPS compliance year 2023 will not occur until May 2025. However, since RPS REC's can also be used to comply with CETA, and CETA RECs need to be retired, RPS RECs were also retired.

Avista chose not to include any Bonneville Power Administration (BPA) energy to meet the 2023 renewable target. Avista does periodically purchase and sell energy with BPA on a short-term basis. For 2023, the WA share of these purchases was 155,351 MWh.

Please reference Appendix C for additional REC and REC retirement information.

- g) Non-emitting resource capacity in megawatts, and non-emitting energy usage in megawatt hours and as a percentage of total electricity supplied by non-emitting energy;**

Avista is not including any non-emitting resources in this filing. Please reference Confidential Appendix B on the Summary Sheet tab.

² Avista does not reduce retail load by My Clean Energy.

h) The utility's greenhouse gas content calculation pursuant to RCW 19.405.070;

Based on House Bill 1955, the content calculation and associated requirements under RCW 19.405.070, have been repealed as of March 14, 2024.

i) An electronic link to the utility's most recently filed fuel mix disclosure report as required by RCW 19.29A.140;

Avista's fuel mix is posted to its "About our Energy Mix"³ webpage which reflects the Company's most recently filed fuel mix disclosure required by RCW 19.29A.140 and currently shows Avista's 2022 fuel mix data. The request for 2023 data has not been issued by the Department of Commerce at the time of filing this report. The 2023 data will be included at this same link when it is available.

j) Total greenhouse gas emissions in metric tons of CO₂e;

Based on the repeal of RCW 19.405.070, the green house gas emissions calculation has not been required. However, based on current Performance Based Ratemaking (PBR) metrics, Avista's electric emissions for its Washington share in 2023 was 1,606,415.2 metric tons.

k) Demonstration of ownership of nonpower attributes for non-emitting generation using attestations of ownership and transfer by properly authorized representatives of the generating facility, all intermediate owners of the non-emitting electric generation, and appropriate company executive of the utility; the utility may not transfer ownership of the nonpower attributes after claiming them in any compliance report.

Avista does not own any non-power attributes for non-emitting generation at this time.

l) Other information the company agreed to or was ordered to report in the most recently approved CEIP or biennial CEIP update.

Avista does not have additional report requirements for this Annual Clean Energy Progress Report.

³ <https://www.myavista.com/about-us/about-our-energy-mix>

WAC 480-100-650 (4)

Each utility must file its annual clean energy progress report based on an analysis that identifies and considers the source and characteristics of the electricity a utility claims to meet compliance obligations under WAC 480-100-610, including electricity that is produced, purchased, sold, or exchanged.

a) Unless otherwise ordered by the commission, the analysis and supporting data provided in the filing must include data in an hourly format for:

i. Total Washington retail sales.

Avista had 5,739,294 MWh of Washington retail sales in 2023. Washington electric retail revenue (i.e. sales) by month is reported to the Federal Energy Regulatory Commission (FERC) annually. Hourly retail sales can only be estimated by apportioning FERC reported monthly retail sales using hourly Advanced Metering Infrastructure (AMI) meter data. It should be noted that a small percentage of customers have elected to decline the AMI meter. Avista assumes the usage of these customers is not materially different from AMI-metered customers. These hourly values are provided in Confidential Appendix B on the “Retail Sales 4(a)(i)” tab.

ii. Retail sales for customers participating in a voluntary renewable energy purchase program in alignment with RCW 19.405.020 (36)(b).

Avista had 36,961 MWh of retail sales for customers participating in a voluntary renewable energy purchase program in alignment with RCW 19.405.020 (36)(b). Hourly values are provided in Confidential Appendix B on the “Retail Sales 4(a)(ii)” tab.

iii. Total electricity production for all renewable and non-emitting generation owned, contracted, or controlled by the utility.

Avista had 3,300,397 MWh of generation from Washington’s share of renewable and non-emitting generation owned, contracted, or controlled by Avista. Hourly values for System and Washington’s share are provided in Confidential Appendix B on the “Total Renewable 4(a)(iii)” tab.

iv. Generation from qualifying facilities as described in RCW 19.405.020 (36)(a).

Avista had 177,446 MWh of generation from qualifying facilities in alignment with RCW 19.405.020 (36)(a). Hourly values are provided in Confidential Appendix B on the “WA QFs(a)(iv)” tab. Avista does not record hourly generation values for small QF projects, therefore that portion of hourly generation is estimated.

v. All electricity sold or transferred for all bundled sales of electricity from renewable and non-emitting sources. For the purposes of this subsection,

bundled electricity is electricity that is sold with all its nonpower attributes in the same transaction.

Avista's Washington share of bundled sales from renewable and non-emitting resources was 62,839 MWh. For the purposes of this subsection, bundled electricity is electricity that is sold with all its nonpower attributes in the same transaction (may not include the RECs for those transactions going to California markets). Hourly values for System and Washington share are provided in Confidential Appendix B on the "Bundled-Specified Sales 4(a)(v)" tab.

vi. All electricity sales in which the electricity was sold by that utility in a wholesale market sales without its associated nonpower attributes.

Avista had 2,486,487 MWh of non-specified wholesale market sales. Under the Climate Commitment Act (CCA), Avista was required to cover non-specified clean energy sales with state-allocated allowances or designated clean energy based on if the energy had a final delivery point in Washington State. Avista assigned 1,157,964 MWh of its clean energy to cover the 2023 CCA obligation. Hourly values for System and Washington share are provided in Confidential Appendix B on the "Unspecified Sales & EX 4(a)(vi)" tab.

WAC 480-100-650 (4)(b)

Unless otherwise ordered by the commission, the utility must include in its filing the following:

- i. Total monthly megawatt-hours of sales, purchases, and ex-changes by counter party of electricity sales in which the electricity was sold by that utility in a wholesale market sale without its associated nonpower attributes. Any contract in which the utility sells electricity in a wholesale market sale without its associated nonpower attributes must include terms stating the seller is not transferring any of the nonpower attributes and the buyer may not represent in any form that the electricity has any nonpower attributes associated with it and that the buyer must include such provision in any sale of the electricity in any subsequent sale it makes.**

Avista had 1,264,298 MWh of purchases and 2,486,487 MWh of unspecified sales. Confidential purchase and sale values by counterparty for System and Washington's share are provided in Confidential Appendix B on the "Mthly Unspecified 4(b)(i)" tab.

- ii. Total monthly megawatt-hours of sales, purchases, and ex-changes of bundled electricity from renewable or non-emitting generation. For the purposes of this subsection, bundled electricity is electricity that is sold with all of its nonpower attributes in the same transaction.**

Avista had 62,872 MWh of specified bundled sales. Values by month for System and Washington's share are provided in Confidential Appendix B on the "Mnth Specified-Bundled 4(b)(ii)" tab.

iii. All purchase contracts longer than one month that source the electricity delivered from coal fueled generation.

Avista's only designated coal generation is through its partial ownership in Colstrip units 3 & 4. In 2023, Washington's share of this generation was 1,641,846 MWh. Hourly values are provided in Appendix D.

iv. Beginning January 2, 2026, all existing or new purchase contracts longer than one month with documentation that none of the electricity delivered is sourced from coal fueled generation.

Beginning in 2026, Avista will report on existing or new purchase contracts and attest that none of the electricity delivered is from coal-fueled generation as required in its 2027 Annual Clean Energy Progress Report.

v. Any data provided to the Western power pool's resource adequacy program or its successor.

Please see Confidential Appendix E for Avista's data submissions to the Western Resource Adequacy Program.

APPENDICES

The following appendices provide details about the required data for Avista's 2023 Clean Energy Progress Report.

Appendix A: Energy Conservation for 2023

Appendix B: Clean Energy Report for 2023 **Confidential**

Appendix C: Renewable Energy Credit Retirements for 2023

Appendix D: Colstrip Actual Generation for 2023

Appendix E: Western Resource Adequacy Program Data **Confidential**

RESPECTFULLY SUBMITTED this 27th day of June, 2024.

AVISTA CORPORATION

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