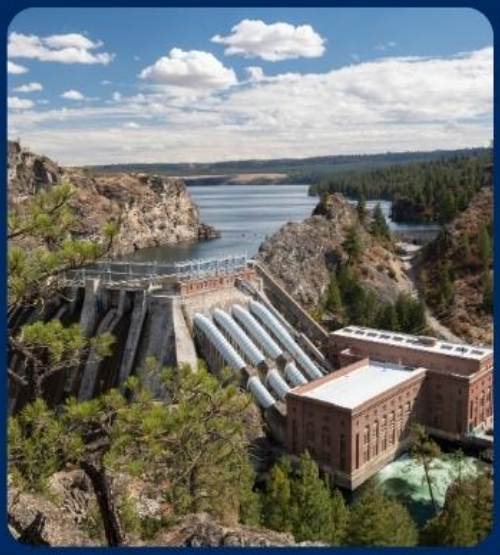

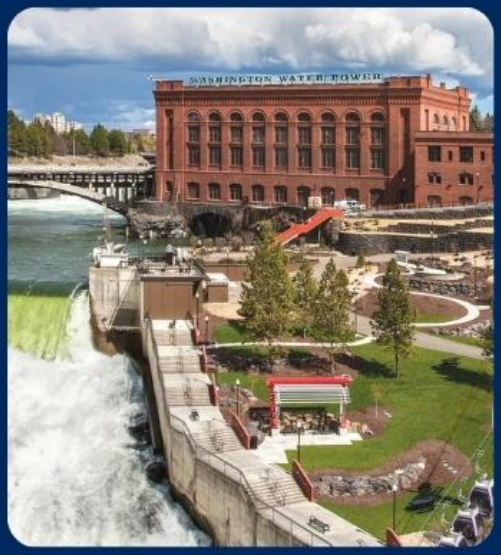

2025

CLEAN ENERGY IMPLEMENTATION PLAN

myavista.com/CEIP

October 2025

Safe Harbor Statement

This document contains forward-looking statements. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond the Company's control, and many of which could have a significant impact on the Company's operations, results of operations and financial condition, and could cause actual results to differ materially from those anticipated.

For a further discussion of these factors and other important factors, please refer to the Company's reports filed with the Securities and Exchange Commission. The forward-looking statements contained in this document speak only as of the date hereof. The Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such a statement is made or to reflect the occurrence of unanticipated events. New risks, uncertainties and other factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the Company's business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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1. Executive Summary

Through the Clean Energy Transformation Act (CETA), and the required Clean Energy Implementation Plan (CEIP) submittals every four years, Washington state is advancing the equitable delivery of clean energy to electric utility customers. Avista's 2025 CEIP is informed by the Company's 2025 Electric Integrated Resource Plan (IRP) and 2025 Clean Energy Action Plan (CEAP). It outlines activities over the 2026-2029 implementation period in the areas of public participation, Named Communities, Customer Benefit Indicators (CBIs), and supports clean energy objectives by serving customers with renewable energy sources, and reducing demand through energy efficiency and demand response programs. Avista will implement additional Company actions to support an equitable clean energy transition in the areas of transmission expansion, supporting American Indian relations, community microgrids and resiliency stations, and supporting employee and supplier diversity. Additionally, the Company proposes an investment goal with the Named Community Investment Fund (NCIF) and an aspirational metric achievement in each of the CBIs.

To support public participation and increase customer engagement, the 2025 Public Participation Plan outlines strategies Avista will continue and highlights the Mutli-Language Strategy and Community Partnerships for future development. This also includes engaging with Avista's numerous advisory groups to identify customer needs and, where appropriate, incorporate their feedback in Company programs, actions, and plans.

Through public engagement and Avista's advisory groups, vulnerable customer segments or Named Communities are identified to ensure they equitably benefit from the transition to cleaner energy. Under the 2025 CEIP, Avista's Named Community population increases from 44% to 58% across its Washington electric service territory. To address this growing need, Avista will consult with its various advisory groups to determine components that contribute to and compound multiple burdens and implement actions to support this customer segment.

Measuring the clean energy transition impact for all customers, and the equitable distribution of benefits and burdens for Named Communities, is supported through CBIs. Avista proposes

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reductions from its 2021 CEIP CBIs, to 13 CBIs and 54 metrics and introduces the desired directionality of improvement or reduction for each CBI.

The clean energy transition includes increasing the delivery of renewable energy to customers, while also increasing energy efficiency and demand response savings through interim and specific targets, and specific actions. As listed in Figure No. 1.1 below, Avista will continue to increase delivery of clean energy to customers through the annual retirement of Renewable Energy Credits (RECs), continue to deliver and pursue cost-effective energy efficiency programs as identified by the Conservation Potential Assessments (CPA) and increase its demand response strategies by acquiring cost-effective programs through its 2025 All Source Request for Proposal (RFP) process.

Figure No. 1.1: 2025 CEIP | Interim/Specific Targets & Specific Actions

Renewable Energy Interim Targets

2026: 66.0%
2027: 69.5%
2028: 73.0%
2029: 75.5%

Renewable Energy Specific Actions

Annually retire
Renewable Energy Credits to meet
the percentage requirements

Energy Efficiency Specific Target

Achieve 147,344 MWh savings by 2029

Energy Efficiency Specific Actions

Continue 2025 CPA-identified
measures/programs

Pursue 2027 CPA-identified
measures/programs

Demand Response Specific Target

Cumulative 55 MW during
a single peak hour by 2029

Demand Response Specific Actions

Continue 30 MW industrial
demand response contract

Pursue cost-effective solutions
from 2025 All-Source RFP

In addition to these specified targets and actions, Avista outlines further measures in Figure No. 1.2 below to address energy capacity requirements, enhance solar and battery energy storage

systems (BESS) for income-qualified customers, advance demand response initiatives, and implement other company-wide efforts. These initiatives are designed to demonstrate continued progress toward meeting the mandated carbon neutrality goal by 2030 and achieving carbon-free operations by 2045.

Figure No. 1.2: 2025 CEIP | Additional Company Actions Summary

Renewable Energy

Issue 2025 All-Source RFP
Qualifying Capacity: Winter 105 – 415 MW | Summer 135 – 425 MW
Annual Clean Energy: 0 – 200 aMW

Pursue Washington State's SSHB 1814
Community Solar Program & Public Utility Tax Incentive:
Project 1: Up to 1.6 MW Solar & 1.5 MW BESS
Project 2: TBD MW Solar & TBD MW BESS

Demand Response

Time of Use Rate & Peak Time Rebate Pilots
Electric Vehicle Time of Use Rate
Northwest Energy Efficiency Alliance End-Use Load Flex Project

Company

Transmission Expansion Projects
Connected Communities
American Indian Relations & the Spokane Tribe Resilience Station
Martin Luther King, Jr. Community Center Resilience Hub
Transportation Electrification Plan
Equity, Inclusion & Diversity Commitment
Supplier Diversity Program

As shown in Figure No. 1.3 below, the Company proposes aspirational goals and actions to improve CBI metrics and support Named Communities investments in energy efficiency improvements and various community-initiated projects and initiatives.

Figure No. 1.3: 2025 CEIP | Company Goals & Actions

Company Goals	Company Actions
Six aspirational CBI metrics by 2029	Actions per aspirational CBI metric
Invest up to $5 million annually in Named Communities	Named Community Investment Fund

In planning the 2025 CEIP, Avista calculated the Company's four-year cost cap available under CETA at $157.2 million. Avista's incremental costs associated with the 2025 CEIP are estimated at $68 million over the 2026-2029 implementation period.[1]

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[1] Incremental cost impacts may change based on actual customer load growth.

2. Planning the 2025 CEIP

Background

In 2019, the Washington state Legislature passed the Clean Energy Transformation Act (CETA), requiring electric utilities to serve 100% of Washington retail load with renewable and non-emitting electric generation by 2045, with the following intermediate clean energy requirements:

- Prohibit the sale of coal-fired energy generation to Washington retail customers after December 31, 2025.
- Require retail sales of electricity to Washington customers to be carbon-neutral between January 1, 2030, and December 31, 2044, with at least 80% of generation from renewable and non-emitting electric sources. Up to 20% may be met with alternative compliance options, including alternative compliance payments, unbundled Renewable Energy Credits (REC), or investing in energy transformation projects.
- Require 100% of retail sales of electricity to Washington customers be met with renewable and non-emitting electric generation on and after January 1, 2045.

Planning for CETA compliance is done through the Company's Integrated Resource Plan (IRP) conducted every four years with an update every two years, and CETA's requirement of a 10-year Clean Energy Action Plan (CEAP) updated every four years. Results from these planning documents lay the foundation for the four-year Clean Energy Implementation Plan (CEIP), with clean energy targets and specific actions for adding more renewable or non-carbon emitting energy, energy efficiency, and demand response. Avista also includes a section for additional goals, targets and actions that further support the equitable transition to clean energy.

The law also requires the equitable distribution of clean energy benefits and reduction of burdens for customers who may have disproportional health or economic disparities as identified by the Washington State Department of Health's (DOH) Environmental Health Disparities Map.[2] These customers can be classified as Highly Impacted Customers or Vulnerable Populations and are collectively referred to by Avista as Named Communities. To measure the impacts of the clean energy transition for all customers, and specifically the impact on Named Communities, the

[2] https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map.

Company is required to adopt CBIs across a variety of required benefit areas. Additionally, a Public Participation Plan is required to invite meaningful and inclusive public engagement in the creation of the CEIP and throughout the implementation period.

The Company submitted its first CEIP on October 1, 2021, which was conditionally approved by the Washington Utilities and Transportation Commission (WUTC or Commission) on June 16, 2022, with 38 conditions.[3] On November 1, 2023, the Company submitted its 2023 Biennial CEIP Update and included progress towards all 38 conditions, which was approved by the WUTC on March 22, 2024,[4] resulting in the modification of one condition and the addition of one new condition, bringing the total to 39. Throughout the 2022-2025 implementation period, Avista satisfied most of the conditions, however the Company proposes updates to various conditions as discussed throughout this CEIP.

Federal Funding Opportunities & the CEIP

Avista is aware of the Commission's expectations and preferences regarding the incorporation of the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act of 2021 (IIJA) in the CEIP.[5] The January 2025 transition to the new presidential administration brought a significant pause in the distribution of federal grant funding, particularly within the Department of Energy (DOE). This stems from the administration's "Unleashing American Energy" Executive Order, which directed a department-wide review of all funding activities to ensure alignment with the new administration's priorities. As a result, many grants previously authorized under the IRA and IIJA are temporarily halted and Avista has experienced delays in grant award negotiations.

Prior to the 2025 federal administration transition, Avista applied for 30 grants across federal and state organizations. These grant applications were broad in utility focus but primarily supported grid resiliency and wildfire mitigation efforts. As of 2021, either as a primary or sub-recipient, Avista has received access to more than $100 million in federal and state grant awards. However, most awards have yet to be contracted. See Appendix A for grant applications and their funding status.

[3] Docket UE-210628 Order 01.
[4] Docket UE-210628 Order 02.
[5] Docket U-240013, Policy Statement issued May 3, 2024, addressing the Federal Inflation Reduction Act and the Infrastructure Investment and Jobs Act in utility planning.

As listed in Table No. 2.1 below, and according to the IRA/IIJA Policy Statement, there are six general areas of the CEIP, and each area is required to contain information related to the grant funding opportunities. Although federal grant funding is no longer available, and not applicable for planning Avista's 2025 CEIP, Avista has provided information where applicable on requested related topics. Avista's grant funding opportunities are in the Company Initiatives | Additional Actions section and are not classified as a specific action to support a specific target. These additional actions support transmission expansion, grid resiliency, and electric transportation, and reference applicable grants.

Table No. 2.1: 2025 CEIP & Federal Funding Opportunities

CEIP Area	Requirement	2025 CEIP
Targets	Funding assumptions for targets	N/A
CBI Metrics	Justice 40/WA DOH comparison	See Named Communities
Specific Actions	Projects identified for funding	See Company Initiatives | Additional Actions
Cost	Range of net benefits	N/A
Public Participation	Advisory group education	See EEAG in Public Participation Advisory Group Collaboration section
Reporting	State & federal grant inventory	See Appendix A

CEIP Advisory Group Collaboration

Avista organized a 2025 CEIP-focused advisory group with monthly meetings to discuss the components of the Company's 2025 CEIP, bringing transparency and collaboration to the planning process. In November 2024, an email invitation was sent to existing Avista advisory groups, including those in the Equity Advisory Group (EAG), Energy Efficiency Advisory Group (EEAG), Energy Assistance Advisory Group (EAAG), Distribution Planning Advisory Group (DPAG) and IRP Technical Advisory Committee (TAC). As listed in Table No. 2.2 below, the Company received interest from a variety of technical experts, such as Commission Staff, regional utility professionals, consumer, and environmental advocacy groups, and interested customers.

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Table No. 2.2: 2025 CEIP Advisory Group Participating Organizations

Organization	
Cascade Natural Gas	Renewable Northwest
Form Energy	Spokane Neighborhood Action Partners
Grant County Public Utility District	Spokane Regional Clean Air Agency
HDR, Inc.	The Energy Project
Northwest Energy Coalition	WA Department of Commerce
Northwest Gas Association	WA State Office of the Attorney General
Northwest Laborers' Employers Cooperation & Education Team (LECET)	WA Utilities & Transportation Commission
Northwest Power & Conservation Council	General public members

As indicated in Table No. 2.3 below, various CEIP topics were addressed each month, providing ample opportunity for discussion and clarification. Avista conducted virtual public meetings in May and August 2025 to discuss the various components of the 2025 CEIP. Meeting slides were made available online three business days prior to the meetings, and recordings, along with notes, were posted following each meeting.[6] Meeting awareness was widely promoted to customers through various digital and physical communication methods, including targeted social media ads, emails, physical flyers, in-person promotion at community events, and through community partners. Many of these promotional communications were translated into Spanish.

The Company records and addresses feedback from monthly CEIP Advisory Group meetings in a comment matrix detailing member input and Avista's responses or planned actions. This matrix, included in Appendix B, promotes transparency and regulatory compliance by showing how feedback shaped the plan or why it was not included in the plan.

Table No. 2.3: 2025 CEIP Advisory Group & Public Meetings

Audience	Meeting Date	Agenda
CEIP Advisory Group	January 14, 2025	2021 CEIP Review Summary
CEIP Advisory Group	February 18, 2025	2025 CEIP Targets & Specific Actions
CEIP Advisory Group	March 18, 2025	2025 Public Participation Plan Named Communities Designation
CEIP Advisory Group	April 22, 2025	Customer Benefit Indicators
CEIP Advisory Group	May 20, 2025	Additional Company Initiatives: Aspirational Equity Metric Goals Named Communities Investment Fund

[6] See CEIP Advisory Group section at the bottom of https://www.myavista.com/about-us/washingtons-clean-energy-future/clean-energy-implementation-plan.

Virtual Public Meeting	May 28, 2025	2025 CEIP Customer Benefit Indicators
CEIP Advisory Group	June 23, 2025	Load Forecast Update & Incremental Costs
CEIP Advisory Gorup	July 15, 2025	Q & A Listening Session
Virtual Public Meeting	August 27, 2025	2025 CEIP Preview Summary

Avista includes additional information regarding EAG participation in the modification of CBIs and identification of Vulnerable Populations in the Public Participation section below.

Avista extends its gratitude for the valuable contributions and time commitments made by each advisory group member throughout this process. The Company would like to formally acknowledge and thank the organizations and members who participated in the development of this 2025 CEIP.

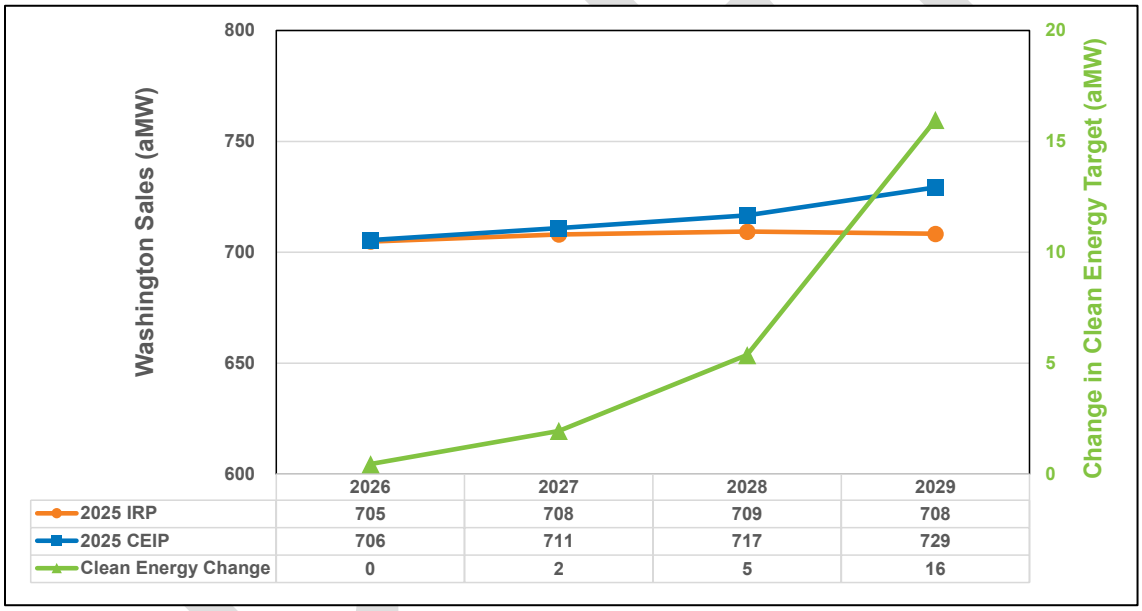
Updated Portfolio Analysis for 2025 CEIP

Avista's 2025 Electric IRP Preferred Resource Strategy (PRS) provided the foundation for the 2025 CEAP and a starting point for the 2025 CEIP. The PRS informs this CEIP's renewable energy, energy efficiency, and demand response targets, and proposes a variety of resource options to meet the targets throughout the 2026-2029 implementation period. However, the assumptions in the 2025 IRP were developed 18 months prior to the 2025 CEIP planning horizon and are not reflective of current conditions and assumptions. To address this, specific assumptions in the 2025 PRS portfolio were updated resulting in a new resource strategy for the 2025 CEIP period. This updated strategy reflects changes to the load forecast, existing resource capacity contributions (Qualifying Capacity Credit or QCC), new resource availability, and resource costs for both generation and demand response. These changes increased the demand response target, while the renewable energy and energy efficiency targets remained unchanged. The assumption changes also caused the model to select different resources to meet peak-load resource shortfalls, however, actual resources to meet the targets will be determined through the Company's 2025 All-Source Request for Proposal (RFP) process, which is concurrent with the drafting of this Plan.

One of the most significant changes in the 2025 CEIP resource strategy is reflected in the load forecast. Figure No. 2.4 below demonstrates the updated forecast as compared to the 2025 IRP, where the 2025 CEIP's forecast is 21 aMW higher and results in a 16 aMW increase for renewable energy generation. This forecasted increase is based on expected higher commercial and industrial demand growth. In addition to the updated energy forecast, a new peak load forecast was also

completed. This forecast is largely centered on growth and was informed by actual winter weather events over the last three winters. Conversely, Avista's summer peak loads have recently seen a flattening of demand growth. Meeting peak load or solving resource adequacy challenges was the primary short-term need in the 2025 IRP, where an additional 55 MW for winter and 33 MW for summer capacity were identified by 2030 to maintain Avista's planning margin targets. With Avista's new higher peak load forecast and updated QCC values provided by the Western Resource Adequacy Program (WRAP),[7] the updated resource adequacy needs for Avista's system reflect 101 MW for winter and 131 MW for summer. Avista issued an All-Source RFP in May 2025 to identify both supply and demand projects/programs to fulfill these projected resource adequacy shortfalls.

Figure No. 2.4: Energy Load & Clean Energy Requirement Forecast Update



	2026	2027	2028	2029
2025 IRP	705	708	709	708
2025 CEIP	706	711	717	729
Clean Energy Change	0	2	5	16

For this CEIP, and primarily due to the updated load forecast, Avista updated its assumptions and methodology within its resource portfolio expansion model. This update provides information for the new 2025 CEIP PRS and determines if any 2025 IRP PRS previously identified specific actions should be changed. Updates to the CEIP specific portfolio analysis include:

[7] https://www.westernpowerpool.org/about/programs/western-resource-adequacy-program.

- Change the capacity expansion model's (PRiSM) optimization routine to avoid selecting resources for an individual jurisdiction until 2035. This change was made due to the fact Avista does not have an individual resource jurisdiction allocation. Any resource Avista adds to the system in the near future will be split by the Production Transmission (PT) ratio. While it is possible Avista will have state-specific resources as envisioned in the IRP, there is no plan to divide the resources between states at this time.

- Updated the WRAP provided QCC values for existing Avista-controlled resources, thus reducing summer QCC values for Avista's existing resource portfolio. These QCC values are updated annually and Avista incorporated the latest capacity accreditation information.

- Updated capital resource cost assumptions for demand response, wind, solar, battery energy storage system (BESS), and natural gas combustion turbines (CT). This update is based on new information, including internal analysis for demand response, National Renewable Energy Lab (NREL) cost assumptions for wind, solar, BESS, and the Northwest Power and Conservation Council (NPCC) cost assumptions for natural gas turbines. Avista chose to update these cost assumptions due to significant price changes due to inflation and supply chain constraints.

Although Avista updated these third-party resource cost assumptions, the Company is concerned they fail to reflect current price increases and is not confident they reflect future transactional prices. To address this, Avista's 2025 All-Source RFP will provide actual transactional pricing to inform resource decisions. Furthermore, with the passage of the federal tax bill and expedited sunsetting of renewable energy and storage federal tax credits, Avista's previous concern reflected in the IRP's assumption of continuing these credits for certain resources, also reflected in the CEIP PRS, remains valid. This discontinuation of tax credits will delay early acquisition of renewable energy projects and transfer the cost responsibility of complying with CETA to Washington customers rather than federal taxpayers. This may impact resource decisions as noted in the original 2025 IRP scenario analysis.

Using the modeling changes and updates described above, Avista conducted a CEIP-focused portfolio analysis, resulting in a 2025 CEIP PRS for 2026 through 2030, to determine if near-term resource decisions for renewable energy or demand response would differ with those identified in

the 2025 IRP. As a result of the analysis, the CEIP reflects changes to demand response resources, while generating resources remain unchanged (but are shown for informational purposes).

Avista's analysis identified resource results as provided in Table No. 2.4 for demand response during the four-year CEIP implementation period and supply-side resources through 2029 within Table No. 2.5. Demand response savings increases by 17.2 MW[8] largely due to higher and nearer term capacity needs and a lower cost projection for some programs. Although the amounts shown in Table No. 2.4 are for the 2025 CEIP implementation period, sustaining these programs through 2045 would result in an estimated total peak reduction of 43 MW.

Table No. 2.4: 2025 IRP vs 2025 CEIP | Demand Response Load Reduction

DR Program	2025 IRP – MW Winter	2025 CEIP – MW Winter
Customer BESS	1.0	1.0
Behavioral	0.0	2.1
Third Party Contracts	0.0	10.8
Time of Use (TOU) Rates (Opt-in)	0.0	2.2
Electric Vehicle TOU	0.8	0.8
Peak Time Rebate	0.0	4.8
Variable Peak Pricing	2.6	0.0
Total	**4.4**	**21.6**

The 2025 IRP focused on solving the first major long-term resource capacity deficit beginning in 2030. As listed in Table No. 2.5 below, the updated CEIP analysis satisfies this need differently by avoiding selection of a natural gas CT in favor of increased solar, BESS, and wind resources to meet capacity deficits (in both scenarios with and without federal tax incentives). These resource selection changes are due to the model avoiding resource selection by each individual state. In the 2025 IRP, a 90 MW natural gas-fired CT was selected for the Idaho jurisdiction. Avoiding jurisdictional allocation and using the social cost of greenhouse gas (SCGHG) pricing for Washington's share of resources has identified batteries and additional wind to meet the capacity need – reflecting the SCGHG economic burden on the natural gas plant. However, Avista is not

[8] Avista's model also selected similar demand response programs for Idaho, but timing is different due to AMI deployment.

required to use SCGHG pricing in its acquisition of actual resources, so new resource selections for resource adequacy[9] may differ from the CEIP and the IRP modeling.

Further, Avista is concerned with the future pricing of wind and batteries estimates, as prices are expected to be materially higher than modeled. To understand this impact, Avista conducted tests suppressing the federal Production Tax Credit (PTC) and Investment Tax Credit (ITC), resulting in higher pricing. Based on this change, the model indicated less wind selection and more energy storage. However, absent SCGHG pricing requirements of the CEIP, natural gas could be the preferred selection as shown in Idaho's section of the 2025 IRP.[10]

Table No. 2.5: 2025 IRP vs 2025 CEIP | System Resource Selection through 2030 (MW)

Resource	2025 IRP	2025 CEIP	2025 CEIP w/o PTC/ITC
Community/Distributed Solar	2.3	6.5	8.5
Battery Energy Storage System	0.0	36.8	80.0
Wind	400.0	505.9	206.0
Natural Gas CT	90.0	0.0	0.0
Total	**492.3**	**549.2**	**294.5**

Avista is preparing this 2025 CEIP while concurrently conducting the 2025 All-Source RFP process, with actual resource selection planned to conclude in the fourth quarter of 2025 – after the CEIP filing on October 1, 2025. The actual selection of resources will be made in the RFP process and will follow the statutory process for resource acquisition. Due to the uncertainty of the RFP resource selection, Avista does not include acquiring any utility-scale generating resources (supply-side) as specific actions, nor does it include these unknown resource costs within any incremental cost analysis. Avista is only using this analysis to develop the demand response target and includes acquiring RFP cost-effective resources as an additional Company action to meet future resource capacity requirements. Actual resources acquired through the 2025 RFP process will be discussed in the 2027 Biennial CEIP.

[9] CBI metrics as they relate to resource adequacy can be found in Appendix C, Avista's 2025 CEAP.
[10] See Avista's 2025 Electric IRP Chapter 2 Preferred Resource Strategy: https://www.myavista.com/-/media/myavista/content-documents/about-us/our-company/irp-documents/2025/2025-avista-electric-irp.pdf

Avista's updated CEIP PRS/portfolio analysis does not reflect changes to 2025 IRP identified energy efficiency targets for 2025-2026. Updated energy efficiency targets for the 2027-2029 biennium will be reflected in the 2027 IRP.

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3. Public Participation

Overview

Avista submitted its 2025 Public Participation Plan (PPP) to the Commission on May 1, 2025.[11] The PPP demonstrates Avista's commitment to informing and educating its customers about clean energy requirements and the Company's initiatives, including energy assistance and energy efficiency programs, emphasizing equitable access to clean energy benefits. It highlights Avista's efforts to reduce participation barriers for customers with a particular focus on supporting those in Named Communities. The PPP outlines the schedule, methods, and goals for public participation and education, both during the development of the CEIP and throughout its implementation. Additionally, the plan includes details about Avista's advisory group meetings and schedules, the establishment of CBI metrics, the identification of Vulnerable Populations, and barriers to participation with mitigation strategies.

While Avista continues to enhance its outreach strategies and mitigate barriers to participation, customers may or may not provide their input through the various channels available for feedback. Customer comments relevant to the CEIP along with the Company's responses are provided in Appendix B.

Advisory Group Collaboration

Advisory groups were integral to the development of Avista's 2025 CEIP, offering independent expertise and community-informed perspectives that support equitable decision-making in energy planning, sustainability initiatives, and customer engagement strategies. Advisory groups were consulted in the development of the 2025 CEIP's interim targets and specific actions, identification of CBI metrics, public participation perspectives and recommendations. They also collaborated with Avista to identify Vulnerable Populations. Special emphasis was given to EAG input in accordance with WAC 480-100-655(1)(b).

Equity Advisory Group

Avista's EAG plays a critical role in reviewing, consulting, and advising the Company on equity-related matters across various aspects of the CEIP and the PPP. The EAG is composed of a diverse group of individuals, including advocates for social and environmental justice, public health

[11] 2025 Public Participation Plan in Docket UE-250308.

professionals, tribal representatives, and customers who either reside in or work with agencies that support Named Communities. A list of Avista's current EAG members is provided in Appendix D.[12] To provide transparency and manage expectations, Avista incorporates the International Association for Public Participation's (IAP2) Public Participation Spectrum[13] into its EAG meetings. This approach helps foster a culture of trust and credibility in understanding where the Company is informing or consulting the audience on a topic versus inviting involvement and seeking collaboration.

In addition, the EAG provides strategic guidance on Avista's public outreach efforts, ensuring that customers have access to educational CEIP materials, public meetings, information on how to engage with the Company, as well as various ways to enroll in energy assistance and energy efficiency programs. Moreover, the EAG played a crucial role in incorporating Named Communities and CBI metrics into Avista's Equitable Business Planning Framework.[14]

In addition to the 2025 PPP strategies, during the May 2025 Equity Lens Session, the EAG focused on strategies to enhance participation from customers in Named Communities. They identified barriers and proposed solutions across several key themes as described below.

- **Communication Methods**: Utilize trusted community leaders and diverse media channels to disseminate information effectively, including printed materials in common areas and attending local events to increase visibility.
- **Inclusion & Accessibility**: Provide safe and comfortable meeting spaces, allowing adequate time for feedback. It's important to respect cultural values and avoid technical jargon, and provide necessary information in advance.
- **Convenience**: Offer incentives for participation such as gift cards and food, and provide flexible participation options, including virtual engagement. Meetings should be brief and scheduled at convenient times to encourage attendance.
- **Survey Quality**: Design surveys that are straightforward and brief, accessible in multiple languages, and free of bias. Clearly communicate the purpose of demographic questions to encourage honest responses.

[12] Additionally, an up-to-date list of all active EAG members is maintained on Avista's website: https://www.myavista.com/about-us/washingtons-clean-energy-future/equity-advisory-group.
[13] https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf.
[14] Docket UE-220053 et. al., filed December 20, 2024.

Additionally, the EAG has contributed to the development of a prioritization methodology for the Named Community Investment Fund (NCIF) awards and has offered input on the Company's Multi-Language Strategy (MLS).

Advisory Groups

In addition to the previously discussed EAG and CEIP advisory groups, Avista engages several other advisory groups that offer guidance on a broad range of topics. These advisory groups are routinely consulted within their respective areas of expertise. Additional advisory groups include:

- **Energy Assistance Advisory Group:** The EAAG monitors and explores ways to improve Avista's Low-Income Rate Assistance Program (LIRAP). This includes discussing potential program modifications, collaboratively troubleshooting challenges, and examining alternatives that may better serve Washington customers. The EAAG is guided by four primary goals including keeping customers connected to their energy service, increasing assistance to more customers than are currently served, lowering the energy burden of LIRAP participants, and ensuring that LIRAP has appropriate data to assess program effectiveness. In March of 2023 and March 2024, Avista discussed IRA/IIJA opportunities with the EAAG in terms of education about the grants, how Avista approached grant applications and highlighted successful grant applications.

- **Energy Efficiency Advisory Group:** The EEAG advises Avista on conservation issues, including, but not limited to, conservation programs and measures, updates to the Company's evaluation, measurement, verification framework, and modifications of existing or development of new evaluation, measurement, and verification methods. Additionally, they provide independent third-party evaluation of portfolio-level biennial conservation achievement, development of conservation potential assessments, the methodology, inputs, and calculations for cost-effectiveness, the data sources and values used to develop and update supply curves and helps determine the need for tariff modifications or mid-biennium program corrections.

- **Distribution Planning Advisory Group:** The DPAG was established in compliance with Condition 13 of the Company's 2021 CEIP, as provided below. The DPAG works with the Company on its 10-year distribution investment plan and evaluates non-wires alternatives for major transmission and distribution projects.

  > *"Avista will initiate its Distribution Planning Advisory Group (DPAG) no later than the end of 2022, and it must invite all existing advisory groups to participate in the new group. Avista acknowledges that stakeholders have limited resources and will consult between existing advisory groups and stakeholders regarding streamlining."*

  While the DPAG was established in 2022 with its first meeting occurring in 2023, the Company resonates with the sentiment provided in the original condition pertaining to

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limited resource availability. As such, Avista proposes to combine the DPAG process with the Company's existing Electric IRP TAC process in place of standalone DPAG meetings.[15] This will allow for a more wholistic and inclusive planning process while limiting potential resource constraints.

- **Electric and Gas IRP Technical Advisory Committees:** The Electric and Gas IRP TACs help Avista in its 20-year resource planning process by providing guidance for identifying and meeting its resource needs with the lowest reasonable cost mix of conservation and efficiency, generation, distributed energy resources (DERs), and delivery system investments to ensure the utility provides energy to its customers that is clean, affordable, reliable, and equitably distributed.

Each of these advisory groups contributes to Avista's clean energy objectives and initiatives. Through collaborative discussions, Avista collected comments, feedback, and program input regarding its CEIP, IRP, and energy assistance and efficiency programs. The Company also provided presentations to its EAAG about IRA/IIJA grant opportunities. These presentations included information on the IIJA and IRA, Avista's approach to grants, and details on outcomes and lessons from the grant process. Avista plans to maintain communication with its advisory groups for ongoing education and consultation with interested parties.

2025 Public Participation Plan

Public Participation Strategies

Several of the planned engagement strategies outlined in Avista's 2025 PPP build upon the success of Avista's 2023 PPP. Avista will mature current engagement approaches that have proven effective and maximize the impact of existing efforts. This section highlights two of Avista's key strategies, including its multi-language translation efforts and plans to increase community partnerships. Table No. 3.1 below provides a list of the 2025 PPP's identified barriers and strategies to address participation barriers.

Table No. 3.1: 2025 Public Participation Plan Strategies & Barriers

Strategy	Barrier to Overcome
Multi-Language Strategy	Language
Monthly EAG Meetings	Economic
CEIP Customer Survey	Other factors[16]
Educational Videos	Economic and other factors
Quarterly Meetings & Newsletter	Other factors

[15] Avista will continue the planned 2025 DPAG meetings.
[16] Other factors as identified by the EAG include accessibility, inclusion, convince, preferred communications methods

Community Events	Cultural and other factors
CETA/CEIP Webpages	Other factors
CEIP Public Comment Form	Other factors
Frequently Asked Questions	Other factors
Biennial CEIP Survey	Language
Enhance Technological Accessibility	Other factors
Social Media & Strategic Communications	Language, Other factors
Community Partnership Program	Other factors

Multi-Language Strategy

A major advancement in the 2025 PPP includes Avista's efforts to formalize a multi-language strategy. The strategy addresses language barriers and ensure broader, more equitable access to information and participation opportunities, especially for customers in Named Communities. Avista established a structured approach to multi-language access, moving beyond ad hoc translation to a more consistent and proactive model. In October 2024, Avista consulted the EAG regarding the multi-language strategy, including research pertaining to Avista's Washington service territory language demographics, completed multi-language strategy projects, and a framework for prioritizing future language-access projects. Avista's first project included providing Spanish translation on its website. Efforts are currently underway to provide Russian translation for Avista's website and intends to add other languages in the future. Additionally, the multi-language strategy includes enhanced accessibility to customers through translated printed materials, multilingual social media outreach, and updates to the CEIP webpage to make information easier to navigate and understand.

Community Partnerships

The PPP highlights Avista's collaboration with Desautel Hege (DH), a Spokane-based social impact agency, to advance a community-centered design approach directed at increasing public participation, engagement, and education. This partnership plays a key role in implementing the company's educational videos and Community Partnerships Program. The Community Partnership Program strategy emphasizes Avista's commitment to deepening partnerships with trusted local organizations to enhance equitable engagement and outreach. Avista recognizes community-based organizations (CBOs) as essential partners in reaching and engaging its customers, including those who are most difficult to reach. These organizations bring cultural competence, community trust, and localized knowledge that helps bridge gaps in access,

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participation, and understanding. Recognizing the significant role community partners play within their communities, Avista is committed to deepening these partnerships as a foundational element of an equitable transition to clean energy. DH's planning process will include conversations with the EAG. It's anticipated DH will provide a proposed framework by the second quarter of 2026 for Avista's consideration and possible implementation.

Public Participation Milestones

The following timeline reflects the key components for public engagement efforts throughout 2025 and 2026 and allows time to review and incorporate feedback from public engagement efforts into the Company's 2025 CEIP and 2027 Biennial CEIP Update. It will also be necessary to conduct additional outreach throughout 2025 and 2026, including advisory group meetings, distribution of communication materials, and additional community outreach in order to engage with the diverse populations the Company serves. The engagement efforts represented in Figures No. 3.1 and 3.2 are not intended to provide an exhaustive list, but rather an overview of the Company's proposed engagement activities quarterly during the 2025 PPP implementation period.

Figure No. 3.1: 2025 Engagement Timeline

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Figure No. 3.2: Proposed 2026 Engagement Timeline

Additionally, in accordance with the Equity Policy statement issued in Docket A-230217 on May 12, 2025, Avista updated its CEIP webpage[17] to include links to its CEIP filing on the Commission's website, a description of its CEIP filing, and a timeline for when and how public comments will be received. The policy statement encourages utilities to publish a list of its advisory groups along with the member organizations that participate in each, which Avista already provides on its website and will continue to maintain regularly.

Avista's 2025 third quarter virtual public participation meeting highlights the Company's 2025 CEIP with an email invitation to all Washington electric customers. The Company also distributes fliers at community events with quick response codes for meeting details to increase awareness. The draft 2025 CEIP will be available on the Company's CETA webpage[18] for customer comment prior to the virtual public meeting. Furthermore, in accordance with WAC 480-100-655(3) Avista will provide a notice to all Washington electric customers within 30 days of filing its 2025 CEIP.

Through strategic partnerships, inclusive communication strategies, and a strong emphasis on community-based collaboration, the PPP demonstrates how Avista is embedding equity, accountability, and accessibility into its communication practices. By formalizing its MLS and strengthening relationships with CBOs, Avista is not only meeting regulatory expectations under

[17] https://www.myavista.com/about-us/washingtons-clean-energy-future/clean-energy-implementation-plan.
[18] www.myavista.com/ceta.

CETA, but is also building a more inclusive and responsive energy future for all customers, especially those in Named Communities.

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4. Named Communities

Overview

The equitable distribution of benefits and reduction of burdens for Named Community populations is a key focus of CETA. As Avista transitions to a 100% clean generation by 2045, it is important to identify communities impacted by adverse socioeconomic conditions, pollution, and climate change, as well as those who may experience a disproportionate cumulative risk of environmental burdens. Identifying Named Communities allows the Company to leverage existing programs or create new ones to deliver equitable benefits where they are needed most.

2025 Named Community Summary

2023 Biennial CEIP Condition #39

Under condition 39 of the Company's 2023 Biennial CEIP Update[19] Avista agreed to the following:

> *"In its 2025 CEIP, Avista will include a description of the work it completed between its 2021 CEIP and 2025 CEIP to expand its Vulnerable Populations, including an overview of all actions and evaluations completed, as well as summaries of discussion and input from its advisory groups. Further, it will specify the methodology used to identify Vulnerable Populations in its 2025 CEIP and a comparison of Vulnerable Populations between the 2021 and 2025 CEIP."*

This section, in its entirety, outlines the actions taken by Avista to comply with this condition. CETA provides the following definitions[20] for Highly Impacted Communities and Vulnerable Populations, jointly referred to as Named Communities.

[19] Appendix A to Order 02 in Docket UE-210628.
[20] Definitions provided in WAC 480-100-605.

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Highly Impacted Communities: communities designated by the department of health based on the cumulative impact analysis required by RCW 19.405.140 or a community located in census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

Vulnerable Populations: communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (b) sensitivity factors, such as low birth weight and higher rates of hospitalization.

While the definition of Highly Impacted Communities is prescribed by the law, Vulnerable Population designations are identified in collaboration with the Company's EAG and other advisory groups. Table No. 4.1 below illustrates the Company's collaborative approach since filing its 2021 CEIP in determining the characteristics that define Vulnerable Populations, and resulting outcomes, throughout Avista's Washington electric service territory.

Table No. 4.1: Named Communities & Vulnerable Populations Discussions

Date	Topic	Audience	Outcome
January 2022	Named Communities	EAG, EAAG, EEAG	Identified greater Spokane, WA mappable locations of Peaceful Valley and the Northeast Spokane neighborhood
April 2023	Biennial CEIP Update	Public	
July 2023	Vulnerable Populations	EAAG	
April 2024	Vulnerable Populations	EAG	
October 2024	Vulnerable Populations	EAG, EEAG	Identified elderly populations, Takesa Village in Mead, WA, populations with high energy burden, populations with disabilities, citizenship status
November 2024	Vulnerable Populations	EAAG	Agreement with EAG members about the October 2024 Vulnerable Populations updates

Date	Topic	Audience	Outcome
March 2025	Named Communities	EAG, CEIP Advisory Group	
August 2025	2025 CEIP	Public	TBD

Avista is committed to reviewing its Vulnerable Population characteristics with the EAG on an annual basis and will provide updates, as necessary. A summary of comments received pertaining to Vulnerable Populations can be found in Appendix B.

Vulnerable Populations Methodology

In accordance with WAC 480-100-655(1)(b), in the Company's 2021 CEIP, Avista's EAG and other advisory groups assisted Avista in determining Vulnerable Population designations using the Washington State DOH socioeconomic factors and sensitive population themes with a score of 9 or higher. Beyond inclusion of those indicators, additional collaboration with its EAG members resulted in the identification of incremental traits that could be considered in Avista's Vulnerable Population definition. Table No. 4.2 below details the defining characteristics for Vulnerable Populations as established in the Company's 2021 CEIP.

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Table No. 4.2: 2021 CEIP Vulnerable Populations Characteristics

Washington DOH – Socioeconomic & Sensitive Population Factors	
▪ No high school diploma (%) ▪ People of color (race/ethnicity) ▪ Population living in poverty <=185% of Federal Poverty Level ▪ Primary language other than English	▪ Unemployment ▪ Death from cardiovascular disease ▪ Low birth weight ▪ Unaffordable housing (>30% of income) ▪ Transportation expense
2021 Equity Advisory Group Identified Characteristics	
▪ American Indian and Alaska Native (on/off the reservation) ▪ Black, Indigenous, People of Color (BIPOC) ▪ Eastside of Spokane ▪ Fossil fuel industry workers ▪ Houseless populations ▪ Individuals who do not read ▪ LBGTQIA2S+ ▪ Low-income ▪ Migrant workers ▪ Monolingual (no written languages) ▪ Northeast Spokane households ▪ Neighboring communities and states ▪ Non-English speakers (e.g., Spanish Marshallese, Russian/Slavic)	▪ Older homes with older infrastructure ▪ People who fall between the cracks ▪ People with disabilities ▪ Populations outside of Avista's service territory who are affected by fossil fuel infrastructure and production ▪ Religious and spiritual people ▪ Rural populations ▪ Specific indigenous languages ▪ Tenants (renters) ▪ Under documented individuals ▪ Youngest generation (high school, college) ▪ Youth (some help families navigate resources)

These characteristics, which may or may not be available through data sources for geographical mapping, aided the development of the Company's 2021 CBIs, and were established in recognition of procedural equity. This Vulnerable Population methodology was conditionally approved,[21] contingent upon the incorporation of additional conversations, to identify additional Vulnerable Population characteristics by Avista, its EAG, and EAAG. After the conditional approval, the Company continued Vulnerable Population discussions internally and with its advisory groups.

In Avista's 2023 Biennial CEIP Update, the Company proposed to increase the Vulnerable Population designation by integrating data from the federal government's Justice40 Initiative's

[21] Docket No. UE-210628.

Climate and Economic Justice Screening Tool[22] (CEJST) to highlight additional energy-related disparities within its service territory, resulting in the following additions to the Vulnerable Populations characteristics outlined in Table No. 4.3.

Table No. 4.3: 2023 Additions to Vulnerable Populations Characteristics

Federal Climate & Economic Justice Screening Tool[23] (CEJST) Factors	
▪ Climate change	▪ Health
▪ Legacy pollution	▪ Water and wastewater
▪ Energy factors	▪ Housing
▪ Transportation	▪ Workforce development
2023 Advisory Group Identified Characteristics	
▪ North Central neighborhood, Spokane, WA	▪ Peaceful Valley, WA

Avista continued its discussions pertaining to Vulnerable Populations with its advisory groups throughout the third quarter of 2024 and with its EAG and the 2025 CEIP Advisory Group in March of 2025 regarding updating to the Washington DOH map version 2.0 and incorporating the CEJST data for the 2025 CEIP. Table 4.4 below reflects the enhancements made to the Company's Vulnerable Population characteristics as a direct result of the advisory group discussions throughout 2024.

Table No. 4.4: 2024 Additions to Vulnerable Populations Characteristics

▪ 2024 Advisory Group Identified Characteristics	
▪ Aging populations	▪ Takesa Village Mead, WA
▪ Resiliency (community/personal)	▪ High energy burden

As listed in Table No. 4.1 above, Avista plans to discuss Vulnerable Population designation during its third quarter 2025 public participation meeting.

Named Communities Geographic Representation

In its 2021 CEIP, the Company incorporated data from the Washington DOH map (version 1.0 released January 2019), resulting in approximately 105,867 customers or 44% of its Washington

[22] Avista recognizes the CEJST map is no longer operational yet also provides value in identifying additional populations to recognize under the CEIP and in the Company's equitable business planning requirements.
[23] For a breakdown of CEJST factors, see Figure No. 10.1 in the Company's 2023 Biennial CEIP Update which can be found here: https://www.myavista.com/about-us/washingtons-clean-energy-future/clean-energy-implementation-plan.

electric service territory customers designated as a Named Community.[24] Based on 2024 metric calculations conducted in the first quarter of 2025, the Company has 245,564 Washington residential electric customers. In its 2025 CEIP, the Company plans to incorporate Washington's updated DOH map (version 2.0 released January 2022) and the CEJST data (version 2.0 released December 2024) in 2025. With those combined and updated data sets, it is estimated Avista's 2025 CEIP Named Community designation, which includes both Highly Impacted Communities and Vulnerable Populations, will increase to 143,013 or 58% of its Washington residential service territory (see Table No. 4.5 below). Through a recognition justice lens, mapping the Named Communities provides insight into factors which may lead to disproportional outcomes and ensure CBI metrics are built upon an understanding of what is most important to its customers.

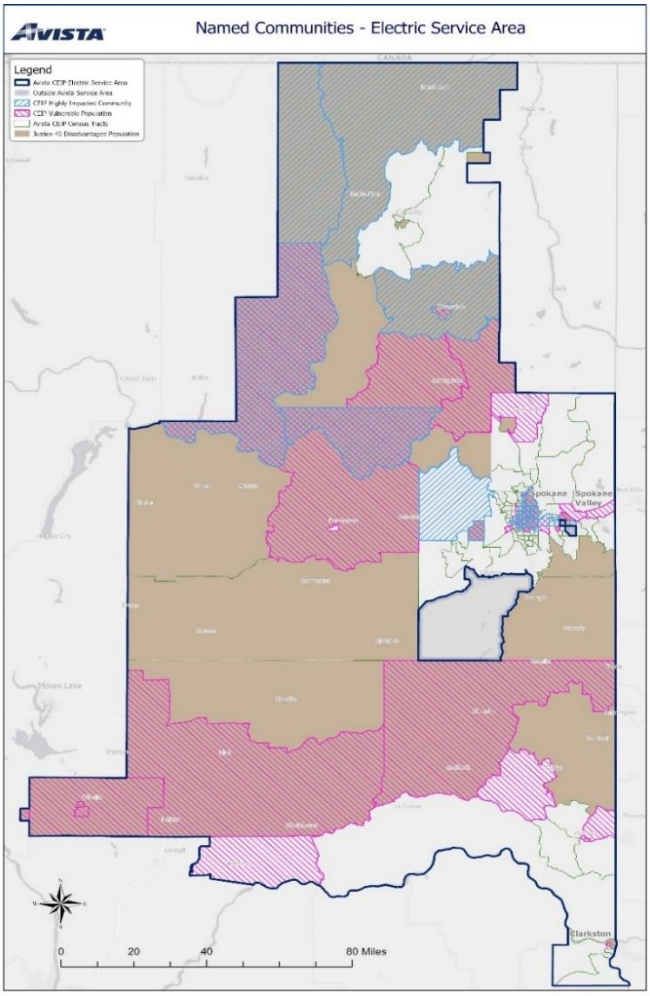
Table No. 4.5: 2021 vs. 2025 CEIP | Named Community Household Comparison

Source	Version	Community	2021 CEIP	2025 CEIP
WA DOH	2019	Highly Impacted	15,157	
	2019	Vulnerable	43,010	
	2019	Both Highly Impacted & Vulnerable	47,700	
WA DOH	2022	Highly Impacted		34,767
	2022	Vulnerable		49,977
	2022	Both Highly Impacted & Vulnerable		49,632
CEJST	2024	Vulnerable		8,637
		Total Households	**105,867**	**143,013**

Figure No. 4.1 below represents Avista's Washington electric service area under the updated 2025 Named Community designations with DOH's Highly Impacted Communities shaded in pink, Vulnerable Populations shaded in blue, and CEJST populations shaded in brown, with some areas of the service territory overlapping in all three categories. See Appendix E for additional Named Community map information.

[24] Based on metrics calculated in the first quarter of 2021 with a Washington electric residential customer count of 238,026.

Figure No. 4.1: 2025 CEIP | Named Community Designation



Identifying Additional Burdens

With the significant increase in the number of customers included in Avista's Named Community population described above, the Company recognizes the importance of reaching customers with diverse needs. The Company is in the preliminary stages of identifying components that contribute to and compound multiple burdens and implement actions to support this Named Community segment. Avista will work with its advisory groups to formalize an identification methodology throughout 2026 with an update in its 2027 CEIP Biennial Update.

Avista recognizes customers have unique circumstances affecting their personal finances, living situations and employment opportunities, amongst others. To support these customers, it has developed programs to address these burdens. The following sections highlight how the Company considers various customer burdens and programs to reach those with additional burdens.

My Energy Discount (MED)

A customer is considered energy burdened if their annual utility bills consume more than 6% of their gross annual income.[25] Avista's MED program is designed to reduce a customer's utility energy burden to no more than 6% of their annual income by providing an income-qualified monthly discount. This model supports customers through a tiered discount approach based on income levels, ensuring customers with lower incomes receive a greater monthly discount. Using this distribution methodology, Avista identifies customers with the greatest financial need and ensures they receive an equitable discount.

Energy Efficiency

To address the significant challenges faced by customers with high energy consumption, the Company has implemented an insulation program that emphasizes the installation of low-or no-cost insulation solutions and air sealing measures, as appropriate. Avista will give priority to low-income customers to help alleviate their energy burden and enhance overall home efficiency. Please see the Company's energy efficiency programs supporting Named Communities for addition information.

Named Community Investment Fund

Additionally, Avista is supporting customers with the greatest financial and housing burden need through its NCIF program funding. One example of how the NCIF is supporting those with a greatest housing burden need is through the Dignified Workday program. Avista provided an NCIF grant award to fund a labor and training program for community members who are unhoused. In 2024 this program provided 20,000 work hours and $400,000 in wages to 55 participants. Of those participants, six went on to receive full time employment, 22 transitioned into permanent housing, and six entered treatment programs.[26]

Avista is dedicated to working closely with its advisory groups to enhance its methodology for identifying customers who experience the greatest burden. As previously stated, Avista will provide a formal methodology inclusive of advisory group input in its 2027 CEI Biennial Update.

[25] Electric only and dual fuel customers are considered energy burdened at greater than 6%, while natural gas only customers are burdened if greater than 3%.
[26] NCIF stories can be found at www.myavista.com/ncif.

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5. Customer Benefit Indicators

Overview

In accordance with WAC 480-100-610(4)(c) the Company developed CBIs to measure the equitable transition to cleaner energy for all customers. It also requires an equitable distribution of energy and non-energy benefits, and a reduction of burdens for Named Communities. Under the law, these CBIs include methods to measure the equitable transition in the following eight benefit areas: reduction in cost, reduction of burden, non-energy, energy, energy resilience, energy security, environmental, and public health. For ease of presenting CBI information externally with advisory group members and customers, the Company summarizes metrics under six Avista benefit areas as shown in Figure No. 5.1 below: affordability (combines reduction in cost and reduction in burden benefit areas), accessibility (non-energy benefit area), energy resilience, energy security (includes energy benefit area), environmental affects, and public health.

Figure No. 5.1: CBI Benefit Areas

After approval of the 2021 CEIP, with CBI-related conditions,[27] the Company agreed to 14 CBIs and 84 metrics across six benefit areas. In preparation for the 2025 CEIP and provided in Table No. 5.1 below, CBIs and the associated metrics were discussed and revised with Avista's EAG and other advisory groups, and with customers through public participation meetings. Avista's CBIs hold equal significance; accordingly, the Company assigns weighting factors solely to relevant metrics during resource selection processes. For the 2025 CEIP, the Company proposes 13 CBIs and 54 supporting metrics in the same six benefit areas. Where applicable and in accordance with the rules, a metric will be measured for all customers as compared to Named Communities.

[27] 2021 CEIP CBI Conditions 18, 19, 21, 22, 24, 26, and 38.

Assumptions & Methodology

The following sections explain Avista's rationale for the proposed 2025 CBI metrics with background regarding alignment with Performance Based Regulation (PBR) metrics, advisory group collaboration and customer involvement, data source availability, classification of energy and non-energy metrics, and proposed 2025 metric baseline and reporting timelines.

Metric History & Advisory Group Collaboration

CBI and PBR reporting began in 2022. The Company began planning CBI metrics for the 2021 CEIP in 2020. In the Company's 2022 General Rate Case (GRC), the Commission approved electric and natural gas PBR metrics for Avista. The metrics had numerous redundancies, variance in reporting, cadence of metric measurements (quarterly or annually), and variance in customer segments (all customers, known-low income, Named Communities, and natural gas vs. electric customers). In the Company's 2024 Washington GRC, it proposed an overall reduction in PBR metrics to reduce administrative burden and reporting redundancy across various Commission-required filings – the CEIP included. The Commission's approval of the 2024 GRC[28] in December 2024 resulted in 33 PBR measures with 60 metric calculations (electric and natural gas), as compared to 95 PBR measures with 278 metric calculations required in the 2022 GRC. In addition, the Commission declined to require metrics that involved too many factors outside Avista's control.

In November 2023, the Company began planning for the 2025 CBIs through conversations with its EAG, reviewing existing metrics, understanding equity principles, considering the root causes of inequities, and identifying populations that could be adversely affected by the transition to cleaner energy. As shown in Table No. 5.1 below, CBIs were discussed in 2024 at the April, May, June and July Equity Lens Sessions with an expectation that additional metric conversations would occur in 2025 after the 2024 GRC concluded. No additional CBIs were identified throughout the 2024 and 2025 advisory group conversations. However, the advisory groups supported removing CBIs that were beyond Avista's control pertaining to regional greenhouse gas emissions (GHG) and outdoor air quality.

[28] Docket UE-240006 et. al., Exhibit SJB-5T starting at page 39 line 2.

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The Company further revised its proposed 2025 CBIs to better align with new PBR metrics as a result of the Commission's 2024 policy statement regarding PBR metrics, and in accordance with the 2024 Washington GRC Order.[29]

Table No. 5.1: CBI Discussions

Date	Topic	Audience
November 2023	2021 CBIs & Clean Energy Benefits	EAG
June 2023	2021 CBIs & CEIP Condition Discussions	EAG, EAAG, EEAG, Public
February 2024	Determinants of Equity	EAAG
April 2024	CETA/CEIP Overview & 2025 CBI Discussion	EAG (in person)
May 2024	2025 CBIs & Resource Selection Metrics - Continued	EAG
June 2024	2025 CBIs & Resource Selection Metrics in Preparation for 2025 IRP - Continued	EAG
July 2024	2025 Proposed CBI Summary	EAG
October 2024	2025 Proposed CBI Summary	EEAG (in person)
November 2024	2025 Proposed CBI Summary	EAAG
April 2025	2025 Proposed CBI Summary*	EAG, CEIP Advisory Group
May 2025	2025 Proposed CBI Summary*	Public
July 2025	2025 Proposed CBI Summary*	EAAG
August 2025	2025 Proposed CBI Summary*	EEAG

*Included updated information based on 2024 GRC, Attachment A Final Order 08 in Docket UE-240006

Table No. 5.2 below provides a summary of 2025 CBI changes compared to the Company's 2021 CEIP approved CBIs. Please see Appendix F for a summary of 2025 CBI changes as compared to the 2021 CEIP.

Table No. 5.2: Number of 2021 CBIs vs 2025 CBIs | Change Summary

Item	2021 CEIP	2025 CEIP
Benefit Areas	6	6
CBIs	14	13
Metric Measurements	84	54
2021 to 2025 Metric Change Summary		
Retain 2021 Metric without Change		29
Retain 2021 Metric with Modification		7
Remove 2021 Metric		46
Add New 2025 Metric		18

[29] Final Order 08 in Docket UE-240006 et. al.

Data Source Availability

Avista uses a variety of data sets that are derived from (a) the Company's internal customer applications, (b) publicly available no-cost data sets, and (c) purchased third-party data sets to support the calculation of CBI metrics. In addition, the Company incorporates external third-party reporting from CBOs or federal/state agencies and various internal spreadsheets. Examples of internally available data sets include customer usage data, marketing and communications data, physical asset data, reliability data, wholesale marketing data, and field activity data. Examples of publicly available data Avista incorporates include Washington DOH data, Washington Department of Ecology data, federal CEJST data, federal census data, and Federal Environmental Protection Agency data. To gain access to non-utility customer data, Avista purchases third-party data from Acxiom to understand customer demographics including income level, homeowner vs renter status, age of the home, etc.

Although Avista makes efforts to ensure data accuracy, but discrepancies still exist. This can be evident when attempting to match internal data sets with external third-party data to determine various characteristics – some well beyond traditional utility operations like income, for example. Even though Avista strives to collect accurate data for reliable metric reporting purposes and it validates external data accuracy and collection processes, gaps may still exist.

2025 Metric Baseline & Reporting

Avista provided a 2021 baseline using data from 2016-2020 to calculate each metric known at the time of the 2021 CEIP filing and to provide a comparison against future reporting. Although Avista's internal customer count varies annually, other data sets used to calculate the 2021 baseline remained constant to ensure consistency for valid metric result comparisons. As discussed in the Named Communities Geographic Representation section, the Washington DOH Health Disparities map is a key data source for metric calculation when updating Named Community populations. In addition, Avista intends to incorporate federal CEJST data to further identify Vulnerable Populations. In 2025, the Company will incorporate updates from the DOH's data set (version 2.0 released January 2022) and integrate the CEJST's data set (version 2.0 released December 2024) in the calculation of a 2025 CBI metric baseline. Throughout the 2026-2029 CEIP period, Avista intends to keep versions of data sources consistent to support annual metric comparison.

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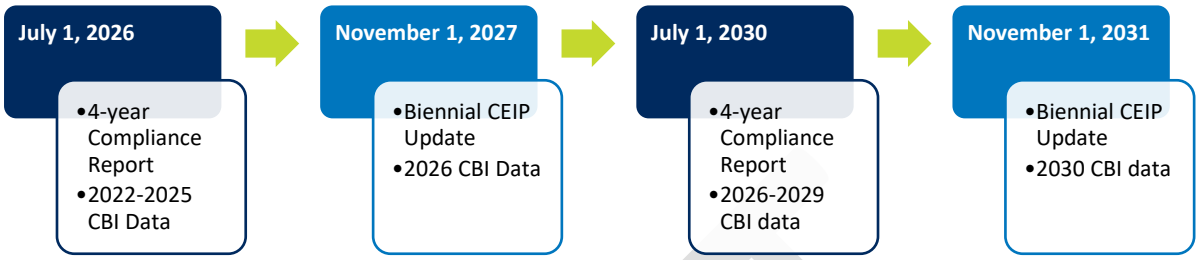
Figure No. 5.2: CBI Metric Reporting | Proposed Timeline



In accordance with WAC 480-100-650 (1)(e)(i), the Company will include actual CBI metric values for the prior four years (i.e., 2021 CEIP) in the Clean Energy Compliance Report due July 1, 2026, and every four years thereafter. Applicable interim year values will also appear in each biennial CEIP update. Figure No. 5.2 above shows Avista's planned reporting dates and CBI data sets.

CBI Classification

As it pertains to CEIP specific actions, the Company must identify and measure energy and non-energy benefits for renewable energy, energy efficiency, and demand response.[30] Avista considers its existing CBIs appropriate for this requirement, with a classification of either providing an energy or non-energy benefit. For actions relating to energy savings, the Company's ability to provide energy, and those related to emissions, Avista classifies those CBIs as energy benefits. Of Avista's 13 CBIs, 10 relate to energy benefits and three support non-energy benefits, including Outreach & Communication, Employee Diversity and Supplier Diversity.

2025 CBI Summary

Table No. 5.3 below and the following narrative provides the statutory benefit area with Avista's benefit areas noted in parentheses. In addition, Named Communities is abbreviated to NC.

Table No. 5.3: 2025 CEIP CBIs[31]

Benefit Area	Directionality	CBI	Metric Measurement
Reduction in Cost (Affordability)	Improve	Participation in Company Programs	▪ Participation in weatherization and energy assistance[32] programs for all customers & NC

[30] Specific Targets: WAC 480-100-640 (3)(a)(i, ii, iii).
[31] Any metric with an asterisk indicates it is also a PBR.
[32] Energy assistance refers to the direct financial assistant for paying utility bills.

			▪ Saturation of energy assistance for all customers & NC
Reduction in Burden (Affordability)	Reduce	Energy Burden	▪ Average energy burden after energy assistance by census tract for all & NC* ▪ Number and percentage of high energy burden after energy assistance for all & NC*
Non-Energy (Accessibility)	Improve	Outreach & Communication	▪ Number of outreach contacts ▪ Number of marketing impressions ▪ Number of translation services ▪ Number of unique languages translated
	Improve	Transportation Electrification	▪ Number of Electric Vehicle (EV) trips provided by CBOs ▪ Number of EV miles driven provided by CBOs ▪ Number of charging stations in NC
	Improve	Investments in Named Communities	▪ Number and percentage of NC enrollments in Distributed Energy Resource (DER) programs: energy efficiency, electric transportation, net metering, demand response* ▪ Percentage of utility spend in NC for DER programs: energy efficiency, electric transportation, net metering, demand response* ▪ Incremental spending each year in NC* ▪ Number of customers and/or CBOs served
Energy	Improve	Generation Location	▪ Percentage of generation located in WA or connected to Avista's transmission system
Energy Resilience	Improve	Energy Availability	▪ Average outage duration without major-event days for all customers & NC ▪ Frequency of outages for all customers & NC ▪ Generation reserve margin for winter and summer
Energy Security	Reduce	Disconnections for Nonpayment	▪ Percentage of disconnects for nonpayment by month by census tract for all customers & NC
Environmental Affects	Improve	Outdoor Air Quality	▪ Avista-owned generation plant air emissions

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	Reduce	Greenhouse Gas Emissions	▪ Avista generated and purchased greenhouse gas emissions
Public Health	Improve	Employee Diversity	▪ Employes representative of communities served*
	Improve	Supplier Diversity	▪ Supplier diversity at 11%*
	Improve	Indoor Air Quality	▪ Rank the causes of indoor air quality for all customers & NC ▪ Percentage of indoor weatherization air quality measures for all customers & NC

Benefit Area: Reduction in Cost (Affordability)

Under the Reduction of Cost benefit area, or what Avista classifies as Affordability, the Company proposes the following:

1. **CBI – Participation in Company Programs | Improve**
   - Participation in weatherization and energy assistance programs for all customers and Named Communities.
   - The saturation of energy assistance for all customers and Named Communities.

This CBI reports the number of customers benefiting from energy efficiency improvements and those receiving financial assistance to reduce energy usage and improve affordability. Insights gained from these data sets may reveal opportunities to reach additional customers. Avista anticipates directional improvement for this CBI.

Benefit Area: Reduction of Burden (Affordability)

Under the Reduction of Burden benefit area, or what Avista classifies as Affordability, the Company proposes the following:

2. **CBI – Energy Burden | Reduce**
   - Average energy burden after energy assistance by census tract for all customers and Named Communities.
   - Number and percentage of high energy burden after energy assistance for all customers and Named Communities.

This CBI monitors the average financial energy burden[33] after energy assistance offerings, such as My Energy Discount (MED) or Arrearage Management and Forgiveness are applied. Additionally,

[33] Defined in WAC 480-100-605 as, "the share of annual household income used to pay annual home energy bills."

it may assist the Company in identifying customers who have a high energy burden[34] that are not currently benefiting from the Company's energy assistance and efficiency programs.

Benefit Area: Non-Energy (Accessibility)

Under the Non-Energy benefit area, or what Avista classifies as Accessibility, the Company proposes the following:

3. CBI – Outreach and Communication | Improve

- Number of outreach contacts.
- Number of marketing impressions.
- Number of translation services.
- Number of unique languages translated.

These metrics are supported through the actions in Avista's PPP and through company-wide efforts with its multi-language strategy team to increase customer outreach and provide written and digital communications in multiple languages.

4. CBI – Transportation Electrification | Improve

- Number of EV trips provided by CBOs.
- Number of EV miles driven provided by CBOs.
- Number of charging stations in Named Communities.

See Avista's Transportation Electrification Plan (TEP) for more information.

5. CBI – Investments in Named Communities | Improve

- Number and percentage of Named Communities enrollments in DER programs: energy efficiency, electric transportation, net metering, demand response.
- Percentage of utility spend in Named Communities for DER programs: energy efficiency, electric transportation, net metering, demand response.
- Incremental spending each year in Named Communities.
- Number of customers and/or CBOs served.

See Avista's NCIF section for additional information regarding NCIF activities that support this CBI. Additionally, see the Energy Efficiency, Demand Response and Electric Transportation Plan sections, which provide additional Company actions supporting this CBI.

[34] "High" energy burden is based on the "Guidelines for Energy Assistance for Low-Income Households (RCW.19.405.120)", issued March 9, 2020, by the Department of Commerce (Commerce). This document states that in setting the threshold energy assistance need, Commerce chose a 6% energy burden, as "This definition comes from a widely accepted principle that total shelter costs should not exceed 30 percent of income and that utility costs should not exceed 20 percent of those shelter costs, leading to the conclusion that an affordable energy burden should be at or below six percent of household income (20% x 30% = 6%)."

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Benefit Area: Energy (Energy Security)

Under the Energy benefit area, the Company proposes the following:

6. CBI – Generation Location | Improve

- Percentage of generation located in Washington or connected to Avista's transmission system.

To support energy security, the Company tracks the percentage of generating resources Avista owns or controls that are in Washington state and those directly connected to Avista's transmission system. Resources that are directly interconnected with the Avista transmission system, regardless of whether they are situated in Washington or another state, enhance the probability of reliable energy delivery.

Benefit Area: Energy Resilience

Under the Energy Resilience benefit area, the Company proposes the following:

7. CBI – Energy Availability | Improve

- Average outage duration without major-event days for all customers and Named Communities.
- Frequency of outages (CEMI0 – Customers Experiencing Multiple Interruptions greater than zero) for all customers and Named Communities.
- Generation reserve margin for winter and summer.

In addition to the metrics above, the Company takes significant steps to ensure energy availability. Avista monitors weather forecasts and active weather patterns to anticipate and plan for system needs while providing reliable service to its customers. In addition, Avista continuously prepares for major events by performing an annual simulation event to test and modify the structure of its Emergency Operating Procedures (EOP). Furthermore, the Company conducts significant planning and implementation efforts to support wildfire resiliency in rural and urban landscapes. Through Avista's Wildfire Resiliency Plan,[35] Avista studied each of its customer segments to determine what level of support may be needed in the event of a sustained outage. For Avista-identified customers who require medical life support equipment, backup batteries with solar panels and air conditioning units were provided at no cost to the customer. Additionally, the Company has mutual aid agreements in places with several neighboring utilities where bidirectional support is provided in the event of major events.

[35] Docket UE-240836.

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The details above provide a very high-level overview of some resiliency actions the Company takes to support resiliency for Avista and its customers and is not intended to provide an exhaustive list of the Company's resiliency actions.

Benefit Area: Energy Security

Under the Energy Security benefit area, the Company proposes the following:

8. **CBI – Disconnections for Nonpayment | Reduce**
   - Percentage of disconnects for nonpayment by month by census tract for all customers and Named Communities.

Avista works closely with its customers to establish payment arrangements and to enroll them in energy assistance programs when needed. This metric may provide additional insights into customer segments that may benefit from additional energy assistance program outreach.

Benefit Area: Environmental Effects

Under the Environmental Effects benefit area, the Company proposes the following:

9. **CBI – Outdoor Air Quality**
   - Avista-owned generation plant air emissions.

Avista conducts periodic plant-level emission testing. Results are verified by qualified testing staff as well as local air quality agencies for both accuracy and against limits set for plan compliance. Amongst the variety of pollutants that are analyzed during each test, four pollutants are used to compare emissions among each plant. These include Sulfur Dioxide (SO_2), Nitrogen Oxides (NO_X), Mercury (Hg), and Volatile Organic Compounds (VOC). These pollutants (amongst others) directly impact local air quality around each respective generation facility and the surrounding community.

10. **CBI – Greenhouse Gas Emissions**
    - Avista greenhouse gas emissions.

To support a healthy outdoor environment, the Company complies with all clean air and pollutant regulations established by local, state, and federal air quality-regulating agencies. This metric highlights the emissions generated by Avista's owned, contracted, and purchased generation. In the 2025 CEIP period, the Company intends to use the Climate Commitment Act (CCA) calculation for this metric.

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Benefit Area: Public Health

Under the Public Health benefit area, the Company proposes the following:

11. CBI – Employee Diversity

- Employee diversity representative of communities served.

See Avista's equity, inclusion, and diversity commitment for additional information.

12. CBI – Supplier Diversity

- Supplier diversity at 11%.

Avista has a Supplier Diversity Program designed to implement strategies for developing partnerships that promote inclusive economic growth within its service areas. Avista's supplier diversity efforts positively impact the community and economy by increasing transparency and collaboration, fostering innovation and competition, and promoting the inclusion of historically underrepresented and underserved businesses. This metric tracks the percentage of suppliers that self-identify as owned by people of color, women, veteran, and other marginalized groups.

13. CBI – Indoor Air Quality

- Rank the causes of indoor air quality for all customers and Named Communities.
- Percentage of indoor weatherization air quality measures for all customers and Named Communities.

Clean indoor air quality is measured through several energy efficiency measures and upgrades provided through Avista's weatherization partnership with the Spokane Neighborhood Action Partnership (SNAP). These metrics track the measures and upgrades which improve indoor air quality within the homes where they are installed.

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6. Renewable Energy | Interim Targets & Specific Actions

Overview

To establish incremental progress toward meeting CETA's 2030 carbon neutrality requirement and the 2045 renewable or non-emitting requirement, Avista proposes interim renewable energy targets and specific actions for the 2026-2029 implementation period. These annual renewable targets are informed by historic hydro performance (under median water conditions)[36] and reflect Avista's effort to meet CETA requirements in a cost-effective manner. The targets are informed by updates to the Company's 2025 electric IRP and the requirements of RCW 19.280.030. As listed in Figure No. 6.1 below, the Company proposes annually increasing the amount of renewable energy provided to customers between 2026 and 2029. The targets are a continuation of the approved 2021 CEIP's clean energy targets and represent a gradual annual increase to meet the 80% primary compliance requirement in 2030. These targets are supported by retiring RECs equivalent to the annual clean energy target and will be met with generation from Avista's existing qualifying resources, through resources acquired through the 2025 All-Source RFP, or from resources acquired through Washington state's Second Substitute House Bill (SSHB) 1814[37] utility tax incentive program.

Figure No. 6.1: Renewable Energy | Interim Targets & Specific Actions Summary

Interim Targets	Specific Actions
2026: 66.0% 2027: 69.5% 2028: 73.0% 2029: 75.5%	Annually retire Renewable Energy Credits to meet the percentage requirements over the four-year period.

As Avista expects to control more renewable energy than the proposed interim targets require, any excess renewable energy will be used to benefit customers by selling RECs or to satisfy energy

[36] Median water conditions are the mid-point of all water years where half of the different hydro years are above, and the other half are below.

[37] https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/House%20Passed%20Legislature/1814-S2.PL.pdf?q=20220701103859https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/House%20Passed%20Legislature/1814-S2.PL.pdf?q=20220701103859.

sales under the CCA. When selling power within Washington state, renewable energy can be used to meet CCA requirements and offset the need for a carbon allowance.[38]

Although not required to meet clean energy requirements throughout the 2026-2029 implementation period, Avista proposes additional renewable energy actions to 1) acquire resources from its 2025 All-Source RFP, and 2) seek SSHB 1814's utility tax incentives to fund two solar generation and BESS projects. Resources acquired through the RFP process may meet CETA compliance requirements beyond 2029. The main purpose of the RFP is to seek resources to meet system peak capacity needs, however it is possible resources could meet both requirements. As listed in Figure No. 6.4 in the Company's Renewable Energy | Additional Actions section, the 2025 All-Source RFP seeks to secure cost-effective qualifying winter and summer capacity resources. If the RFP produces favorable project pricing, or a renewable project satisfies peak load with qualifying capacity, Avista may also acquire renewable energy.

Renewable Energy | Interim 2026 – 2029 Targets

Target Assumptions & Methodologies

Avista's renewable energy interim targets are informed by Avista's 2025 Electric IRP and the 2025 CEAP. These targets maintain the incremental progress established by the approved 2021 CEIP, supporting advancement toward the 100% carbon-neutral objective set for 2030. The Company's PRS, reflected in the 2025 IRP and CEAP, represents the lowest reasonable cost resource plan given societal costs[39] and Washington's requirement to deliver clean energy to customers while maintaining reliability. Throughout 2024, Avista developed its plans to meet the capacity, energy, and clean energy needs for both Washington and Idaho in conjunction with its IRP TAC. The Company's 2025 CEAP identifies the Washington portion of Avista-owned or contracted resources to comply with CETA and informs the annual interim targets for this 2025 CEIP. The following sections provide additional information about the target details, describe Avista's available generation supply, and the methodology for resource allocation by jurisdiction.

[38] WAC 173-446-230(2)(d)(iii) and WAC 173-446-040(1)(a)(i).
[39] Societal costs include costs related to the direct and indirect impact of greenhouse emissions, and the associated indirect cost impacts to safety, air emissions and the local economy.

Generation Supply & Jurisdictional Allocation

After 2025, Avista's generation mix will be a combination of renewable resources, natural gas resources, and wholesale market transactions. Avista serves retail electric loads in Idaho and Washington and controls its own generation resources as a cohesive system serving all customers regardless of location. This unique circumstance creates challenges for resource and cost allocations for the states Avista serves, given differing energy policies. Avista does not separate its resources between states when serving customer load but does allocate system costs by state using each state's historical load ratios. This methodology is referred to as the PT ratio. In 2024, this ratio was 65.15% to Washington and 34.85% to Idaho. Absent any other agreed upon methodology for this CEIP, Avista will continue to use this methodology for assigning the resources serving each state.

Although the financial benefits from REC sales are allocated by the PT ratio, Avista may use the RECs allocated to either state as long as compensation is made to the other jurisdiction for the share it does not have allocated rights to. This compensation practice is based on historically acquiring certain resources to satisfy Washington's desired energy policies and further supported by the precedent that any renewable resource on the system may qualify for meeting renewable energy requirements in Washington (specifically compliance with the Energy Independence Act (EIA)). Absent a negotiated agreement between Avista and its two electric jurisdictions for how resources should be allocated and paid for, Avista will continue accounting for renewable energy using the following criteria for compliance with CETA's "primary"[40] compliance targets:

[40] Primary compliance refers to the 80% clean energy target by 2030 that will increase to 100% by 2045. The methodology does not apply to resources or attributes used for alternative compliance.

- Allocate Avista-owned and contracted qualifying generation resources by the PT ratio.
- Allow for the purchase of Idaho's share of RECs at market-based prices for the following resources: Palouse Wind, Kettle Falls Generating Station, Rattlesnake Flat Wind, Columbia Basin Hydro, Chelan Public Utility District (PUD) Hydro Generation acquired after 2019, Clearwater Wind or any other new qualifying resource acquired after 2019.
- Barring low hydro conditions or major mechanical failure, avoid using Bonneville Power Administration (BPA) energy purchases.
- Barring low hydro conditions or major mechanical failure, avoid purchasing Idaho's share of existing or legacy hydro energy, including the Clark Fork and Spokane River Hydro resources, and shares of the Mid-Columbia PUD generation under contract prior to 2019.

Avista's planned qualifying renewable energy is detailed in Table No. 6.1 below, which provides the estimated energy available to Idaho and Washington by the PT ratio for generation resources within the year under normal conditions. This includes median hydro conditions and the average historical generation from variable energy resources such as wind and solar.

The top section of Table No. 6.1 specifies the proportion of renewable energy allocated to Washington customers, represented as a percentage of Washington's retail load. This indicates sufficient estimated clean energy generation to meet the Company's proposed targets. The bottom portion of Table No. 6.1 includes Idaho's portion of renewable energy that's available for purchase at market prices to comply with CETA's interim targets. In total, 23,644,501 MWh are available over the four-year period, which equates to 97.3% of the retail load estimate for the same period. Given this estimate, barring low energy production or changes in the "use" rules, Avista already controls enough clean energy resources to meet the proposed targets.

Table No. 6.1: Renewable Energy | Available Qualifying Energy Resources

Clean Resources Allocated to Washington	(MWh)					(aMW)			
	2026	2027	2028	2029	2026-2029	2026	2027	2028	2029
Facility									
Clark Fork River	1,806,637	1,805,859	1,810,424	1,813,116	7,236,036	206	206	206	207
Spokane River	703,320	705,937	708,860	698,712	2,816,829	80	81	81	80
Mid-Columbia PUD Contracts	1,143,652	1,143,067	1,147,751	1,116,525	4,550,995	131	130	131	127
Columbia Basin Hydro	275,344	341,933	342,241	343,480	1,302,998	31	39	39	39
Kettle Falls	205,257	206,323	206,419	207,611	825,609	23	24	23	24
Palouse Wind	220,306	220,098	221,009	220,722	882,134	25	25	25	25
Rattlesnake Flat Wind	252,068	252,001	253,601	253,141	1,010,811	29	29	29	29
Clearwater Wind	247,305	247,239	247,823	248,357	990,725	28	28	28	28
Boulder Park Solar	352	352	352	353	1,409	0	0	0	0
Adams Neilson Solar	-	27,897	27,992	28,023	83,913	-	3	3	3
Boulder Park Solar II	-	905	1,582	1,587	4,074	-	0	0	0
Future Community Solar	-	-	-	909	909	-	-	-	0
Total WA Allocated Clean Resource	**4,854,242**	**4,951,610**	**4,968,054**	**4,932,537**	**19,706,443**	**554**	**565**	**566**	**563**
Percent of WA Retail Load	**81.6%**	**82.0%**	**81.4%**	**79.6%**	**81.1%**	**81.6%**	**82.0%**	**81.4%**	**79.6%**

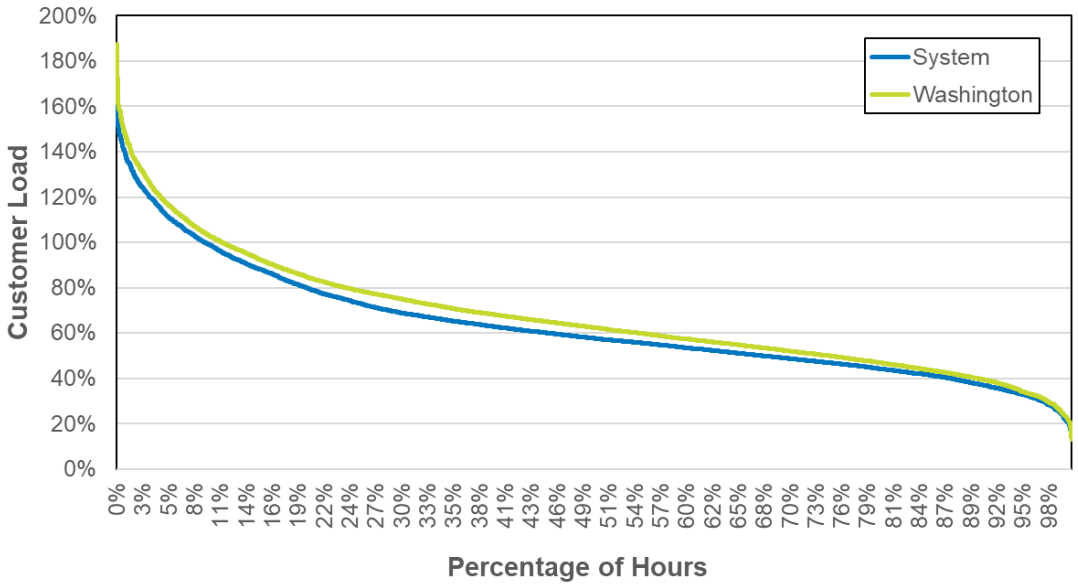
Clean Resources Allocated to Idaho, but Available for Purchase for Washington Primary Compliance	(MWh)					(aMW)			
Facility	**2026**	**2027**	**2028**	**2029**	**2026-2029**	**2026**	**2027**	**2028**	**2029**
Kettle Falls	107,166	107,807	107,574	107,057	429,604	12	12	12	12
Palouse Wind	115,023	115,005	115,178	113,817	459,023	13	13	13	13
Rattlesnake Flat Wind	131,607	131,674	132,163	130,535	525,979	15	15	15	15
Clearwater Wind	129,120	129,186	129,152	128,068	515,526	15	15	15	15
Chelan PUD	321,276	321,462	321,718	318,635	1,283,091	37	37	37	36
Columbia Basin Hydro	143,759	178,665	178,358	177,119	677,901	16	20	20	20
Boulder Park Solar	184	184	184	182	733	0	0	0	0
Adams Neilson Solar	-	14,577	14,588	14,451	43,615	-	2	2	2
Boulder Park Solar II	-	473	825	818	2,116	-	0	0	0
Future Community Solar	-	-	-	469	469	-	-	-	0
Total of ID Allocated Clean Resourc	**948,136**	**999,033**	**999,739**	**991,150**	**3,938,058**	**108**	**114**	**114**	**113**
Total Clean Energy Available	**5,802,378**	**5,950,643**	**5,967,793**	**5,923,687**	**23,644,501**	**662**	**679**	**679**	**676**
Percent of WA Retail Load	**97.5%**	**98.5%**	**97.7%**	**95.6%**	**97.3%**	**97.5%**	**98.5%**	**97.7%**	**95.6%**

Renewable Generation Compliance

Within this CEIP implementation period, Avista assumes all controlled and generated clean non-carbon emitting energy, regardless of production timeframe, meets CETA's clean energy standard and is available for compliance. The clean energy "use" rules regarding how the energy may comply with the standards of RCW 19.280 are still under consideration by the WUTC. Due to the intermittent nature of renewable energy, renewable energy generation and the delivery of renewable energy to meet customer load is often misaligned. In 2024, Avista's system had control of 687 aMW, making clean energy generation production 61.5% of native load. To illustrate the hourly misalignment, Figure No. 6.2 below provides the percentage of renewable generation each hour compared to system load as a duration curve. In 9.2% of the hours (or 11.2% for Washington's

share), Avista's system had more renewable generation than its native load. The resolution of clean energy "use" rules will determine how this excess generation will be treated and inform how Avista should plan for meeting future compliance targets when renewable generation is greater than load. As Avista serves two states, it can buy RECs from Idaho to shift more clean energy to satisfy Washington clean energy requirements. This opportunity is shown in Figure No. 6.2 reflecting the higher percentage of clean energy for Washington as compared to the system. This figure also demonstrates the future challenges in meeting the 100% clean energy targets, as only 24% of the hours were met with 80% or more clean energy. To attain 100% clean energy delivery, Avista not only needs to increase the amount of clean energy available but would also need to increase the delivery of clean energy in approximately 91% of the hours as measured in 2024.

Figure No. 6.2: Renewable Energy | 2024 System & Washington Share of Load



Target Forecasted Distribution of Costs & Benefits

By January 1, 2030, utilities must ensure all electric retail sales to Washington customers are greenhouse gas neutral. CETA regulations use the term "retail load" as the targeted amount of energy to be greenhouse gas neutral. Retail load is defined as the annual megawatt hours delivered to customers net of the megawatt hours from eligible direct customer renewable energy purchases where the energy is bundled with RECs, such as Avista's Solar Select program.[41] Further, energy

[41] Avista's Solar Select program ends December 11, 2026, upon which the generation will be considered a system resource allocated by the PT ratio.

from generation under contract in Washington identified as PURPA[42] is also excluded. Examples of PURPA generation include purchased energy from the City of Spokane's Upriver Dam and Waste-to-Energy facilities.

Table No. 6.2 shows Avista's estimated retail load during the 2026-2029 implementation period, and the required renewable energy needed to meet the proposed targets. The table begins with Washington's share of the native load forecast. Once delivery losses are removed, the remaining energy is classified as expected retail sales. Retail sales reflect the energy directly consumed by retail customers. Retail sales volume is further reduced for demand response programs, PURPA generation, and the Solar Select program to determine Avista's "retail load." Over the four-year compliance window, Avista's clean energy target includes retiring 17,325,848 MWh of bundled RECs or 71.3% of its estimated retail load. If the estimated customer load forecast shown does not materialize, Avista will continue to meet the clean energy percentage targets shown in Table No. 6.2 for each calendar year.

Table No. 6.2: Renewable Energy | Annual Interim Targets by Retail Load

Item	(MWh)					(aMW)			
	2026	2027	2028	2029	2026-2029	2026	2027	2028	2029
Native Load (WA share)	6,457,711	6,506,402	6,576,773	6,672,118	26,213,005	737	743	749	762
T&D Losses	(277,164)	(279,215)	(281,682)	(284,127)	(1,122,188)	(32)	(32)	(32)	(32)
Retail Sales	**6,180,548**	**6,227,187**	**6,295,091**	**6,387,991**	**25,090,817**	**706**	**711**	**717**	**729**
Demand Response	(4,593)	(4,649)	(5,649)	(7,511)	(22,402)	(1)	(1)	(1)	(1)
WA PURPA	(182,049)	(182,049)	(182,644)	(182,049)	(728,790)	(21)	(21)	(21)	(21)
Solar Select	(42,474)	0	0	0	(42,474)	(5)	0	0	0
Retail Load	**5,951,432**	**6,040,490**	**6,106,797**	**6,198,431**	**24,297,150**	**679**	**690**	**695**	**708**
Clean Energy Target (%)	**66.0%**	**69.5%**	**73.0%**	**76.5%**	**71.3%**	**66.0%**	**69.5%**	**73.0%**	**76.5%**
Clean Energy Target	**3,927,945**	**4,198,141**	**4,457,962**	**4,741,800**	**17,325,848**	**448**	**479**	**508**	**541**

As listed in Table No. 6.3 below, it is anticipated that increasing the renewable energy targets through 2029 with the retirement of RECs will have an impact on all customers in terms of increasing energy costs with the benefit of reducing GHG. See the Incremental Cost section for additional information.

[42] PURPA stands for Public Utility Regulatory Policies Act.

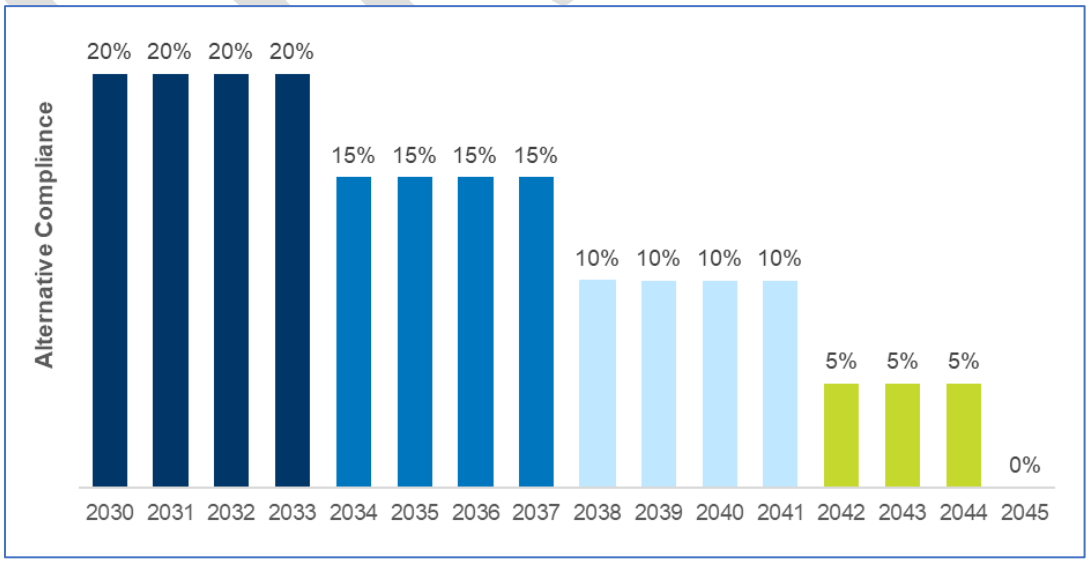
Table No. 6.3: Renewable Energy | Forecasted Costs & Benefits of Specific Targets

Target	Type	Energy	Non-Energy
2026: 66.0%	Cost	$10.1 million	N/A
	Benefit	CBI: GHG Emissions	N/A
2027: 69.5%	Cost	$11.6 million	N/A
	Benefit	CBI: GHG Emissions	N/A
2028: 73.0%	Cost	$12.0 million	N/A
	Benefit	CBI: GHG Emissions	N/A
2029: 75.5%	Cost	$13.0 million	N/A
	Benefit	CBI: GHG Emissions	N/A

Renewable Energy | 2030 – 2045 Targets

To meet the 2045 standard (WAC 480-100-610(3)), Avista's interim targets will be determined in a future CEIP after the final "use" rules are approved for compliance. However, preliminary targets limiting the amount of alternative compliance used between 2030 and 2045 are shown in Figure No. 6.3 below. If Avista needs to use alternative compliance from 2030 to 2033, the Company will limit alternative compliance to 20% or less of its four-year net retail load, in accordance with CETA. Avista proposes to continue to reduce its reliance on alternative compliance by lowering its projected alternative compliance allowance by 5% in each four-year period until the use of 100% clean energy is required in 2045. This proposal may be revisited once "use" rules are established for the 2030 to 2044 standard.

Figure No. 6.3: Renewable Energy | 2030 to 2045 Alternative Compliance Limits



Beginning in 2030, Avista's Washington electric retail sales must be greenhouse gas neutral, with 80% being met through delivering renewable or non-emitting energy, and up to 20% may be met with alternative compliance to offset the GHG emissions.[43] There are four main types of alternative compliance:

- Compliance payments
- Unbundled RECs
- Investments in transformation projects
- Using energy from a municipal solid waste facility[44]

To make progress toward the 2045 target, Avista assumes the amount of alternative compliance allowed will decrease each compliance period with 20% allowed for the 2030-2033 period and 15% for the 2034-2037 period. Avista plans to use unbundled RECs, or the excess clean energy it controls, to meet the 2030 standard. Avista has access to three types of unbundled RECs:

- RECs from excess energy beyond what will count toward primary compliance under the final clean energy "use" rules,
- Renewable energy Avista owns, or controls allocated to Idaho customers, and
- RECs purchased on the open market.

Avista does not anticipate using the Idaho share of its hydro resources acquired prior to 2019 for primary compliance. Barring any Idaho clean energy requirements in the future, these resources' RECs are available for purchase to satisfy Avista's alternative compliance or other in-state utility's compliance needs.

Transformation projects could be used for alternative compliance if the project was cost-effective as compared to the price of unbundled RECs. To date, the transformation project requirements and accounting of the benefits toward alternative compliance are unknown. The last alternative compliance option is energy from a municipal solid waste facility, but this option has challenges. Under a PURPA agreement through 2037, Avista currently purchases energy from a municipal

[43] RCW 19.405.040 (1)(b).

[44] Using electricity from an energy recovery facility using municipal solid waste as the principal fuel source, where the facility was constructed prior to 1992, and the facility is operated in compliance with federal laws and regulations and meets state air quality standards. An electric utility may only use electricity from such an energy recovery facility if the department and the department of ecology determine that electricity generation at the facility provides a net reduction in greenhouse gas emissions compared to any other available waste management best practice. The determination must be based on a life-cycle analysis comparing the energy recovery facility to other technologies available in the jurisdiction in which the facility is located for the waste management best practices of waste reduction, recycling, composting, and minimizing the use of a landfill.

solid waste facility. As a PURPA resource, it is deducted from retail load and excludes it from being used for alternative compliance.

Renewable Energy | Specific Actions

Specific Actions | Benefits, Burden & Risk Assessment

Avista's compliance with clean energy standards has a monetary impact on its customers. Based on previous resource acquisitions, Avista's current control of renewable resources helps mitigate financial impacts on customers to meet CETA obligations. Based on those previous acquisitions, the only action needed to comply with the clean energy interim targets is to retire the associated RECs from its generation resources. The retirement of RECs ensures that the environmental attributes of the energy are not sold or claimed by other parties.

As Avista manages these resources, the related costs and benefits of this action illustrate the scenario without clean energy targets. If CETA's renewable targets did not exist, RECs available after meeting EIA requirements would be available to sell. Once sold, Avista would lose its right to claim lower GHG emissions, or its use of clean energy to serve load, but would generate significant revenue benefiting customers by lowering electric rates. Table No. 6.4 below estimates the amount of potential revenue lost through REC retirements in compliance with the CEIP targets.

CETA compliance results in higher customer rates due to the inability to mitigate the costs of Avista's renewable portfolio through REC sales. Past resource acquisitions may have led to higher, long-term customer costs due to compliance with CETA legislation. These resource decisions will have a lasting customer bill impact but are absent from the CETA cost analysis. While these choices contribute to increased customer costs, they also provide customer benefits in controlling resources with a lower GHG emission intensity.

Table No. 6.4: Renewable Energy | Specific Actions Detail

Action	Location	Timing	Estimated Cost (millions)	Benefit Population	Measurement
Retire 2026 RECs	N/A	Annually	$10.1	All Customers	N/A
Retire 2027 RECs	N/A	Annually	$11.6	All Customers	N/A
Retire 2028 RECs	N/A	Annually	$12.0	All Customers	N/A

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Retire 2029 RECs	N/A	Annually	$13.0	All Customers	N/A

Beyond reducing GHG emissions, which provides indirect benefit to all customers, Avista's clean energy situation (absent energy efficiency and demand response actions), does not provide an additional benefit to Named Communities. However, higher electricity costs lead to an increased energy burden. To assist with this burden and in support of CETA regulation, Avista offers income-based financial bill assistance[45] in compliance with Washington's 2021 Senate Bill 5295.[46] In addition, Avista proposes additional actions to assist Named Community customers. These actions include, 1) developing two SSHB 1814 solar/energy storage facilities; and 2) maintaining the NCIF.

Renewable Energy | Additional Actions

Additional Actions | Benefits, Burden & Risk Assessment

Compliance with Avista's 2025 CEIP interim renewable energy targets will be satisfied through the annual retirement of Avista-owned and contracted renewable resource RECs. However, the Company proposes additional actions in support of progress toward its 2030 carbon-neutral and 2045 carbon-free standards. As listed in Figure No. 6.4 below, the Company issued an All-Source RFP in May 2025 for up to 415 MW of additional winter capacity, up to 425 MW summer qualifying capacity, and up to 200 aMW of annual clean energy. It also proposes the installation of two solar and BESS projects to benefit low-income customers dependent upon Washington state utility tax-incentive funding under SSHB1814. These actions are not related to satisfying the 2026 to 2029 clean energy requirements, but are required to either serve peak day requirements, identify below wholesale electric market priced renewable energy (for future compliance periods) and identify resources to serve potential new large customer loads.

[45] https://www.myavista.com/your-account/power-of-compassion/washington-assistance/my-energy-discount.
[46] https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Bills/5295-S.E.pdf?q=20250625080433.

Figure No. 6.4: Renewable Energy | Additional Actions Summary

Additional Actions

Issue 2025 All-Source RFP:
Winter qualifying capacity 105 – 415 MW
Summer qualifying capacity 135 – 425 MW
Annual clean energy 0 – 200 aMW

Pursue Washington State's SSHB 1814:
Community Solar Program & Public Utility Tax Incentive:
Project 1: Up to 1.6 MW solar & 1.6 MW BESS
Project 2: TBD | Up to 1.6 MW solar & 1.6 MW BESS

Table No. 6.5 below provides the expected timing, costs, benefiting population, and measurement standard for the Company's additional actions. Although RFP resource selection outcomes and cost impact will be unknown until the fourth quarter of 2025, all customers will benefit from increased resource capacity. The Company's proposed distributed solar and BESS projects have a unique funding mechanism. Under SSHB 1814, and upon approval from Washington State University's (WSU) program administrator, authorized administrators, including utilities, nonprofit organizations, and tribal or local housing authorities, can seek project funding from the utility up to a law-determined annual amount. Upon energization and WSU certification of the project, the utility can deduct the project costs from that fiscal year's Washington public utility tax obligation. As such, all customers pay for the development and installation of the projects through the utility tax incentive, and all customers will pay for what the solar generation and storage is valued at per Tariff Schedule 62 Qualifying Facilities Avoided Costs for solar plus a four-hour battery.[47] However, as required under SSHB 1814, the benefits from this project must be directed toward low-income customers for 10 years. Although these projects are subject to WSU approval and available funding, it is anticipated they will support the following CBIs: Participation in Company Programs, Energy Burden, Investments in Named Communities, and Disconnections for Non-Payment.

[47] Effective January 1, 2025: https://www.myavista.com/about-us/our-rates-and-tariffs/washington-electric.

Table No. 6.5: Renewable Energy | Additional Actions Detail

Action	Location	Timing	Estimated Cost	Benefit Population	CBI Measurement
Issue All-Source RFP	N/A	Contract by 2026 Online by 2030	TBD	All Customers	Energy Availability
SSHB 1814 Project 1: 1.6 Solar & 1.6 BESS	Boulder Park, Spokane Valley, WA in a Vulnerable Population Census Tract	Online by Q4 2027	~ $5M	Low Income Customers	Participation in Company Programs Energy Burden Investments in Named Communities Disconnections for Nonpayment
SSHB 1814 Project 2: Solar & BESS	TBD	Online by Q4 2029	TBD	Low Income Customers	Participation in Company Programs Energy Burden Investments in Named Communities Disconnections for Nonpayment

All-Source Request for Proposal

Avista's 2025 All-Source RFP seeks to evaluate all resource options to meet specific capacity deficits identified in its 2025 IRP. The needs identified in the RFP reflect updated load and resource needs since the 2025 IRP's publication. The RFP includes requirements to satisfy system peak load, while other capacity resources such as natural gas, energy storage, or demand response aggregation could be considered for meeting either the Washington or Idaho portion of system

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load. With final acquisitions subject to change due to load and resource availability, the 2025 All-Source RFP seeks up to 415 MW of qualifying winter capacity, up to 425 MW of summer capacity, and up to 200 aMW of renewable clean energy. Table No. 6.6 below provides the 2025 All-Source RFP timeline.

Table No. 6.6: Renewable Energy | 2025 All-Source RFP Timeline

Action	Schedule
Issue All-Source RFP	May 30, 2025
Bidders Conference	June 6, 2025
Bidder Responses Due	June 30, 2025
Post Bid Summary	July 30, 2025
Short-listed Bids - Notification	September 1, 2025
Short-listed Bids - Full Proposals	October 6, 2025
Short-Listed Bids - Price Refresh	November 10, 2025
Final Selections	Late November 2025

Avista's interest in new clean energy resources, such as those identified in the 2025 IRP and those identified in this CEIP's Reasonably Available Portfolio, are speculative depending on actual resource pricing as compared to other alternatives to meet customer peak load requirements. Avista's main resource requirements are intended to satisfy summer and winter capacity needs for peak load events as the Company has sufficient non-carbon emitting resources to meet the CETA targets during the 2026-2029 implementation period. Although renewable resources may contribute to these needs, the driver of the RFP acquisition process is to identify the lowest cost resource portfolio to meet the capacity needs during peak load events, which may or may not include new renewable resources.

As resource acquisitions made through the All-Source RFP are intended to meet peak load requirements, all customers will benefit at minimal levels. If Avista is short resources during extreme peak load events (and is unable to secure generation within the region), some or all customers are at risk of losing power during either extreme cold or heat due to a lack of resource adequacy. Customers in Named Communities could be at greater risk as they may not have the ability to adapt to outages. Avista expects resource acquisitions will have a rate impact, however, Avista is unable to estimate this rate impact until the final resources are under contract. Furthermore, CETA rules are unclear about what Company actions should be described and

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accounted for in the CEIP related to resource adequacy actions that do not lead to clean energy generation.

Potential New Large Load

Avista and other utilities across the country, are receiving requests to interconnect new large loads, specifically to serve data centers. Although these loads typically range between 200 and 500 MW, Avista has received over 3,000 MW of preliminary requests. Avista's all-time peak load is 1,981 MW.[48] Due to the size of these potential loads compared to existing loads (which developed over 136 years), any potential growth of this size will have significant impacts on the power supply, the transmission system, and ultimately, retail rates. Avista's 2025 IRP modeled impacts of a new 200 MW large load customer, and the results indicated an increased need in resources for both capacity and clean energy in the future. To support this possibility, the RFP provides pricing and resource discovery in the event an additional large load within Avista's Washington state service territory materializes. Depending upon the size of new loads, additional clean energy may or may not be needed to satisfy the proposed renewable energy targets in this CEIP period. Although, a new large load of any size will increase the long-term need for clean energy.

Avista is not including an additional utility-scale renewable resource action related to new large loads, as 1) it does not require additional energy to meet current known clean energy requirements for existing load; 2) it is unknown if acquiring clean energy ahead of the need is economic; and 3) it is uncertain if renewable energy will be the least cost resource to assist in meeting peak load requirements. Due to changes to the PTC/ITC, the likelihood that renewable energy will be economic ahead of need is lower. However, Avista intends to meet the renewable energy percentage if a new large load materializes. If Avista is unable to meet this requirement, it will either provide an update in the 2027 Biennial CEIP or notify the Commission with a subsequent filing.

2021 CEIP Condition #6

In the 2021 CEIP, Avista agreed to the following condition:

> *"In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include* ***quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost*** *solution that complies with CETA."*

[48] This load occurred on January 13, 2024, and is adjusted for curtailed load. Actual delivered load was 1,869 MW.

As described above, Avista is planning on utilizing existing renewable energy and RECs to comply with its proposed targets and is not proposing to acquire additional resources to reduce portfolio risk. Avista finds retiring RECs from existing resources the lowest cost compliance mechanism. However, the 2025 All-Source RFP may lead to the acquisition(s) of renewable resources exceeding the clean energy requirements, if the resource is either cost-effective compared to the energy market or it helps meet the capacity needed for system peak load. At this time, Avista anticipates acquiring resources based on the lowest reasonable cost. Please see the 2021 CEIP & 2023 Biennial Conditions section, as Avista proposes the removal of Condition #6 for future CEIPs as this risk is undefined.

SSHB 1814 Community Solar & Utility Tax Incentive

Solar & BESS Project 1

Avista's 2025 Electric IRP identified the opportunity for additional solar generation utilizing utility tax incentives under Washington SSHB 1814[49] and administered through WSU's Energy Program.[50] The 2025 CEIP follows through with the IRP's suggested strategy by proposing two projects, although fulfillment of these acquisitions is dependent on SSHB 1814 funding and WSU funding allocation, within this four-year implementation period.

Avista's first project is proposed at its existing Boulder Park solar site in Spokane Valley, Washington. The project is estimated to be a 1.6 MW (AC) solar array and a 1.6 MW (6.6 MWh) BESS and is located within an Avista-designated Vulnerable Population census tract. In early April 2025, Avista received written support for the first project from WSU's program administrator.

Based on the National Renewable Energy Laboratory's (NREL) solar and battery estimating tool, Avista's initial project cost estimate is $5.1 million for eight 199 kW fixed solar arrays, a 1.6 MW battery, a single inverter, and internal/external administration costs. Avista issued an RFP to design and build the project on July 2, 2025, and updated project costs will be known after the bidder selection is complete in the fourth quarter of 2025. To estimate solar annual production, Avista used NREL's estimates in conjunction with actual solar production from Avista-owned solar sites

[49] https://lawfilesext.leg.wa.gov/biennium/2021-22/Pdf/Bills/House%20Passed%20Legislature/1814-S2.PL.pdf?q=20220701103859.
[50] https://www.energy.wsu.edu/RenewableEnergy/CommunitySolarProgram.aspx.

and the Company's solar PPAs. It is estimated that each 199-kW array will produce 326 MWh annually for a combined annual production estimate of 2,613 MWh. Assuming the project is energized in the first quarter of 2027 and using Avista's Schedule 62 Qualifying Facilities Avoided Costs for solar plus a four-hour battery,[51] the Company will value the energy and capacity at $0.088 per kWh. The project may anticipate up to $230,000 gross annual energy benefits and the cost of these benefits will be paid for by all customers. After the project's annual operations and maintenance costs, it is estimated that $200,000 will be available to distribute to low-income customers to address their energy burden and prevent disconnections for nonpayment.[52] Actual construction costs with updated estimated gross and net benefit available for customer distribution will be provided in the Company's 2027 Biennial CEIP.

Avista has a long-standing commitment to provide bill assistance to customers in financial need through the voluntary donation-based Project Share program and the required, customer-funded Low-Income Rate Assistance Program (LIRAP). In partnership with CBOs, Avista offers a variety of financial programs including Emergency Share, MED, Arrearage Management, and Arrearage Forgiveness. The additional net benefit from this solar and BESS project will be allocated to address customers' energy burden and those who may be at risk for electric service disconnection. The actual program design and implementation will be shaped collaboratively with Avista's EAAG and EAG, with an update provided in the Company's 2027 Biennial CEIP.

Solar & BESS Project 2

Avista anticipates applying for a second solar and BESS project under WSU's administration of SSHB 1814 in 2027 with an estimated energization date by the fourth quarter of 2029. The project is dependent on securing SSHB 1814 tax incentive funding. Project timing, location, size, cost estimates, gross and net benefits, and benefit distribution to customers will be discussed in Avista's 2027 Biennial CEIP. For incremental cost estimates, the Company assumes the capacity of the second project will be similar to the first project.

[51] Effective January 1, 2023: https://www.myavista.com/about-us/our-rates-and-tariffs/washington-electric.
[52] If the project energizes in 2028, the Company will value the energy and capacity at $0.084 per kWh (or the applicable Schedule 62 rate) and may anticipate up to $220,000 in gross annual energy benefits.

7. Energy Efficiency | Specific Targets & Specific Actions

Overview

Avista has a long-standing history of providing energy efficiency programs for customers to reduce energy usage, live more comfortably, operate business more efficiently and, ultimately, save money. Every two years, Avista files a Biennial Conservation Plan (BCP) identifying cost-effective measures or programs and forecasting an anticipated two-year MWh savings goal.[53] These plans are informed by a Conservation Potential Assessment (CPA) and are consistent with Avista's IRP. Under CETA, the Company is required to propose targets that encompass all other energy efficiency and conservation targets and goals required by the Commission.

As illustrated in Figure No. 7.1 below, Avista proposes 147,344 MWh of energy efficiency savings by 2029, with savings target achievements over two distinct two-year periods. The 2026-2027 target of 73,672 MWh is informed by the 2025 CPA and planned for achievement under the draft 2026-2027 BCP, which is included as Appendix G within this CEIP and will be filed with the Commission by November 1, 2025. The actual results will then be reported in the 2026-2027 Biennial Conservation Report (BCR), to be filed by June 1, 2028.

Figure No. 7.1: Energy Efficiency | Specific Targets & Specific Actions Summary

Specific Targets	Specific Actions
147,344 MWh savings by 2029: 73,672 MWh for 2026-2027* 73,672 MWh for 2028-2029** *Based on the 2025 CPA & 2026-27 BCP **Subject to the 2027 CPA & 2028-29 BCP	Continue 2025 CPA-identified measures/programs Pursue 2027 CPA-identified measures/programs

For purposes of the four-year CEIP planning process, the Company's proposed 2028-2029 target of 73,672 MWh utilizes the 2026-2027 target as a proxy. The actual target for this timeframe, which will be determined during the 2027 IRP cycle and based on the 2027 CPA, will be established within the 2028-2029 BCP, to be filed by November 1, 2027. The actual results of the

[53] Targets established in accordance with RCW 19.285.040 and WAC 480-109-100.

second two-year period will be reported within the 2028-2029 BCR (June 2030). Avista supports the CEIP targets with specific actions or cost-effective programs[54] identified through the 2025 CPA and implemented in the 2026-2027 BCP, with additional specific actions or cost-effective programs for the Company to pursue to be identified by the 2027 CPA and implemented under the 2028-2029 BCP.

Energy Efficiency | Specific Targets

Target Assumptions & Methodologies

As part of the Company's 2025 IRP process, Avista contracted with Applied Energy Group (AEG) to conduct the 2025 CPA for cost-effective energy efficiency planning. This assessment identifies the 10-year potential for energy efficiency programs and savings and provides data on resources specific to Avista's service territory for use in the resource selection process and in accordance with the EIA energy efficiency goals. The 2025 CPA considers the impacts of existing programs, the influence of known building codes and standards, technology developments and innovations, changes to economic influences, and energy prices. The result of this study was the identification of 368 GWh of potential cost-effective conservation over the 10-year period, inclusive of low-income, residential, commercial, and industrial sectors.

Avista sets its conservation targets consistent with RCW 19.285.040, requiring the biennial target to be no lower than the utility's pro-rata share of the two-year period of its cost-effective conservation potential for the subsequent 10-year period. For 2026-2027, the result of this method is a pro-rata conservation amount of 73,672 MWh for the biennium. Avista further adjusts this amount to include an additional 5% commitment related to use of its decoupling mechanism for electric rates[55] and any identified distribution efficiency that will be implemented in the biennium.

In accordance with the Company's 2024-2025 BCP conditions,[56] Avista consulted with its EEAG in June 2025 to identify achievable conservation potential for the 10-year period of 2026-2035 and set annual and biennial targets for the 2026-2027 biennium. In August of 2025, Avista consulted with its EEAG again, to further refine the ten-year conservation potential, and the four- and two-year savings targets. Draft program details and budgets were also provided. A draft of the resulting

[54] With the exception of low-income programs, which are not often cost-effective.
[55] See Docket UE-140188, Order 05.
[56] See Docket UE-230897, Order 01 Attachment A, Condition 3.

2026-2027 BCP is included as Appendix G to this CEIP, and final details and budgets will be included in the finalized BCP, to be filed with the Commission by November 1, 2025. Planning for the 2028-2029 biennium and subsequent targets will begin in late 2026 as the CPA for the 2027 IRP is established. Those targets will be discussed with the EEAG throughout 2027, culminating in the 2028-2029 BCP to be filed by November 1, 2027.

Target Forecasted Distribution of Costs & Benefits

Avista's electric energy-efficiency programs are funded by all Washington retail electric customers. As listed in Table No. 7.1 below, the Company estimates approximately $52 million will need to be collected from customers to fund the energy efficiency program incentives and administration required to meet the energy savings goal of 73,672 MWh for the 2026-2027 biennium. Through the delivery of energy efficiency programs, all customers receive the benefit of conserving energy or avoided use. In turn, this decreased usage allows the Company to avoid or delay purchasing or building additional generation to serve electric load. Although cost-effectiveness tests required by the EIA already incorporate the associated benefits and burdens of any given energy efficiency measure, as well as the ongoing benefit of savings persistence over the life of a measure; Avista provides further benefits within the Specific Actions | Benefit, Burdens & Risk Assessment section below.

Table No. 7.1: Energy Efficiency | Forecasted Costs & Benefits of Specific Targets

Target	Estimated Cost (millions)	Benefit Population	Benefit Type	Benefit Measurement
2026-2027: 73,672 MWh	$52 million[57]	All Customers	Energy	CBI: Participation in Company Programs
				CBI: Investment in Named Communities CBI: Energy Burden
			Non-Energy	NEI: $/kWh per applicable measure
2028-2029: 73,672 MWh	$53.5 million[58]	All Customers	Energy	CBI: Participation in Company Programs
				CBI: Investment in Named Communities

[57] See Docket UE-250418 for Avista's May 30, 2025, electric Tariff Schedule 90 filing.
[58] Estimated based on the 2026-2027 forecast with a 3% inflation adder; actuals will depend on customer throughput and will be filed in a future Tariff Schedule 90 adjustment.

				CBI: Energy Burden
			Non-Energy	NEI: $/kWh per applicable measure

While only customers who participate in energy efficiency programs receive the additional benefit of financial incentives or direct energy savings, the benefits of participation last for the life of the energy efficiency measure, which, in some cases, can have a duration of 50 or more years. In addition, qualified low-income customers[59] receive direct energy savings and an increased financial benefit when participating in energy efficiency programs, as the low-income weatherization program is fully subsidized. For the purposes of the CEIP, energy efficiency benefits will be measured by three of the Company's CBIs, including Participation in Company Programs, Investment in Named Communities, and Energy Burden. Where applicable, Avista will also measure non-energy impacts (NEI) through an investment per kilowatt calculation.

Table No. 7.1 above provides a broad view of the anticipated distribution of energy and non-energy costs and benefits. A detailed illustration of this forecasted distribution can be found within Avista's 2026 Washington Electric Energy Efficiency Annual Conservation Plan (ACP), which is provided as a part of the 2026-2027 BCP (Appendix G) to this CEIP. The ACP details the forecasted costs and benefits, including both energy and non-energy costs, for each energy efficiency program and sector. For the purposes of 4-year planning within the CEIP, the 2026 program year estimates will be filed with the BCP on November 1, 2025. All other program year estimates are proxied to equal the 2026 program year forecasts until they are updated in the respective annual conservation plans, filed annually on November 1.

Energy Efficiency | Specific Actions

Overview

All of Avista's energy efficiency programs help to support the Company's two specific energy efficiency actions of continuing 2025 CPA-identified measures and programs and pursuing any 2027 CPA-identified measures and programs. Within these specific actions, however, a multitude of activities occur at the program level to support the achievement of Avista's targets. Specific program savings projections are based on the results of the 2025 CPA and the upcoming 2026-

[59] Not all low-income customers are in a Named Community designation, nor are all Named Community designations considered low income.

2027 BCP. Table No. 7.2 below provides a further breakdown regarding the specific program offerings (actions) benefiting customers (residential, commercial, and industrial), as well as programs that specifically benefit Named Communities (residential only).

For ease of reference, each energy efficiency program has been consolidated into the appropriate grouping based on a common CBI or benefit population. Geographic location and proposed timing of each activity have been omitted from this table, as **all** actions listed below are ongoing for the foreseeable future (2026-2027, and assumed into 2028-2029, to be updated with the next cycle of biennial planning) and are applicable to the entire Washington electric service territory. See Avista's 2026-2027 BCP (Appendix G) for the 2026 ACP for a detailed breakdown of anticipated costs by breakdown.

Table No. 7.2: Energy Efficiency | Specific Actions Detail

Action	Benefit Population	CBI Measurement
Residential Rebate Programs	Residential Customers	Participation in Company Programs
Residential Midstream		
Home Energy Audit		
Home Energy Reports		
Commercial Midstream	Commercial Customers	
Commercial Site-Specific Program*		
Commercial Prescriptive Lighting*		
Commercial Prescriptive Non-Lighting*		
Business Partner Program	Small Business Customers	
Small Business Direct Install Program		
Building Operator Certification Program	Business Customers	Participation in Company Programs
		Investments in Named Communities
Low Income Weatherization Programs	Income Qualified Customers	Participation in Company Programs
		Investments in Named Communities
		Energy Burden
Home Insulation Program	Residential Customers &	Participation in Company Programs

	Named Communities	Investments in Named Communities
		Energy Burden

*Industrial customers are also eligible.

As listed in Table No. 7.3 below, the Company plans to continue 11 cost-effective programs that benefit all Avista electric customers in Washington, and two programs that primarily benefit Named Communities. Both programs supporting Named Communities are exempt from cost-effectiveness requirements per the Company's approved electric energy efficiency tariff Schedule 90. For more information about non-cost-effective energy efficiency programs for Named Communities that are subsidized by the NCIF, see the Company Initiatives | Additional Goals & Actions section. Identification and implementation of additional programs will be considered throughout the four-year CEIP period and as a result of the 2027 CPA and 2028-2029 BCP. Information regarding each of these 13 programs, as they are all ongoing within Avista's existing energy efficiency portfolio, please refer to Avista's 2024 Annual Conservation Report (ACR).[60] Within the ACR, the Company also provides a current assessment of benefits for customers in Named Communities as a percentage of program energy efficiency savings as well as a percentage of program energy incentives distributed.

Table No. 7.3: Energy Efficiency Program Summary

Benefit Population	Program Status	Program Count
All Customers	Existing/Ongoing	11
Named Communities	Existing/Ongoing	2

Avista has a portfolio of well-established energy efficiency programs offered in compliance with the EIA, as well as programs that have been added to the portfolio in recent years as a result of CETA or the continuous adaptive management of Company programs. Programs are reviewed under Avista's Evaluation, Monitoring, and Verification (EM&V) framework. Adjustments to measures or offerings occur annually, with input from the Company's EEAG.

Specific Actions | Benefit, Burdens & Risk Assessment

As mentioned above, Avista's electric energy efficiency programs are funded by all Washington electric customers. The burden of funding efficiency programs is therefore distributed across all

[60] Docket No. UE-230897.

Avista customers on an electric rate schedule in Washington. Customers who participate in energy efficiency programs receive a financial incentive to offset the personal costs of energy efficiency upgrades; they also receive the benefit of annual energy savings over the life of the installed efficiency measure. Some measures, such as lighting, have a measure-life of 5-10 years; while other measures, such as windows or insulation, have measure-lives of 50 or more years. In addition to customers who benefit from actual participation, all customers and the Company benefit from less resources needed to serve electric load. When energy efficiency measures are broadly adopted, the Company can avoid purchasing or building additional generation to serve electric load. Further, the very nature of Washington state's required cost-effectiveness test ensures customers benefit with the intent to alleviate energy burden. In accordance with RCW 19.285.040 and the Commission's current practices and policies,[61] Avista establishes the cost-effectiveness of its energy efficiency programs in Washington by using a modified Total Resource Cost (TRC) test. The modified TRC accounts for all benefits and burdens of energy efficiency programs by considering costs and benefits of energy efficiency programs for customers, for the utility, and for society into its calculation; this includes all quantifiable NEIs, a risk adder, and a 10% conservation benefit adder. As Avista's energy efficiency portfolio must pass this test by maintaining a ratio of at least 1.0,[62] a passing TRC, in part, is proof of holistic portfolio benefits. In 2024, Avista's electric energy efficiency portfolio had a TRC ratio of 1.44, indicating that its programs are highly beneficial for customers and the Company.

Mitigating Participation Risks

In an effort to assess the distribution of current benefits by location and population in accordance with WAC 480-110-640(6)(b), the Company offers the following heat maps of participation in energy efficiency programs by census tract for program year 2024. Figure No. 7.2 below shows energy efficiency projects per 1,000 residents in Named Communities for Avista's Washington electric service territory, while Figure No. 7.3 shows Spokane County.

[61] See RCW 19.285.040(1)(f) and Condition 8 of the Avista's most recently approved BCP, 2024-2025, Docket UE-230897, Attachment A.
[62] The benefits of the energy efficiency portfolio outweigh the costs or burdens of acquiring a different resource.

Figure No. 7.2: Washington State | Energy Efficiency Programs in Named Communities

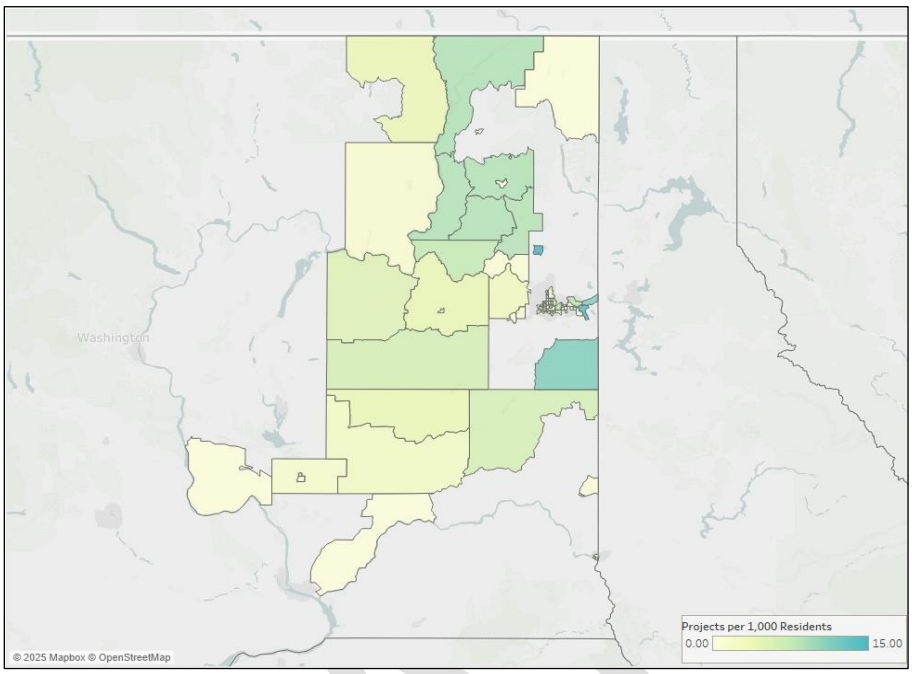
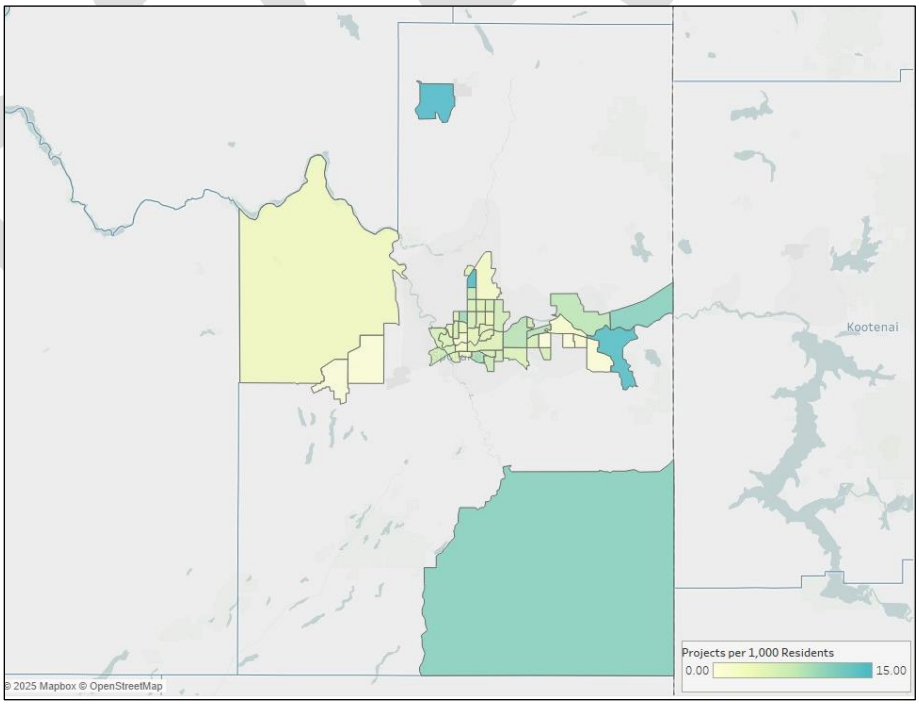


Figure No. 7.3: Spokane County | Energy Efficiency Programs in Named Communities



As illustrated in the maps above, the lighter shaded census tracts have had fewer projects per 1,000 residents than the darker shaded census tracts and are designated as Named Communities. In terms of energy efficiency, the primary risk to Named Communities is inequitable participation. To further the equitable distribution of benefits, and to mitigate the risk of inequitable participation in energy efficiency programs, Avista will identify potential community partners and prioritize energy efficiency outreach in these target outreach census tracts during the 2026-2029 CEIP implementation period. In addition, Avista will prioritize energy efficiency efforts with the Tribes and Spanish-speaking communities.

Tribal Outreach

Of the 79 census tracts within Avista's residential electric service territory identified as Named Communities, 13 census tracts intersect with Tribal lands and are designated as Highly Impacted Communities. Avista is initiating a tribal outreach initiative for energy efficiency programs within this planning period and will work with the Spokane and Colville Tribes to continue outreach efforts in Wellpinit, WA and Inchelium, WA, respectively, to ensure that Tribal members have awareness of all applicable energy efficiency programs. The Company will direct its third-party implementor for the Small Business Direct Install Lighting Program, as well as the newly launched Home Insulation Program, to prioritize outreach efforts for those programs in these two cities. The Company will track outreach efforts to these new areas and will also continue to partner with the Spokane Indian Housing Authority (SIHA) to offer no-cost weatherization services to income-qualified customers. For more information on Tribal support, please see American Indians Relations.

Spanish Language Outreach

As noted in the PPP's Multi-Language Strategy, Avista has undertaken projects to remove language barriers within its service territory. For energy efficiency, this includes the Spanish translation of program marketing materials, and, where possible, Spanish-speaking staff at outreach events. These efforts significantly increased program awareness among Spanish-speaking communities, including those who are members of Named Communities. Avista will continue to emphasize energy efficiency outreach for Spanish-speaking communities throughout the 2026-2029 CEIP implementation period.

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Programs with Additional Risk Mitigation

Avista's Low Income Weatherization, Home Insulation, On-Bill Repayment, and Small Business Lighting Direct Install programs include elements that help mitigate Named Community participation risk**.** During the 2026-2029 timeframe, Avista will implement targeted outreach within census tracts to promote awareness of the following programs:

Low Income Weatherization Program

By eliminating out-of-pocket costs for energy efficiency upgrades, this program for income-qualified customers addresses a financial barrier that has historically inhibited participation. Customers participating in low-income weatherization programs often see a reduction in their energy usage, which may affect their energy burden, as well as health and safety benefits through weatherization-related repairs. An additional participation risk includes the limited capacity of Community Action Agencies (CAAs or Agencies) to perform weatherization services. Nationally, the weatherization field faces a shortage of trained professionals, which can result in reduced CAA capacity, and long wait times for income-qualified customers to be able to receive services. To address this barrier, Avista will continue its partnership with the Building Performance Center in Bellingham, WA to conduct essential training sessions and provide support in Eastern Washington for weatherization professionals. This training, which is described in more detail in the 2026 ACP (draft 2026-2027 BCP, Appendix G to this CEIP) will improve workforce readiness for weatherization professionals, helping mitigate agency capacity limitations.

Home Insulation Program

This program offers a direct-installation model for home insulation. Customers in this program receive a free assessment to identify insulation needs, installation of low-to no-cost insulation measures, and air sealing measures where appropriate. The program alleviates a participation barrier by reducing or eliminating out-of-pocket costs for insulation upgrades for electric homes in Named Communities. Like the low-income weatherization program, customers who receive home insulation services often see a reduction in energy usage, which may reduce their energy burden.

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On-Bill Repayment Program

The On-Bill Repayment (OBR) Program[63] is a partnership between Avista and Puget Sound Cooperative Credit Union (PSCCU). The program enables residential and small-business customers in Washington to access Energy-Smart Loans through PSCCU for their energy-efficiency projects. The OBR Program makes financing arrangements available to customers who may not otherwise access energy efficiency upgrades, as Avista subsidizes an interest rate reduction for customers with lower credit scores. Loan payments are integrated into their monthly Avista bill, thereby reducing an administrative participation burden. These upgrades may also qualify for rebates through the Prescriptive Residential Rebate Program and provide energy savings and reductions in energy burdens.

Small Business Lighting Direct Install Program

Small business customers on Avista's electric rate Schedules 11 and 12 are eligible to receive benefits through the Direct-Install Lighting Program, including a free lighting assessment to identify potential upgrades; installation of low-to-no-cost energy-savings measures (lamps, fixtures, and controls); and information for customer follow-up questions or feedback. For customers in Named Communities, the Company's NCIF is available to cover any delta between incentives and total project costs, ensuring that small business owners in Named Communities have access to this program.

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[63] https://www.myavista.com/energy-savings/energy-smart-loans/wa-energy-efficiency-financing.

8. Demand Response | Specific Targets & Specific Actions

Overview

As customer loads and energy costs continue to increase, demand response programs designed to reduce or shift electricity usage during peak periods have become increasingly important. These programs support and maintain grid flexibility and reliability by balancing intermittent renewables, a value that grows as more renewable energy is added. Historically, demand response programs have not been cost-effective for Avista when compared with alternatives to meet customer load. However, Avista's 2025 IRP identified these programs to be cost-effective and informed the specific targets and actions for this CEIP.

As indicated in Figure No. 8.1 below, Avista established its demand response specific target to acquire an additional 25 MW of demand response capacity by 2029 in Washington state.[64] This will result in a cumulative total of 55 MW of demand response available for dispatch during periods of extreme peak load. This target is supported by the specific action of continuing the existing industrial demand response contract and pursuing cost-effective solutions from the 2025 All-Source RFP. The company intends to select all cost-effective solutions from the RFP and will increase the demand response target if cost-effective selections exceed 25 MW. As additional actions to support demand response, Avista will evaluate its pilot programs and electric vehicle (EV) time of use (TOU) rates for future program scalability. Avista may also consider additional demand response programs for development and deployment during the 2026-2029 CEIP implementation period.

Figure No. 8.1: Demand Response | Specific Targets & Specific Actions Summary

Specific Targets	Specific Actions
Cumulative 55 MW during a single peak hour by 2029	Continue 30 MW industrial demand response contract Pursue cost-effective solutions from All-Source RFP

[64] As the 2025 All Source RFP supports system needs, more than 25 MW may be acquired.

Demand Response | Specific Targets

Target Assumptions & Methodologies

The Company hired AEG to conduct the 2025 Demand Response Potential Assessment study[65] for the 2025 IRP. In planning for this study, multiple program components were considered and estimated, including cost, capacity reduction amounts, customer adoption and turnover rates, and total demand response event hours and seasonal applicability, amongst others. Assessment results were used as inputs for the 2025 IRP modeling process. As discussed in the Updated Portfolio Planning Analysis for the 2025 CEIP section, model assumptions were updated in June 2025, identifying 25 MW of demand response potential. Table No. 8.1 below reflects the updated model's potential programs and estimated seasonal savings through 2029.

Table No. 8.1: Demand Response | Updated 2025 IRP Potential (MW)[66]

Status	DR Program	2026	2027	2028	2029
RFP Dependent	Battery Energy Storage	0.0	0.1	0.2	1.0
RFP Dependent	Third Party Contracts	5.5	8.8	10.8	10.8
Not Implemented	Behavioral	-	-	1.3	2.1
Implemented	Electric Vehicle TOU Rates[67]	0.1	0.3	0.5	0.8
Pilot	Time of Use (TOU) Rates	0.5	0.5	0.9	2.1
Pilot	Peak Time Rebate (PTR)	0.3	0.8	2.3	4.8
	Total Winter	**6.5**	**10.5**	**16.1**	**21.6**
	Total Summer	**8.8**	**13.3**	**18.8**	**24.8**

Avista expects the 2025 All-Source RFP to result in program acquisitions providing the same benefits as those identified through the IRP, but not necessarily the same programs, quantity of savings or costs. Of the six IRP-identified programs, two were identified for potential resource acquisition and include:

- **Battery Energy Storage**: Assumes customers own batteries as part of their own on-site renewable generation system and are financially incentivized to allow the utility to discharge the battery during capacity-constrained periods.

- **Third-Party Contracts**: Assumes customers will reduce demand by a specific amount or to a pre-determined consumption level in exchange for fixed financial compensation. These programs are typically administered through a third party.

[65] https://www.myavista.com/-/media/myavista/content-documents/about-us/our-company/irp-documents/2025/appendix/appendix-f--der-study.pdf.
[66] Based on AEG's Demand Response Potential Study.
[67] Existing EV TOU rate program does not contribute measurable savings to demand response target.

The remaining four IRP-identified programs are in various stages of consideration and implementation. A behavioral demand response program relies on customers to voluntarily reduce energy use following a digital request, with no financial incentive. However, Avista currently lacks the necessary energy efficiency or peer comparison programs to support this approach. The Company currently offers two EV TOU rates, while the residential and small business TOU rates and a Peak Time Rebate (PTR) program are in the piloting phase. Please see Avista's Demand Response | Additional Actions for information on those efforts.

Target Forecasted Distribution of Costs & Benefits

Following the 2021 IRP, Avista and a large-load customer signed a 30 MW demand response contract through 2031 as a specific action of the 2021 CEIP. Avista will also continue to offer two EV TOU rates. Avista anticipates receiving a range of demand response solution proposals through the 2025 All-Source RFP process, but the timing of the 2025 CEIP precedes the selection of these solutions. These proposals will be systematically evaluated for cost-effectiveness and operational viability, with the objective of informing program selection and design strategies that align with established seasonal capacity targets. Based on these uncertainties, and as indicated in Table No. 8.2 below, only the contract details for the current 30 MW demand response are available at this time. Metric calculations and measurement or verification protocols for any future demand response program acquisitions will be addressed in the 2027 Biennial CEIP.

Table No. 8.2: Demand Reponse | Target Program Summary

Program	Budget	Target Calculation	Measurement & Verification Protocol
Large Industrial DR Contract	Confidential	30 MW	Advanced Meter Infrastructure (AMI) meters
RFP Cost-Effective Programs	TBD	TBD	TBD

As shown in Table No. 8.3 below, based on the existing 30 MW demand response contract, all customers receive energy benefits, as discussed below and are measured through Avista's Energy Availability, Energy Burden, Outdoor Air Quality, and Greenhouse Gas Emission CBIs. Estimated costs and benefits for any new program will be discussed in the 2027 Biennial CEIP.

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Table No. 8.3: Demand Response | Forecasted Costs & Benefits of Specific Targets

Program	Type	Energy	Non-Energy
Large Industrial DR Contract	Cost	Confidential	N/A
	Benefit	CBI: Energy Availability CBI: Energy Burden CBI: Outdoor Air Quality CBI: GHG Emissions	N/A
RFP Cost-Effective Programs	Cost	TBD	TBD
	Benefit	TBD	TBD

Demand Response | Specific Actions

Overview

As discussed above, Avista's specific actions to support the demand response target include the execution of the existing 30 MW demand response industrial contract and pursuing cost effective demand response programs from the RFP.

Specific Action | Benefits, Burden & Risk Assessment

Industrial Demand Response Contract

Under its 2021 demand response contract, Avista may initiate up to 25 demand response events annually, with each event requesting up to 30 MW. The Company must provide a one-day notice prior to the event and identify a specific four-hour block for energy reduction. These events must be mutually agreed upon between Avista and the industrial customer, with Avista providing financial compensation for each event.

Assessment of Current Benefit & Burdens for All Customers*:* All customers benefit from reduced energy consumption, which supports Energy Availability, Energy Burden, Outdoor Air Quality CBI, and GHG Emission CBIs. Although the industrial customer is compensated for the energy reduction, and customer rates are impacted by these costs, the compensation cost is assumed to be less than the market cost to serve their load.

Mitigate Risks for Named Communities: This contract does not have a direct mitigation of risk for Named Communities. However, indirectly, as demand response events help ensure reliability, customer outage frequency or duration may be reduced. As Named Communities may be at greater risk for outage occurrence or may have greater adverse effects resulting from an outage or poor air

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quality, maintaining reliability, or improving air quality through demand response may help mitigate those risks.

Pursue Cost-Effective RFP Demand Response Programs

Programs selected from the 2025 RFP, along with program details, anticipated demand response savings, and implementation plans, will be discussed in the 2027 Biennial CEIP, as well as how these programs benefit all customers and mitigate risks for Named Communities.

Assessment of Current Benefit & Burdens for All Customers: Demand response programs are inherently customer and community centric. As such, Avista anticipates future selected programs may influence the following CBIs: Energy Availability, Energy Burden, Outdoor Air Quality, and Greenhouse Gas Emissions.

Mitigate Risks for Named Communities: Based on IRP cost-effective program selection, applicable risk mitigation for Named Communities will be discussed in the 2027 Biennial CIEP.

Demand Response | Additional Actions

Although Avista plans to satisfy most of the additional 25 MW of demand response resource acquisition through the 2025 All-Source RFP, Avista proposes additional demand response actions. As previously discussed, following the 2021 CEIP, Avista began multiple demand response actions, including two electric TOU rates, a PTR pilot for residential and commercial customers, and a partnership with the Northwest Energy Efficiency Alliance (NEEA) and other regional utilities to test grid-enabled CTA-2045 water heaters.[68] Results from the TOU and PTR pilots are expected by December 1, 2026, and will be used to inform future program design. In 2021, Avista also implemented two commercial EV TOU rates to help increase EV market adoption.

Time of Use & Peak Time Rebate Pilots

Effective June 1, 2024, Avista initiated three pilot programs, two TOU rates and one PTR offering, to a limited number of residential and small commercial customers over a two-year period. The TOU rate incentivizes customers to shift energy consumption from higher-priced on-peak hours

[68] According to the Customer Technology Association (CTA), the CTA-2045 standard is a modular communications interface to facilitate two-way communications with residential devices for energy management.

to lower-priced off-peak hours, while the PTR notifies customers a day in advance with a request to reduce their energy consumption for a specific time frame in exchange for bill credit. The pilots will be used to assess the value of these pricing structures to determine if these programs should be offered more broadly in Washington.

Although TOU and PTR programs are shown to be cost-effective in the next four-year period, Avista's version of these programs is in the pilot phase through December 1, 2026, and actual results are unknown. Performance results for these pilots, additional learning based on customer and utility input, along with EEAG consultation, are required before Avista implements system-wide TOU or PTR programs. Prior to program implementation, these pilots will also be reviewed by a third party to evaluate the impact and process and provide recommendations for program implementation. A report will be filed with the Commission by December 1, 2026, providing a comprehensive review of program metrics, program effectiveness, and recommendations for the continuation, changes, or termination of each program. Based on these report findings and inclusive of advisory group consultation, Avista may implement a TOU and PTR demand response program and provide an update in the 2027 Biennial CEIP.

EV Time of Use Rate

In 2021, Avista established two commercial TOU rates specifically for EV loads, designed to encourage off-peak charging and support broader EV adoption. Commercial customers can choose to participate in one of these program offerings if they separately meter their EV loads from their building load. In exchange for removing a variable demand charge, these programs offer a reduced off-peak price for charging and a more expensive rate for charging on peak. These TOU programs are generally implemented for customers who are increasing or adding new EV load. The 2024 Electric Transportation Report[69] indicates participation in commercial EV TOU offerings has grown steadily since their 2021 launch. Across all years, approximately 74% of energy use occurred during off-peak hours, demonstrating effective load shifting. The cost savings associated with removing the demand charge in favor of an on-peak charge makes this TOU program favorable and is a strong factor for customers investing in public direct current (DC) fast charging

[69] https://www.myavista.com/-/media/myavista/content-documents/energy-savings/evs/avista-2024-annual-te-report.pdf.

and fleet and workplace charging. Fleet customers also indicate Avista's TOU offering to be an essential part of the transition to EVs.

As a part of a broader transportation electrification (TE) effort, commercial TOU rate offerings play a strategic and enabling role in advancing EV adoption. To date, approximately 50% of Avista's public DC fast charging and workplace/fleet charging installations are located in Named Communities. The lower costs make it financially feasible for organizations in Named Communities to sustainably operate EV infrastructure.

Although this EV TOU program is identified as a demand response option in the 2025 IRP, current load shift savings from this program are not measurable and do not currently contribute to reportable demand response savings. This program was introduced to encourage EV adoption, as well as incentivizing peak load shifting to off peak, but it does not have an established baseline to measure load shift against. To address this, Avista will contract a third-party to determine if assumptions made in the demand response potential assessment for this program are valid. If the EV TOU program achieves measurable peak load reduction savings, these results will be reported in the 2027 Biennial CEIP and, if applicable, included in target achievement.

NEEA End-Use Load Flex Project

2021 CEIP Condition Update

In the 2021 CEIP, Avista agreed to the following condition:

> *"When the Department of Commerce adopts a permanent standard for grid-enabled water heaters in WAC 194-24-180, Avista will develop a pilot demand response program. Avista will work with its EEAG on the pilot program implementation timing and how to incorporate results into its planning efforts."*

In 2024, Avista joined NEEA's End Use Load Flex (EULF) project, a two-year initiative focused on accelerating the adoption of CTA 2045 port and communication modules in residential equipment across the Northwest and exploring demand response control strategies for connected line voltage thermostats.

As of June 2025, the project has completed several tasks, including the development of a workplan; the launch of field studies on CTA-2045 water heater modules and demand response capable line-voltage thermostats; the identification of key program metrics; the compilation of a North

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American demand response program matrix with an in-depth analysis of high-performing programs; and implemented a member utility grid operator and utility staff survey on demand response priorities and current operations. Testing and research will continue the remainder of 2025, and these efforts will inform Avista's RFP evaluation and the next IRP cycle. Future work is under discussion at NEEA to continue market transformation efforts for connected load flex devices. Additional updates will be provided in the 2027 Biennial CEIP.

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9. Company Initiatives | Goals & Actions

Overview

In addition to the specific targets and specific actions for renewable energy, energy efficiency and demand response, the Company also proposes goals and actions to aid the clean energy transformation and support equitable outcomes. As listed in Figure No 9.1 below, Avista proposes six aspirational CBI metric goals by 2029 with associated supporting actions and investing up to $5 million annually in Named Communities with the action of the Named Community Investment Fund.

The Company also included additional actions that demonstrate progress toward meeting future CETA compliance requirements in the areas of transmission access to clean energy, supporting demand response, increasing tribal and community resiliency, increasing access to electric vehicle transportation and infrastructure, and advancing equitable outcomes in workforce diversity. These additional actions may directly or indirectly support a CBI metric.

Figure No. 9.1: Company Initiatives | Goals & Actions Summary

Goals	Actions
Six aspirational CBI metrics by 2029	Actions per aspirational CBI metric
Invest up to $5 million annually in Named Communities	Named Community Investment Fund

Company Initiatives | Goals & Actions

Goal | Aspirational CBI Metrics

This section outlines the Company's assumptions and methodologies for the aspirational metric goals. Over the 2025 implementation period, the Company proposes one aspirational CBI metric under each of Avista's six benefit areas of affordability (combines reduction in cost and reduction in burden benefit areas), accessibility (non-energy benefit area), energy resilience, energy security (energy benefit area), environmental affects, and public health by 2029. These goals and actions that support each goal were discussed with the CEIP Advisory Group in May 2025 where support was provided for this initiative. As shown in Table No. 9.1 below, these aspirational metrics either have a stated result to achieve or a directionality improvement.

Table No. 9.1: Additional Goals | Aspirational CBI Metrics by Benefit Area

Benefit Area	CBI	Metric	Target by 2029
Reduction in Cost (Affordability)	Participation in Company Programs	Saturation of energy assistance for all customers	Enroll 60% of the eligible population
Non-Energy (Accessibility)	Transportation Electrification	Number of EV trips provided by CBOs	5,040 EV trips
Energy Resilience	Energy Availability	Frequency of outages (CEMI0 – Customers Experiencing Multiple Interruptions greater than zero) for all customers	Reduce frequency of outages
Energy Security (Energy)	Disconnections for Nonpayment	Percentage of disconnects for nonpayment by month by census tract for all customers	Decrease the percentage of disconnections
Environmental Affects	Greenhouse Gas Emissions	Avista generated and purchased greenhouse gas emissions	Decrease greenhouse gas emissions
Public Health	Employee Diversity	Employees representative of communities served	Increase employee diversity

As shown in Table No. 9.2 below, these aspirational metrics were proposed based on certain assumptions related to metric proposal logic and measurement methods. They are not intended to serve as criteria for penalization or reward based on actual outcomes. These aspirational metric results or targets, either defined or implied through directionality, are proposed against various benchmark measurements, including the 2021 CEIP CBI baseline, a five-year average between 2021-2025, or against a specific year's results. An update on the aspirational metrics will be provided in the 2027 Biennial CEIP.

Table No. 9.2: Aspirational CBI Metric Goals | Assumptions & Methodologies

Type	Item
Assumption	Metrics are not intended for penalization or reward based on results achieved
Assumption	Specific and directional metrics are acceptable
Assumption	One metric per benefit area is acceptable
Assumption	An update will be provided in the 2027 Biennial CEIP
Method	Benchmark measurements against 2029 goal vary based on metric conditions

Table No. 9.3 below provides detail for the six aspirational CBI metrics per benefit area with the aspirational target and proposed measurement.

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Table No. 9.3: Aspirational CBI Metric Goals | Measurments

Metric	Goal by 2029	Measurement
Saturation percent of energy assistance for all customers	Enroll 60% of the eligible population	Actual enrollment percentage for 2029
Number of EV trips provided by CBOs	5,040 EV trips	Actual enrollment percentage for 2029
Frequency of outages for all customers	Reduce frequency of outages	Compare 2029 actuals against the five-year average of 2021-2025
Percentage of disconnects for nonpayment by month by census tract for all customers	Decrease the percentage of disconnections	Compare 2029 actuals against 2025 actuals
Avista generated and purchased greenhouse gas emissions	Decrease greenhouse gas emissions	Compare 2029 actuals against the 2023 CCA greenhouse gas results
Employees representative of communities served	Increase employee diversity	Compare 2029 actuals against the 2021 CEIP baseline

Action | Aspirational CBI Metrics

The following section describes the additional actions the Company proposes to support achieving the six aspirational CBI metrics by 2029.

CBI: Participation in Company Programs
Metric: *Saturation percent of energy assistance programs for all customers*
Actions: To support customer affordability and increase the saturation of participation in Company programs to 60% by 2029, the Company will continue to offer financial bill assistance through the MED, Arrearage Forgiveness, and Arrearage Management programs funded under LIRAP.[70] In addition, the Company will provide targeted marketing and outreach to estimated low-income customers through bill inserts, direct mailers, email campaigns, callouts, digital ads, strategic flyer placement, and presence at community events.

Additionally, the Company will continue outreach through both phone and email to provide awareness of bill assistance options and enroll as eligible. The Company will continue to conduct annual training for Community Action Partnership (CAP) agencies on LIRAP offerings and enrollment processes and has developed an online toolkit for CAP agency staff with access to FAQs, downloadable print materials, and other relevant resources. Finally, the Company designed

[70] LIRAP Annual Summary Report filed under Docket No. UE-010436.

a hybrid compensation model in partnership with its EAAG that provides agencies with adequate funding to support their implementation of LIRAP, while also incentivizing additional outreach and program enrollment.

CBI: Transpiration Electrification
Metric: *Number of electric vehicle trips provided by CBOs*
Actions: In Avista's first TEP the Company proposed supporting CBOs and community members with EV transportation. As of 2021, on average, Avista provided three EVs to CBOs annually. CBOs provide an annual report to Avista, which is used to report on the number of passenger trips benefiting the communities they serve. Based on historic performance, Avista anticipates achieving the aspirational goal of 5,040 trips annually by 2030. The Company will provide updates in the annual TEP to the WUTC and in its 2027 Biennial CEIP. To determine CBO partnerships, Avista solicits applications as part of a competitive selection process, based on estimated benefits of anticipated passenger miles, ability to provide EV educational awareness, the organization's capacity to support an EV program, and the proposal's uniqueness and diversity, amongst others. As of 2025, Avista has 17 CBO partnerships across its Washington electric service territory, including organizations in Spokane, Colfax, Asotin, and Colville.

CBI: Energy Availability
Metric: *Frequency of outages (CEMI0) without major event days for all customers*
Actions: To support a reduction in outage frequency, Avista proposes a new integrated planning and delivery approach to system investments across multiple disciplines, including grid hardening, system reinforcements, vegetation management, and wood pole management. In 2026, the Company will study locations across its Washington electric service territory, with an emphasis on Named Community locations, that may benefit from delivering multiple improvements per location at the same time as compared to delivering independent projects on multiple timelines. This approach pinpoints high-need areas, prioritizes them for funding, and may accelerate simultaneous improvements.

Based on 2026 study results, the Company will implement cost effective system improvements in 2027 and 2028 and evaluate their impact on outage frequency in 2029. This aspirational goal of

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reducing customer outages by 2029 will be benchmarked against the average outage frequency from 2021 through 2025.

CBI: Disconnections for Non-Payment
Metric: *Annual percentage of disconnections for non-payment for all customer customers*
Actions: As discussed above in the Reduction of Cost (Affordability) benefit area and the metric calculating the "Saturation percent of energy assistance programs for all customers," Avista provides financial bill assistance support through a variety of programs. Should the customer continue to encounter financial difficulties, there is a potential risk of disconnection. Avista's aspirational goal includes decreasing the percentage of residential customer disconnects for non-payment by 2029 as compared to the 2025 disconnection percentage for Washington electric customers.

To support this aspirational goal, the Company will continue the existing actions of collecting customer communication preferences, conduct pre-disconnect customer service outreach, offer the MED program, Arrearage Management and Arrearage Forgiveness programs, and offer energy efficiency solutions. As a new action to support the reduction of customer disconnections, the Company will also allocate funds from its proposed SSHB1814 solar and BESS projects. The program to administer these funds will be established in partnership with Avista's EAG and EAAG, with funds anticipated for distribution from the first project after 2027. An update on this action will be provided in the 2027 Biennial CEIP.

CBI: Greenhouse Gas Emissions
Metric: *Avista generated and contracted greenhouse gas emissions*
Actions: Through CETA compliance, Avista continues to demonstrate clean energy compliance through divesting coal generation at the end of 2025, acquiring additional renewable generation, and retiring RECs from existing Avista-controlled renewable generation. Through the 2021 CEIP's compliance, and the proposed 2025 CEIP's renewable energy targets, the Company will continue to make progress toward reducing greenhouse gas emissions.

In addition to CETA, Avista also complies with Washington state's CCA, which aims to further reduce greenhouse gas emissions. To ensure reporting consistency, Avista will adopt the CCA's calculation methodology for emission reporting for the CBI metric in the 2025 CEIP. The target

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of reducing emissions by 2029 will be measured in comparison to the emissions reported and verified in 2023.

CBI: Employee Diversity
Metric: *Employees representative of community served*
Actions: Avista is committed to equity, inclusion, and diversity and proposes an aspirational goal to increase employee diversity by 2029. The Company evaluates employee diversity by comparing its workforce to the broader labor market, as well as assessing diversity within individual departments. Considerations include, but are not limited to, gender, race, ethnicity, veteran status, and disability status.

The Company will focus on maturing its recruiting process through developing a workforce pipeline with broader outreach to underserved communities and organizations, including engagement with K-12 and post-secondary institutions, and rural and tribal communities. The applicant screening and hiring practices will be enhanced through training hiring managers in practices that support diversity and increase employee engagement, including the adoption of consistent application questions, an applicant screening guide, a guide to develop intentional interview questions, requiring multiple application reviewers, and a diverse interview panel.

Goal | Invest in Named Communities

The Company proposes to continue investing up to $5 million annually in Named Communities through funding non-cost-effective energy efficiency savings programs and various EAG and community-initiated projects. These investments support equitable access to clean energy and non-energy benefits and the equitable reduction of burdens for Named Communities. In its 2021 CEIP, the Company committed approximately $5 million for various project types with funding limitations. For the 2025 CEIP, the Company proposes $2 million to supplement energy-efficiency projects that may not meet traditional cost-effectiveness criteria, and $3 million to support community-based projects.

Table No. 9.4: 2025 CEIP's NCIF Allocation & Categories

NCIF Amount	NCIF Investment Category
$2.0 million	Supplement Energy Efficiency
$3.0 million	Community Investment

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The Company proposes two key adjustments for the 2025 CEIP implementation period:

- One-year rollover of uncommitted energy efficiency and community funds to accommodate longer project timelines.
- Eliminate the funding allocation limit by project category (distribution resiliency, third-party grants, outreach, and other projects/initiatives) to allow for greater flexibility to meet community-identified needs.

Action | Named Community Investment Fund

The NCIF was approved in June 2022.[71] The Company immediately took steps to provide awareness and understanding of the NCIF, establish a formal process for proposal submission, and determine an internal process for Fund governance and project approval. The Company will continue to collaborate closely with its EAG, and other advisory groups, to guide NCIF priorities and ensure alignment with community needs, including an update to their 2022-2023 Results-Based Accountability (RBA) process to identify and prioritize energy efficiency initiatives for Named Communities as listed below in Table No. 9.5.

Table No. 9.5: EAG NCIF Prioritization Considerations

Rank	EAG NCIF Prioritization Considerations
1	Focus efforts on improving energy efficiency (and awareness/education) for schools, community centers, and other places where Named Community members spend time.
1	Focus efforts on improving energy efficiency for Spokane Tribe partners.
2	Improve energy efficiency in multi-family & mobile home communities.
3	Increase tree canopy and shade in Named Communities (consider tradeoffs with solar).
3	Increase access to energy efficient products & appliances for Named Communities.
4	Increase awareness of & engagement in energy efficiency programs while also meeting whole-house needs through community-based partnerships and referrals to services.
5	Set aside funds to match energy efficiency grant applications for community organizations and tribal partners (could have higher feasibility).
6	Focus efforts to improve energy efficiency for community members without stable housing (consider including with other initiatives).

Although future projects are unknown, the Company anticipates continuing to support projects that align with energy efficiency improvements for Named Communities and support the Investments in Named Community CBI, amongst others.

[71] Docket UE-210628.

As of June 30, 2025, and provided in Table No. 9.6 below, the Fund has spent more than $6.8 million on Named Community projects, supporting more than 450 customers and 50 organizations combined.

Table No. 9.6: Named Communities Investment Fund Spend[72]

Year	Energy Efficiency	Community	Total
2022	$441,574	$45,034	$486,657
2023	$1,106,555	$310,943	$1,417,498
2024	$2,448,949	$1,151,241	$3,600,190
As of 06/2025	$1,049,231	$333,241	$1,382,472
Total	**$5,046,309**	**$1,840,459**	**$6,886,817**

Given the potential time interval between the conclusion of the 2021 CEIP implementation period and the approval of the 2025 CEIP initiating a new four-year NCIF cycle, the Company will continue to advance the NCIF program and accept applications for 2026. Avista will defer the issuance of 2026 Community awards until the 2025 CEIP is approved. For NCIF energy efficiency awards funded through the energy efficiency tariff,[73] Avista will consult with its EEAG at the August 2025 session to determine the prudence of awarding 2026 projects prior to 2025 CEIP determination.

NCIF Governance

Avista will continue to utilize the NCIF governance structure established in 2023 with co-program management of the NCIF between the Company's Social Impact and Energy Efficiency departments. The NCIF Governance Group provides an internal advisory body for evaluating all NCIF project proposals and awards with representation across the company, including Energy Efficiency, Social Impact, Regulatory Affairs, Corporate Communications, Internal Audit, Innovation Lab, and the Integrated Planning and Clean Energy departments. This cross-functional team evaluates each proposal for its alignment with CBI metrics, relevance to Named Communities, and adherence to additional criteria, such as potential for energy savings. The group ensures that funding decisions are aligned with CEIP requirements, EAG priorities, and community needs.

[72] The 2023 CEIP Biennial report provides NCIF Community project and associated cost details from inception through August 31, 2023, while the 2024 CETA cost recovery reported projects and costs through June 2024. The 2025 CETA cost recovery will be filed in August 2025.
[73] Tariff Scheule 90.

Supporting Underserved Communities

Avista's NCIF program managers will continue to build relationships with community organizations to foster trust, identify emerging needs, and align community and clean energy goals. Recognizing that many organizations face resource constraints, they are available to support applicants by phone, email, and through in-person site visits, helping to guide project development. Extra efforts are made to reach underserved communities, with proactive contact for nonprofits focused on rural communities to raise awareness and discuss how the program could meet each organization's specific energy needs. This approach ensures that proposals reflect community priorities throughout Avista's service area and are not overlooked due to limited awareness, administrative support, or capacity. It also promotes fair and equitable consideration.

Avista also shares NCIF's success stories[74] on social media to increase awareness of community needs and opportunities through the NCIF. Highlighted projects include efforts to increase energy efficiency and comfort at the Family Promise of Spokane shelter, which serves families experiencing homelessness, as well as the installation of solar panels on Malden's community building and town hall/fire station to reduce energy costs and enhance resilience following the 2020 wildfires that devastated the town.

NCIF Participant Survey

Avista will continue to conduct biannual post-award surveys to gather feedback on the application experience, award process, and project implementation support, with participants given the choice to self-identify or remain anonymous. In the first quarter of 2025, Avista's offered its first survey[75] to 34 participants (29% response rate), with positive results regarding the application process, project goal achievement, and effectiveness in overcoming project challenges. Avista will offer its second survey to newly identified NCIF participants by the fourth quarter of 2025.

NCIF Distributional Equity Analysis

In Avista's 2022 GRC order[76] the Commission ordered Staff to direct a distributional equity analysis (DEA) process and select a facilitator for Avista to hire for incorporating equity into its capital planning processes. A DEA framework compares the impact (typical benefit-cost analysis)

[74] NCIF stories available at https://www.myavista.com/connect/tags/named-communities-investment-fund.
[75] NCIF survey results to date will be filed with the Company's Tariff Schedule 64 Cost Recovery Filing.
[76] 2022 GRC Final Order 10/04 Docket UE-220053 et. al.,

on certain customer groups relative to other customers with the intent of understanding if there is a disproportionate burden on any single population. While benefit-cost analysis is a well-established practice for decision making, DEA is an emerging decision-making tool to be used with benefit-cost analysis. Although Staff members have not initiated this process yet, Avista has received requests from its EEAG and CEIP Advisory Group for DEAs. Feedback from these groups has led to internal education within the Company and noted areas of alignment of DEA with the Fund's administration.

Using the federal DOE's seven-stage DEA framework,[77] Figure No. 9.2 and Table No. 9.7 below illustrate the DEA stages as aligned with applicable NCIF actions. Although the DEA term is new to Avista, it would appear Avista's existing implementation and management of the Fund aligns with states (1) through six (6). The Company will continue its DEA efforts as it pertains to the NCIF and will remain iterative in nature.

Figure No. 9.2: NCIF & DEA Stages

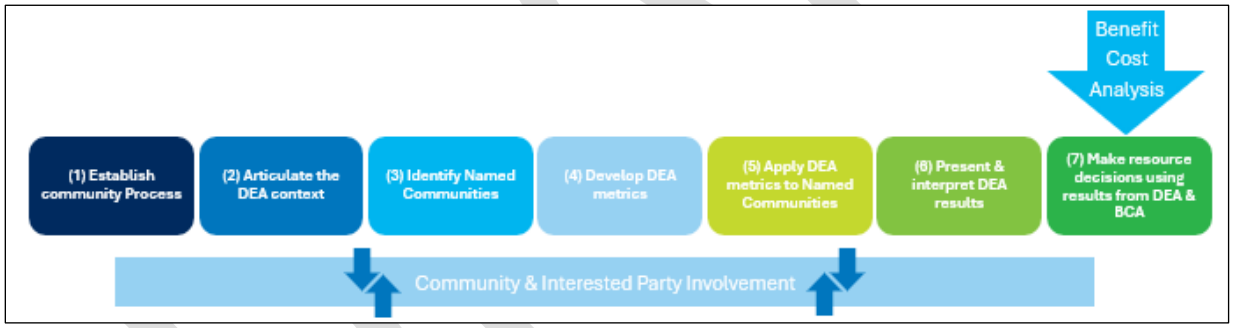

Table No. 9.7: DEA Stage & NCIF Acitivty

Stage	DEA Stage	NCIF Activity
1	Establish community process	EAG Resulted Based Activity for initial project prioritization and process to receive proposals for community identified projects
2	Articulate the DEA context	Regularly occurring updates to interested parties (i.e., EAG, public participation)
3	Identify priority population	Named Communities as identified in CETA and with input from EAG
4	Develop DEA metrics	NCIF metrics aligned with company CEIP CBI metrics, Performance Based Metrics, Biennial Conservation Plan metrics, IRP

[77] DOE's Distributional Equity Analysis Guide, A Practical Guide for Energy Efficiency and Other Distributed Energy Resources:https://eta-publications.lbl.gov/sites/default/files/bto-distributed-equity-analysis-guide_may2024.pdf.

5	Apply DEA metrics to priority population	NCIF recipient survey, along with inputs and experiences are used
6	Present & interpret DEA results	Projects' outcomes are reported regularly to interested parties
7	Make resource decisions using results from the DEA & benefit cost analysis (BCA)	NCIF program modifications are made based on results

Company Initiatives | Additional Actions

The Company initiatives listed in Figure No. 9.3 below support areas of the CEIP but are not specific actions to support a specific target. However, they demonstrate progress toward meeting future CETA compliance requirements in the areas of transmission access to clean energy, supporting demand response programs, increasing tribal nation and community energy resiliency, increasing access to electric vehicle transportation and infrastructure, and advancing equitable outcomes in workforce and supplier diversity. They also highlight Avista's efforts to secure federal and state grants. Progress made in these areas support Avista's CBIs, including Energy Availability, Investments in Named Communities, Transportation Electrification, and Employee and Supplier Diversity. With the exception of the NCIF awards, any costs associated with these additional actions are not included in the Company's Incremental Cost Analysis.

Figure No: 9.3: Company Initiatives | Additional Actions Summary

Additional Actions

Transmission Expansion Projects
Connected Communities
American Indian Relations & the Spokane Tribe Resilience Station
Martin Luther King, Jr. Community Center Resilience Hub
Transportation Electrification Plan
Equity, Inclusion & Diversity Commitment
Supplier Diversity Program

Transmission Expansion | Washington, Idaho & Montana

Transmission access to a diverse footprint of renewable energy sources is integral to meet Avista's future clean energy needs. Both the 2023-2024 System Assessment and the 2025 electric IRP identify new transmission resources to gain access to markets and to integrate new load and generation. The 2025 IRP highlights a regional effort to develop the North Plans Connector – a transmission path between Colstrip, Montana and North Dakota via a DC intertie. It also identifies

transmission upgrades to the Colstrip transmission system in Montana and upgrades to the Lolo-Oxbow line between Avista and Idaho Power. As Avista plans for future delivery of clean energy, building additional transmission and upgrading existing lines will be necessary to integrate additional renewables in the region, gain access to renewable energy outside the Northwest region, and relieve existing system constraints. Indirectly, these transmission projects support Avista's Energy Availability CBI and highlight various funding sources, including federal and state grants, other organizations, and Avista. Although some federal IRA/IIJA grants for transmission projects have been awarded, funding has not been contracted.

North Plains Connector

The North Plans Connector[78] is slated to create the nation's first high-voltage direct-current (HVDC) transmission link between three regional electric energy markets – the Western Interconnection, the Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP). Grid United, an independent company developing utility-scale transmission line projects to increase grid reliability and provide access to low-cost resources, is developing the 3,000 MW HVDC transmission line stretching approximately 420 miles between Colstrip, Montana and Bismark, North Dakota.

The end points in North Dakota would give Avista access to both MISO and SPP and provide access to generation resources in the mid-continent with different weather patterns and timing of demand peaks than those of the Northwest. The 2025 IRP identifies a 300 MW capacity share of this line as an economically viable option to assist in meeting long-term capacity requirements, gain access to diverse energy resources, improve wholesale market options, and reduce congestion on the western transmission network. In November 2024, Avista signed a non-binding memorandum of understanding[79] for a 10% or 300 MW ownership share with the intent to invest when the project is operational.

In August 2024, the Montana Department of Commerce, with the support of Grid United and the North Plains Interregional Innovation[80]consortium, was awarded $700 million under the federal

[78] https://northplainsconnector.com/.
[79] https://investor.avistacorp.com/node/28791/pdf.
[80] A group of eight utilities supporting the Montana Department of Commerce's GRIP application – Avista, Minnkota Power Cooperative, Montana-Dakota Utilities, NorthWestern Energy, Otter Tail Power Company, Portland General Electric and Puget Sound Energy.

IIJA's Grid Resilience and Innovation Partnerships (GRIP) program.[81] The grant allocates $605 million to the NPC project and $70 million to support the Colstrip Transmission System Upgrade consortium, and the remaining $25 million to the Standing Rock Sioux, Northern Cheyenne, and Crow Tribes.

Grid United expects permitting and regulatory approval in 2026, with construction commencing in 2028 and an on-line date late in 2032. Total costs are currently estimated at $5.1 billion over seven years. Once the transmission line is operational, Avista intends to invest $510 million for the 300 MW share.

Colstrip Transmission System Upgrade

The Colstrip Transmission System is a 249-mile, 500-kilovolt alternating current transmission line from Colstrip to Townsend, Montana. The Colstrip Transmission System was built in the early 1980s to move power from the Colstrip generation facility jointly owned by Avista, NorthWestern, Puget Sound Energy, Portland General Electric and PacifiCorp to load centers across the Northwest.

Under the IIJA and GRIP program mentioned above, the Montana Department of Commerce received a $70 million grant to support Colstrip Transmission System upgrades based on a 2012 study led by the Bonneville Power Administration,[82] with support from Avista and Northwestern. Although grant funding for the North Plains Connector and Colstrip Transmission System projects was requested and awarded together, they represent two discrete and independent projects. In 2025, the Colstrip Transmission System owners are performing system studies to confirm necessary upgrades to the existing 500 kV transmission lines and supporting 230 kV and 115 kV infrastructure. The second phase of this 2025 study is underway with a Western Power Pool (WPP) effort to evaluate certain facilities beyond the Colstrip Transmission System, while the owners continue to identify the simultaneous increase in transfer capability across the Northwest. Both studies are planned for completion by the end of 2025.

[81] https://northplainsconnector.com/utilities-of-north-plains-connector-interregional-innovation-consortium-applaud-the-u-s-department-of-energy-for-historic-investment-in-interregional-transmission-through-700-million-grid-resilience/.
[82] https://www.bpa.gov/learn-and-participate/public-involvement-decisions/project-reviews/montana-to-washington.

These upgrades could increase total power transfers out of Montana by approximately 900 MW, with Avista's potential incremental share at 108 MW. The total project costs, including the $70 million IIJA GRIP award, are estimated at $200 million, with Avista's share of the project costs estimated at $24 million to support the additional 108 MW capacity. No construction start date has been set; however, it is anticipated the project will be online by late 2032.

Lolo-Oxbow Upgrade and Optimization

The Lolo-Oxbow transmission line is jointly owned by Avista and Idaho Power. It extends from the Oxbow Dam on the Oregan-Idaho border to Lewiston, Idaho, covering approximately 107 miles. In October 2024, Avista, in partnership with Idaho Power, received an $86 million IIJA GRIP award[83] to upgrade and optimize the 230 kV transmission line. The project includes installing high-capacity conductors with wildfire resilient designs and materials and integrating Idaho Power's Pallette Junction substation.

It also includes innovative approaches to construction and power flow management with the use of Infravision and SmartValve. Infravision technology speeds transmission line construction with drone-enabled line stringing instead of helicopter use and SmartValve technology allows for dynamic control and optimization of power flows.

It is anticipated that this project would increase interregional transfer capability by 450 MW from Avista to Idaho and up to 185 MW in the opposite direction. Total project costs, including the $85 million GRIP award shared by Avista and Idaho Power, are estimated at $173 million over five years, with Avista's share estimated at $54 million and Idaho's share estimated at $34 million. Construction is planned to begin in 2027.

Connected Communities | Spokane, WA

Connected Communities[84] is a U.S. Department of Energy (DOE) funded, multi-member partnership program, to demonstrate the value of coordinating DERs for location-specific customers and grid benefits on infrastructure served by Avista's Third and Hatch substation in Spokane, WA. The partnership program goals include energy efficiency, carbon reduction, and

[83] https://www.murray.senate.gov/wp-content/uploads/2024/10/Lolo-Oxbow-Transmission-Upgrade-and-Optimization.pdf.
[84] https://connectedcommunities.lbl.gov/spokane-connected-communities-project.

demand flexibility. It will use a variety of approaches, including residential smart thermostats, residential batteries, small business energy management, and large commercial and industrial automation.

The project assets will be aggregated and controlled to serve as a Virtual Power Plant (VPP) for demand response during times of high system demand or controlled to serve as a non-wires solution for distribution capacity when the local system is stressed. As customers adopt new technologies, and load continues to grow, using customer DERs to help meet grid needs is becoming increasingly important. The aggregation, control, and coordination of DERs to meet this grid need requires new control technologies, such as a DER management system. Avista and project partners are developing control methods that will serve as a road map for scalable technology.

Project partners include Avista, Edo, Open Energy Solutions, Pacific Northwest National Laboratories (PNNL), WSU, and Urbanova. The project design is complete, and live field demonstrations will begin in late 2025. The project will conclude in 2029 after demonstration and data collection. Avista's portion of the budget is estimated at $4.179 million, with $1.35 million funded by the federal DOE grant and the remaining $2.8 million funded by Avista. This project impacts Avista's Investments in Named Communities CBI.

American Indian Relations | Avista Service Territory

Avista has a history of building and strengthening relationships amongst the Tribes within the Company's service territory. In 1993, the Company created the American Indian Relations Department to address significant and complex Tribal priorities. Over the last 32 years, Avista has reached comprehensive settlement agreements with Tribes to resolve outstanding issues and establish ongoing collaboration. In 1994, a settlement was reached with the Spokane Tribe of Indians concerning the Little Falls Hydroelectric Dam. In 1999, a settlement was reached with the Nez Perce Tribe regarding two dams the Company previously owned on the South Fork of the Clearwater River. Furthermore, in 2008, a settlement with the Coeur d'Alene Tribe resolved numerous issues concerning Lake Coeur d'Alene and Avista's operation of the Post Falls Hydroelectric Dam.

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Avista's American Indian Relations Department collaborates with Tribes across its Washington, Idaho, and Oregon service territories, recognizing the importance of these relationships and understanding the unique business operations with sovereign governments. These Tribes include Klamath Tribes, Coquille Tribe, Cow Creek Band Umpqua, Yakima Nation, Wanapum Tribe, Umatilla, Confederated Salish & Kootenai Tribes, Kootenai Tribe of Idaho, Kalispel Tribe of Indians, and the Colville Confederated Tribes.

Avista leaders participate in recurring meetings with Tribal leaders and look for opportunities to keep Tribal needs at the forefront in the communities Avista serves. Beyond upgrading utility facilities on Reservations to enhance reliability and resiliency, Avista also offers a variety of programs and trainings supporting energy and wildfire resiliency, energy efficiency, and financial bill assistance support, amongst others.

Avista works with the Spokane Tribe and Nez Perce Tribes to support microgrid resiliency concepts, EV education and support, wildfire resiliency implementation and planning, Tribal facility and residential weatherization training, residential and commercial energy efficiency upgrades, and solar net metering. Avista is also partnering with the Spokane Tribe to build a resiliency station in Wellpinit, WA (see below). Avista, in collaboration with the Nez Perce Tribe, is providing solar net metering to 57 residential homes, with plans to extend this service to an additional 300 homes over the next five years. This project intends to increase access to solar energy for these households. Although no Avista funding has been committed, the Company also supports the Colville Confederated Tribes' goal of adding a microgrid in Inchelium, WA.

In support of wildfire resiliency preparation and prevention, Avista meets with regional Tribes at least annually to discuss the Company's Wildfire Resiliency Plan prior to the summer season. Under Avista's Wildfire Resiliency Plan, the Company works specifically with the Tribes to identify customers who are dependent on medical equipment and provide equipment batteries in the event of a power outage. The Company also secures locations to host resource centers in the event of a Public Safety Power Shutoff (PSPS) affecting Tribal communities.

Avista formally partners with the Spokane Tribe as a LIRAP administrator. This partnership provides the Tribe with the ability to directly enroll income-eligible customers into financial bill

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assistance programs, such as the MED and the Arrearage Management and Forgiveness Programs. As LIRAP administrators, they are part of the broad CAP agency network, receiving annual staff training and an annual administrative funding allocation. In addition to inclusion in broader marketing efforts like direct email, direct mail, digital advertising, print advertising, and more, Avista also works directly with the Spokane Tribe to conduct specific outreach. This includes hosting booths at senior luncheons, posting program information on social media or within the local Tribal newsletter (Rawhide Press), and including flyers in senior meal deliveries.

Spokane Tribe Resilience Station | Wellpinit, WA

The Spokane Tribe Resilience Station began with a planning grant from the WA Department of Commerce (Commerce)[85] to collaboratively address the resilience needs of the Spokane Tribe. The result of that collaboration is a unique concept to create a resilience station in Wellpinit, WA. The concept has received funding for construction from the DOE,[86] Commerce, and Avista's NCIF.

The resilience station will include distribution transformers, switchgear, a BESS, and a microgrid control system. The station will move existing 34kV to 13kV voltage transformers from overhead to underground and allow for additional switching flexibility and improved voltage control for the local distribution system. A dedicated underground resilience feeder will connect the station to the three critical Tribal facilities and is designed for future expansion of critical loads and the addition of solar and storage. This project enables clean and resilient backup power and is a unique take on distribution infrastructure. It serves as an opportunity to demonstrate the value of collaborative planning with customers to meet their unique needs and enable a more resilient future grid.

The design phase starts in 2025, and project construction is expected to conclude in January of 2028. The total project budget is $7.19 million, with Avista contributing $1.5 million of capital and the remaining funded by multiple grants from the DOE, Commerce, and Avista's NCIF. This project impacts Avista's Investments in Named Communities CBI.

[85] https://www.commerce.wa.gov/climate-commitment-act-dollars-at-work-10-million-investment-supports-new-clean-energy-projects-in-tribal-communities/.
[86] Search for Spokane Tribe under the Awards section at https://www.energy.gov/gdo/grid-resilience-state-and-tribal-formula-grant-awards#subawards.

MLK Community Center Resilience Hub | Spokane, WA

Avista is partnering with the Martin Luther King Jr. Family Outreach Center and the City of Spokane to build the first neighborhood community resiliency hub in the East Central neighborhood. The project, funded partially by grants from Commerce and Avista's NCIF, will install a microgrid for energy resilience and reliability.[87]

The microgrid, complete with solar panels, batteries, and a natural gas generator will provide backup power for the community center during planned and unplanned outages. The system will benefit customers in the East Central neighborhood by providing local clean energy and energy resilience. The system will also provide grid benefits by serving as a Connected Communities asset while grid-connected, helping alleviate local or system-level constraints.

The project is expected to be completed in early 2026. The total project cost is approximately $3.25 million, with a $1.5 million Commerce solar plus storage grant, $750,000 through Avista's NCIF, and Avista providing the remainder of project capital at $1 million. This project impacts Avista's Investments in Named Communities CBI.

Transportation Electrification Plan | Avista Service Territory

Every five years, the Company submits a TEP to the Commission. Avista's TEP provides market research, cost and benefit analysis, and annual budget and activity targets to achieve the strategic objectives of short- and long-term economic and environmental benefits. This is based on the increasing feasibility of utilizing electricity as a cleaner and more economic transportation fuel, while simultaneously providing utility revenue benefiting rate affordability for all customers.

Annual TE reports are submitted to the Commission providing updated information on progress and adjustments, along with any required changes to programs and activities authorized by tariff schedules.[88] An updated five-year TEP will be submitted by December 31, 2025, providing direction for TE activity through 2030.

In 2024, Avista received a $3,112,000 grant from Commerce's Washington Electric Vehicle Charging Program to install charging stations at 69 sites throughout the Company's Washington

[87] https://www.myavista.com/about-us/projects/mlk-community-center.
[88] Tariff Schedules 13, 23 & 77 at https://www.myavista.com/about-us/our-rates-and-tariffs/washington-electric.

electric service territory. Installations will serve fleet, workplace, multi-family, and public alternating current (AC) level 2 charging, as well as public DC fast charging. Construction on initial projects began in late 2024 and final projects will be completed by mid-2026.

The 2026-2030 TEP will continue to support charging infrastructure investments in commercial locations available for use by the public, as well as private workplaces, fleet and multi-unit dwelling utilization. Other ongoing programs include education and outreach, load management, and community support programs. Additional emphasis for fleet advisory services and vehicle-grid integration for both residential and commercial customers, to maximize the benefits of cost-effective off-peak charging programs. Avista is also committed to ensuring the benefits from electric transportation are equitably distributed to Named Communities with an aspirational goal of up to 30% of overall electric transportation funding targeted towards these communities. These efforts impact Avista's Transportation Electrification CBI.

Equity, Inclusion & Diversity Commitment[89] | Avista Service Territory

The Company is committed to conducting business ethically and honestly while providing a trusting and respectful work environment centered around equity, inclusion, and diversity. This commitment includes ensuring fair treatment and equal opportunity, fostering an inclusive work environment that supports everyone, and actively seeking diverse talent to bring unique strengths to Avista. Ultimately, this helps foster an environment where employees feel valued, respected and have opportunities to grow. This diversity of backgrounds and individual experiences strengthens both the Company, and the communities Avista serves.

In its commitment to equity and diversity, Avista will continue to attract, retain, and support a diverse workforce, striving to ensure that its employee population reflects the demographic makeup of the communities it serves. The Company will focus on maturing its recruiting process through developing a workforce pipeline with broader outreach to underserved communities and organizations, including engagement with K-12 and post-secondary institutions, and rural and tribal communities. Avista will enhance applicant screening and hiring practices by training hiring managers in diversity-supportive methods that boost employee engagement. This includes

[89] For additional information, see the Company's 2024 Corporate Responsibility Report pages 57-62. https://investor.avistacorp.com/static-files/25fbbfc6-4a76-485c-8555-b55cdc9837d8.

adopting consistent application questions, using a structured screening guide, developing intentional interview questions, and requiring multiple reviewers and a diverse interview panel. Efforts under Avista's equity, inclusion and diversity commitment support the Company's Employee Diversity CBI.

Supplier Diversity Program

Avista's Supplier Diversity Program[90] seeks to build and maintain relationships with small and diverse suppliers, including those who self-identify as women-, minority-, disadvantaged-, veteran-, and service-disabled veteran-owned businesses. In addition to encouraging diversity among our suppliers, the Company also engages with local and small businesses when their products and services meet Avista's supply chain requirements. Supplier diversity is a strategy that supports economic development and enhances Avista's supply chain by incorporating different experiences and perspectives, which can result in increased innovation and competitive advantage. This program supports Avista's Supplier Diversity CBI.

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[90] Page 92 https://investor.avistacorp.com/static-files/25fbbfc6-4a76-485c-8555-b55cdc9837d8.

10. Incremental Cost & Alternative Compliance

Overview

The CEIP must outline the utility's plan to meet CETA's clean energy standards and, as required by WAC 480-100-660(4), includes a projection of the incremental cost to achieve compliance. In addition, if a utility intends to rely on an alternative compliance mechanism, those plans must be described as well. Avista is not planning to exceed the cost cap or use alternative compliance mechanism for this 2026-2029 CEIP period.

To determine this incremental cost of compliance, a utility compares an Alternative Lowest Reasonable Cost portfolio (i.e., where CETA's clean energy requirements are not met) with the resource portfolio used to comply with the interim targets. For Avista, this is the updated portfolio analysis for the 2025 CEIP with associated methodology and assumption changes. Avista then uses Aurora, an electric system dispatch model described in the 2025 Electric IRP, to calculate the power costs required to serve customers for both portfolios, and then includes non-power costs such as transmission, distribution, administrative/general expenses, and tariff rider forecasts.

These incremental cost calculations are used to project expected costs based on meeting CETA requirements, while the cost cap is meant to protect customers from excessive cost increases during the transition to clean energy. The cost cap is limited to a 2% increase based on the utility's Weather-Adjusted Sales Revenue (WASR) from customers from each previous year, divided by the number of years in a period.[91] Additionally, the incremental costs must be directly attributable to satisfying the requirements of CETA, such as:

[91] RCW 19.405.060(3).

- The utility made the investment or incurred the expense during the CEIP implementation period.
- The investment or expense is part of the Reasonably Available portfolio.
- The investment or expense is above the costs the utility would incur for the Alternative Lowest Reasonable Cost portfolio.
- The investment or expense is not required to meet any statutory, regulatory, or contractual requirement or any provision of RCW chapter 19.405 other than RCW 19.405.040 or 19.405.050.

In addition to these requirements, Avista provides workpapers, models, and associated calculations in Confidential Appendix H associated with the incremental cost calculation. Lastly, Avista will identify all CEIP-related investments and expenses the Company plans to make during the implementation period related to incremental costs as defined in the RCW:

- Demonstrate that expenses identified are directly attributable to actions necessary to comply with, or make progress towards, the requirements of RCW 19.405.040 and RCW 19.405.050; and,
- The expected costs of planned activities and the expected costs of the Alternative Lowest Reasonable Cost portfolio.

The incremental cost of the CEIP is the difference between the CEIP and an alternative resource strategy's WASR forecast. The CEIP rules outline this procedure by requiring two resource plans, the first is the Reasonably Available portfolio or in this case, Avista's existing resource portfolio plus the CEIP actions. The second resource strategy is called Alternative Lowest Reasonable Cost portfolio and represents what the resource strategy would be absent CEIP clean energy targets and actions.

Weather Adjusted Sales Revenue

Avista's future WASR is derived from the forecasted cost to serve customers. There are two major components of the utility sales revenue – the revenue requirement and tariff riders. The revenue requirement is determined through a general rate case where the Commission determines the appropriate revenue requirement Avista can recover from customers. The revenue requirement

includes approved capital investments and expenses that are passed on to customers. Avista's incremental cost proposal forecasts future revenue requirements to determine the future sales revenue for the Company. This forecast separates power and non-power cost assumptions to estimate these costs. The second component includes adjustments to tariff riders,[92] which are additional charges that allow the Company to recover specific costs not included in standard rates.

Power Cost Modeling

Avista uses the Aurora model to estimate the power cost component of the WASR, much like it is used to determine the power cost component of the revenue requirement in GRC filings. Specifically, Avista simulates its total system generation, contractual rights, and obligations to serve customer load in a least cost manner, accounting for market opportunities to lower customer costs (i.e., rates). Some material methodologies differ in the way the model is applied to rate proceedings versus the CETA power cost modeling, such as using forecasted weather adjusted loads. These methodology differences are required to reflect an accurate estimate of normalized power cost for this four-year period, as opposed to the power cost forecast used for ratemaking, which utilizes one or two near-term years.

To estimate Washington customer's share of power cost, Avista allocates cost using the PT ratio. Historically, Avista has used the PT ratio to allocate electric costs between Washington and Idaho. Avista includes the Aurora study and the summary results as part of the incremental cost calculation in Confidential Appendix H.

Non-Power Costs & Tariff Riders

Power supply costs are a part of the total cost to serve customers' energy. Other non-power costs include transmission, distribution, and administrative/general expenses; these costs are not directly impacted by the CETA legislation. To estimate these costs, Avista used the average increase from non-power supply costs between the 2021 and 2026 rate years, which resulted in an increase of 4.54% each year.

[92] https://www.myavista.com/about-us/our-rates-and-tariffs/washington-electric.

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Portfolio Analysis

Avista conducted multiple studies to determine what resource actions a planning model would select given Avista's future resource needs. These studies were conducted based upon the 2025 IRP's resource planning model but updated to reflect assumptions discussed in the Updated Portfolio Analysis for the 2025 CEIP section. As proposed clean energy targets are satisfied with existing resources, Avista's resource needs involve meeting resource adequacy or peak load requirements. CETA's legislation requires two portfolios to demonstrate the incremental cost of complying – the Reasonably Available and Alternative Lowest Reasonable Cost portfolios. As there are limited resources available to meet peak loads within the next four years and with the inclusion of law-required cost adders, the two portfolios meeting system capacity needs were found to be nearly identical.[93] For this reason, Avista is using the same resource portfolio in its incremental cost analysis, with the exception of investments in the NCIF and forgoing the sale of RECs.

Reasonably Available Portfolio

The Reasonably Available portfolio includes requirements for CETA clean energy targets and the EIA. For new resources it includes currently contracted resource additions, two SSHB1814 solar and BESS projects,[94] and demand response programs. The Reasonably Available portfolio does not include any additional generating resources outside of the two proposed HB1814 solar and BESS systems described in Renewable Energy | Additional Actions section. While new resources are needed to meet peak load demand, the additions' sizes and costs are unknown, as proposals are currently being evaluated in the RFP process. Given both this Reasonably Available portfolio and the Alternative Lowest Reasonable Cost portfolio do not include any new utility scale resource costs, there is no cost difference between these portfolios. Market purchases are assumed for any generation shortfalls which the RFP is intended to supply.

Avista also includes the demand response selections in this Reasonably Available portfolio analysis as shown in Table No. 10.1 below. These projects are expected to have an annual cost impact of $2.4 million by 2029 and are based on the updated analysis to set the proposed DR targets in the Demand Response | Specific Targets & Actions section. It is unknown if these savings

[93] Models for these simulations are available in Confidential Appendix H.
[94] Projects are dependent on SSHB 1814 and WSU funding availability and approval.

will materialize. Demand response resource selection and any updates to these targets will be discussed in the 2027 Biennial CEIP.

Table No. 10.1: Demand Response Selection 2026-2029 (MW-Winter)

Program	2025 CEIP
Customer BESS	1.0
Behavioral	2.1
Third Party Contracts	10.8
Time of Use (TOU) Rate (Opt-in)	2.2
Electric Vehicle TOU	0.8
Peak Time Rebate	4.8
Variable Peak Pricing	0.0
Total	**21.6**

The main difference between this Reasonably Available portfolio's cost forecast and the Alternative Lowest Reasonable Cost's forecast is the inclusion of the NCIF spending targets and the CEIP-related labor and non-labor expenses which are estimated with the following cost impacts by year in Table No. 10.2 and the requirements to retire RECs to comply with clean energy targets.

Table No. 10.2: 2025 CEIP | Estimated CETA Deferral Costs[95]

Year	Cost (Millions $)
2026	$5.49
2027	$5.50
2028	$5.21
2029	$5.21
Total	**$21.41**

Alternative Lowest Reasonable Cost Portfolio

The Alternative Lowest Reasonable Cost portfolio includes the same resources included in the Reasonably Available portfolio. The only difference between these plans includes retiring RECs and the NCIF spending targets. Avista developed the Alternative Lowest Reasonable Cost portfolio in two steps. The first step is to determine the 2026 to 2029 resource portfolio using the PRiSM model from the 2025 IRP process, while the second step involves running the portfolio through the Auroa model. As described in the Updated Portfolio Analysis for the 2025 CEIP, the resources selected within this updated modeling for the CEIP were similar enough to the Reasonably Available portfolio, resulting in using the same portfolio. Although Avista could have

[95] Cost estimates in this table are subject to change as the Company anticipates including CETA deferred labor expenses in its 2026 GRC.

included placeholder resources for potential RFP selections, the Company chose not to, as unknown costs and sizes would not have meaningfully changed the incremental cost analysis or altered the resource portfolios.

From a resource selection point of view, the similar results between the Alternative Lowest Reasonable Cost and the Reasonably Available portfolios stem from the SCGHG requirement and the economic hurdle for natural gas plants to overcome. Given Avista's ability to meet clean energy standards with existing renewable resources under its control, no resource differentiation resulted in this comparison. However, when Avista acquires the necessary capacity resources through the RFP, the CEIP methodology of applying a SCGHG pricing requirement on natural gas facilities will not apply, but the CCA allowance pricing will be used. This Alternative Lowest Reasonable Cost portfolio also found both the solar and BESS projects to be cost effective due to the state's SSHB 1814 utility tax credits. Lastly, the same demand response programs were economic as in the Reasonably Available portfolio due to the immediate need for new capacity resources.

For energy efficiency, Avista chose not to model a reduction in energy efficiency savings for the Alternative Lowest Reasonable Cost portfolio due to the immaterial difference in savings between the Reasonably Available portfolio's result during the 2025 IRP process. A 2025 IRP study that estimated the impact of removing clean energy targets from the long-term portfolio analysis found by the end of 2029 without the clean energy targets energy efficiency would be 0.08% lower. Avista finds this result immaterial. The main reason for this conclusion is avoided cost for energy efficiency due to energy, capacity, and SCGHG pricing creates a high enough price to justify most of the available energy efficiency programs. Avista's 2021 CEIP also did not use a different energy efficiency amount for these two studies for the same reasons.

An aspect of Alternative Lowest Reasonable Cost portfolio that is often overlooked is the value of selling excess clean energy resources for the benefit of customers, after the EIA requirements are satisfied. Avista includes the continued sale of excess RECs and selling specified renewable power to lower power supply cost and customer rates. This is the main cost difference between the Alternative Lowest Reasonable Cost and the Reasonably Available portfolio. For this analysis, Avista prices RECs using the pricing shown in Table No. 10.3 below. The REC prices for hydro resources assume an unbundled REC pricing seen in today's marketplace from REC brokers. The

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price for non-hydro RECs is derived from the CCA price forecast from the 2025 IRP ($40 to $48 per metric ton) and then multiplies this price by 0.432, the conversion factor from metric ton to MWh used in the CCA for unspecified power purchases. This price estimates reflect the opportunity cost of what Avista may have sold the energy for absent being required to retire the RECs for CETA.

Table No. 10.3: REC Pricing & Total Cost Impact

Year	Hydro ($/MWh)	Non-Hydro ($/MWh)	Total Cost Impact (Millions $)
2026	$2.25	$17.66	$10.1
2027	$2.30	$19.01	$11.6
2028	$2.34	$20.03	$12.0
2029	$2.39	$21.34	$13.0

Incremental Cost Cap Analysis

The incremental cost cap calculation requires a WASR for 2025 as the base year, and forecasted 2026 through 2029 WASR, these forecasts are shown in Table No. 10.4. For 2025 and 2026, these revenues are based on rates approved during prior rate proceedings.[96] Beyond 2026, WASR forecasts are based upon the principles used in rate proceedings and assume CETA energy targets and specific actions are not required. Avista includes tariff rider estimates for each of the five years to reflect changes to base rates. Overall, without clean energy targets, customer revenues (or cost to customers) are expected to increase an average of 6% per year through 2029. While non-power supply costs are assumed to increase by 4.4% per study assumptions, the remaining increases are due to power supply costs being higher than the baseline amounts. These increases are driven by Colstrip exiting the system after 2025 and lower expected wholesale energy sales revenue compared to existing benefits included in rates.

Table No. 10.4: Alternative Lowest Reasonable Cost | WA Revenue Requirement Estimate

Item	($ Millions)				
	2025	2026	2027	2028	2029
WASR	$732	$769	$867	$892	$925
Annual Cost Percent Change		5.0%	12.7%	2.9%	3.7%
Four-Year Amortized Annual Increase					**6.0%**

[96] Final Order 08 in Docket UE-240006 et. al.

Utilities must calculate the average annual threshold amount for determining eligibility for reliance on RCW 19.405.060(3) as an alternative means of compliance. The average annual threshold amount is equal to a 2% increase to customers over the utility's WASR from each previous year, divided by the number of years in the period. For a period consisting of four years, the mathematical formula for the annual threshold amount is:

$$\text{Annual Threshold Amount} = \underline{(WASR_0 \times 2\% \times 4) + (WASR_1 \times 2\% \times 3) + (WASR_2 \times 2\% \times 2) + (WASR_3 \times 2\%)}$$[97]

Using the above compounding formula, the four-year cost cap for Avista is $157.2 million as shown in Table No. 10.5, using the forecasted WASR within the Alternative Lowest Reasonable Cost portfolio. For Avista to use the cost cap alternative compliance, the Reasonably Available portfolio's incremental cost must exceed the $157.2 million threshold over the four-year period.

Table No. 10.5: Incremental Cost of Compliance

Item	($Millions)				
	2025	**2026**	**2027**	**2028**	**2029**
WASR	**$732**	**$769**	**$867**	**$892**	**$925**
Cost Cap Calculation					
Year 1		$14.6	$14.6	$14.6	$14.6
Year 2			$15.4	$15.4	$15.4
Year 3				$17.3	$17.3
Year 4					$17.8
Annual Cost Cap		**$14.6**	**$30.0**	**$47.4**	**$65.2**
Four-Year Incremental Cost Cap					**$157.2**

The Reasonably Available portfolio analysis for the 2026-2029 implementation period uses the same resource portfolio as the Alternative Lowest Reasonable Cost portfolio as described above. The WASR estimates differ because the Reasonably Available portfolio does not include REC sales at the same level to meet clean energy targets and includes NCIF and other CEIP costs as shown in Table 10.2. The resulting WASR forecast is shown in Table No. 10.6. The difference between the WASR of the two scenario forecasts results in an increase in customer costs of $68 million. This amount is well below the $157.2 million cost cap. Given this result, Avista does not expect to use the cost cap provisions for compliance with the clean energy standards in 2026 through 2029.

[97] WAC 480-100-660(2)

Table No. 10.6: Reasonably Available | Washington WASR Estimate

Item	($ Millions)				
	2025	**2026**	**2027**	**2028**	**2029**
WASR	$732	$785	$884	$909	$943
Annual Cost Percent Change		7.1%	12.6%	2.9%	3.8%
Four-Year Amortized Annual Increase					**6.5%**
Alternative WASR	**$732**	**$769**	**$867**	**$892**	**$925**
Annual Incremental Cost		$16	$17	$17	$18
Four-Year Incremental Cost					**$68**

Alternative Compliance

Through December 31, 2044, utilities may satisfy up to 20% of their obligation in meeting CETA's clean energy standards with an alternative compliance mechanism. Alternative compliance may include any combination of the following:

- Making alternative compliance payments
- Using unbundled RECs that haven't previously been counted
- Investing in energy transformation projects
- Using electricity from an energy recovery facility using municipal solid waste

In determining incremental cost compliance options, utilities must provide evidence that an alternative compliance option was used and that investment in energy efficiency or conservation, renewable resources, and non-emitting electric generation was maximized before relying on these alternative compliance options. Alternative compliance options must align with options allowed under RCW 19.405.040 (1)(b). Avista does not anticipate implementing any alternative compliance options for this CEIP interim 2026-2029 period.

Early Action Credit

This provision authorized in RCW 19.405.040(11) allows multistate utilities with less than 250,000 customers, who close coal fired facilities prior to January 1, 2025, count the reduced megawatt-hours toward meeting the 2030 compliance obligation. As Avista has more than 250,000 customers, it is not eligible for this credit and does not propose using it.

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11. 2021 CEIP & 2023 Biennial Conditions

Overview

In the 2021 CEIP, Avista agreed to 38 conditions[98] across a variety of CEIP and IRP-related topics. In the 2023 Biennial CEIP, the Company provided an update for each condition,[99] resulting in the modification of Condition 5 and the addition of Condition 39. As listed in Table No. 11.1 below, the Company has satisfied the requirements of 23 conditions with no further action required and, within this 2025 CEIP, included information for six conditions.

Table No. 11.1: 2021 CEIP & 2023 Biennial CEIP Condition Status

Condition Status	Count	Condition Numbers
Complete	23	2, 3, 4, 7, 8, 9, 10, 14, 15, 16, 21, 23, 24, 27, 29, 30, 31, 32, 33, 34, 36, 37, 39
2025 CEIP Inclusion	6	5, 11, 12, 19, 25, 28
Modify	2	22, 35
Remove	8	1, 6, 13, 17, 18, 20, 26, 38
Total	**39**	

As discussed in the July 2025 CEIP Advisory Group meeting, and listed in Table No. 11.2 below, Avista proposes modifications to Conditions 22 and 35, and the removal of Conditions 1, 6, 13, 17, 18, 20, 26 and 38. In addition, conditions relating to CBI metrics were discussed at the April 2025 CEIP Advisory Group meeting and summarized in Appendix B.

Table No. 11.2: Proposed Conditions for Removal or Modification

#	Condition	Status	Avista Comment
1	Once the Commission has adopted final "use" rules in Docket UE-210183, in its Clean Energy Implementation Plan (CEIP) docket, if different than Table 2.1 on page 2-3 in the CEIP, Avista shall update its CEIP to reflect the percentage of retail sales of electricity supplied by non-emitting resources and renewable resources in 2020 within 30 days.	Remove	Although "use" rules are pending, the recalculation of 2020's renewable and non-emitting resources as a percentage of retail sales isn't relevant to the targets proposed in the 2025 CEIP or future CEIPs.

[98] Orders 01 and 02 issued in Docket UE-210628.
[99] https://www.myavista.com/-/media/myavista/content-documents/about-us/ceip/210628avarpt-biennial-ceip-1112023.pdf.

6	In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost solution that complies with CETA.	Remove	As the term risk is not defined, it is difficult to know what risk to measure. In the 2025 CEIP, Avista is not using risk to justify deviating from the lowest reasonable cost solution for meeting renewable targets.
13	Avista will initiate its Distribution Planning Advisory Group (DPAG) no later than the end of 2022, and it must invite all existing advisory groups to participate in the new group. Avista acknowledges that stakeholders have limited resources and will consult between existing advisory groups and stakeholders regarding streamlining.	Remove	For 2025, Avista will hold the planned DPAG meetings. In the future, Avista proposes combining the DPAG and the Electric IRP TAC meetings to discuss a whole system plan and consolidate advisory groups.
17	As part of its CBI Participation in Company Programs, Avista agrees to track the number of residential appliance and equipment rebates provided to customers residing in Named Communities and the number of residential rebates provided to customers residing in rental units and commits to work to expand data availability during this CEIP period. Avista agrees to discuss programs to increase the number of participating households in Named Communities with its EEAG and move forward with feasible programs, if identified.	Remove	This condition was discussed for removal during the April CEIP Advisory Group meeting. Residential rebates for Named Communities are reported in the 2024 ACR at a portfolio and program level for the distribution of incentives, savings, and NEIs. Although not an energy efficiency program, residential rebates for renters are tracked within Named Communities for the 2025 CEIP and will be reported in the 2026 Clean Energy Compliance Report. See Appendix F
18	Avista agrees that the CBI: Number of Households with a High Energy Burden (>6%), will be separately tracked for all Avista electric customers, Known Low Income (KLI) customers and Named Communities. KLI customers are defined as those who have received	Remove	This was proposed for removal and replacement at the April CEIP Advisory Group meeting with the following PBR metrics: ▪ Average energy burden after energy assistance by

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	energy assistance during the prior two years.		census tract for all customers and NC. ▪ Number and percentage of high energy burden after energy assistance for all customers and NC. See Appendix F
20	Avista agrees that for the CBI – Outdoor Air Quality, it will adopt a metric related to decreased wood use for home heating in its 2023 Biennial CEIP Update. The data included in this metric may include the data from the Company's wood stove replacement program offered in partnership with the Spokane Clean Air Agency, as well as data from other sources. Avista will work with its EEAG and other appropriate advisory groups to identify and evaluate additional wood stove usage metrics to be proposed in the 2023 Biennial CEIP Update, if applicable.	Remove	Proposed for removal at the April 2025 CEIP Advisory Group meeting, as Spokane Clean Air Agency's wood stove replacement program has ended. See Appendix F
22	Avista agrees to add the following CBI and metrics related to Energy Security: CBI: Residential Arrearages and Disconnections for Nonpayment Measurement: 1. Arrearages 2. Disconnections	Modify	This was proposed for modification at the April 2025 CEIP Advisory Group meeting, as customer arrearages are reported in Dockets U-200281 and U-210800. Avista will continue reporting disconnections for all customers and Named Communities under the Disconnections for Nonpayment CBI but proposes removal of Known Low Income (KLI) customer reporting as they are a not required customer segment to be considered under CETA. See Appendix F
26	For the CBI – Named Community Clean Energy Avista agrees to eliminate the current metric on	Remove	This was proposed for removal and replacement at the April 2025 CEIP Advisory Group

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	"percent non-emitting renewable energy located in Named Communities," and instead measure the following in Named Communities: (1) total MWh of distributed energy resources 5 MW and under; (2) total MWs of energy storage resources 5 MW and under; and, (3) number (i.e., sites, projects, and/or households) of distributed renewable generation resources and energy storage resources.		meeting with the following PBR metrics: ▪ Number and percentage of NC enrollments in DER programs – EE, Electric Transportation, Net Metering, DR. ▪ Percentage of NC utility spend in DER programs – EE, Electric Transportation, Net Metering, DR. See Appendix F
35	Avista recognizes that not all CBIs will be relevant to resource selection (for example, some CBIs pertain to program implementation). For its 2023 IRP Progress Report, and future IRPs and progress reports, Avista should discuss each CBI and where the CBI is not relevant to resource selection, explain why.	Modify	As CBIs are consistent across the 4-year period, duplicative information is reflected in the IRP and IRP Progress Reports. Avista proposes retaining CBIs that are relevant to resource selection in the IRP, and the removal of this requirement from IRP Progress Reports.
38	Avista must choose at least two of its current CBIs which it will track for at least five subsets of Named Communities, at a granularity to be determined by agreement with Staff, stakeholders, and the Company's Equity Advisory Group. Avista will incorporate relevant updates in its 2023 Biennial CEIP update.	Remove	This was proposed for removal at the April 2025 CEIP Advisory Group meeting. This condition has metrics under the Energy Burden and Energy Availability CBIs. Under the CBI Energy Burden CBI, Avista proposes removing these metrics and adopting the PBR energy burden metric. Under CBI Energy Availability CBI, Avista proposes removing these metrics. See Appendix F

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12. Washington CEIP Regulatory Requirements

For ease of reference, reflecting the Company's compliance with each CEIP rule, the following Tables No. 12.1 through 12.17 contain the Washington Administrative Code (WAC) and appropriate link to CEIP section where the requirement is discussed.

Table No. 12.1: Filing Requirements

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (1)	File with the commission a CEIP by October 1, 2021, and every four years thereafter. The CEIP describes the utility's plan for making progress toward meeting the clean energy transformation standards, and is informed by the utility's clean energy action plan	This CEIP begins the second CEIP implementation period from 2026-2029.

Table No. 12.1: Interim Targets

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (2)(a)	Propose a series of interim targets that: Demonstrate how the utility will make reasonable progress toward meeting the standards identified in WAC 480-100-610 (2) and (3); Are consistent with WAC 480-100-610(4); and Each utility must propose interim targets in the form of the percent of forecasted retail sales of electricity supplied by non-emitting and renewable resources prior to 2030 and from 2030 through 2045.	Renewable Energy | Interim 2026-2029 Targets
WAC 480-100-640 (2)(b)	Include the utility's percentage of retail sales of electricity supplied by non-emitting and renewable resources in 2020 in the first CEIP it files.	Although not applicable for this CEIP, please see Target's Forecasted Distribution of Costs & Benefits
WAC 480-100-640 (2)(c)	Each interim target must be informed by the utility's historic performance under median water conditions	Renewable Energy Interim Targets & Specific Actions

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Table No. 12.3: Specific Targets

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (3)(a)	Propose a series of specific targets for energy efficiency, demand response, and renewable energy. The energy efficiency target must encompass all other energy efficiency and conservation targets and goals the commission requires the utility to meet. The specific energy efficiency target must be described in the utility's biennial conservation plan required in chapter 480-109 WAC. The utility must provide forecasted distribution of energy and nonenergy costs and benefits. The utility must provide proposed program details, program budgets, measurement and verification protocols, target calculations, and forecasted distribution of energy and nonenergy costs and benefits for the utility's demand response target. The utility must propose the renewable energy target as the percent of retail sales of electricity supplied by renewable resources and must provide details of renewable energy projects or programs, program budgets as applicable, and forecasted distribution of energy and nonenergy costs and benefits.	Energy Efficiency | Specific Targets Energy Efficiency | Target's Forecasted Distribution of Costs & Benefits Demand Response | Target's Forecasted Distribution of Costs & Benefits Renewable Energy | Target's Forecasted Distribution of Costs & Benefits
WAC 480-100-640 (3)(b)	The utility must provide a description of the technologies, data collection, processes, procedures, and assumptions the utility used to develop the targets in this subsection. The utility must make data input files that are used to determine relevant targets available in native format and in an easily accessible format as an appendix.	Demand Response Targets | Assumptions & Methodologies

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Table No. 12.4: Customer Benefit Data

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (4)(a)	Identify highly impacted communities using the cumulative impact analysis pursuant to RCW 19.405.140 combined with census tracts at least partially in Indian country;	Named Communities
WAC 480-100-640 (4)(b)	Identify vulnerable populations based on adverse socioeconomic factors and sensitivity factors developed through the advisory group process and public participation plan described in WAC 480-100-655, describing and explaining any changes from the utility's most recently approved CEIP	Vulnerable Populations
WAC 480-100-640 (4)(c)	Include proposed or updated customer benefit indicators and associated weighting factors related to WAC 480-100-610 (4)(c) including, at a minimum, one or more customer benefit indicators associated with energy benefits, nonenergy benefits, reduction of burdens, public health, environment, reduction in cost, energy security, and resiliency. Customer benefit indicators and weighting factors must be developed consistent with the advisory group process and public participation plan described in WAC 480-100-655. The utility should describe and explain any changes in customer benefit indicators or weighting factors from its most recently approved CEIP	Customer Benefit Indicators

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Table No. 12.5: Specific Actions

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (5)	Each CEIP must include the specific actions the utility will take over the implementation period. The specific actions must meet and be consistent with the clean energy transformation standards and be based on the utility's clean energy action plan and interim and specific targets. Each CEIP must present the specific actions in a tabular format that provides the following information for each specific action	Renewable Energy | Specific Actions Energy Efficiency | Specific Actions Demand Response | Specific Actions
WAC 480-100-640 (5)(a)	The general location, if applicable, proposed timing, and estimated cost of each specific action or remaining resource need, including whether the resource will be located in highly impacted communities, will be governed by, serve, or otherwise benefit highly impacted communities or vulnerable populations in part or in whole	Renewable Energy | Specific Actions Benefits, Burdens & Risk Assessment Energy Efficiency | Specific Actions Benefits, Burdens & Risk Assessment Demand Response | Specific Actions Benefits, Burdens & Risk Assessment
WAC 480-100-640 (5)(b)	Metrics related to resource adequacy including contributions to capacity or energy needs	Updated Portfolio Analysis for the 2025 CEIP
WAC 480-100-640 (5(c)	Customer benefit indicator values, or a designation as nonapplicable, for every customer benefit indicator described in subsection (4)(c) of this section	Renewable Energy | Specific Actions Benefits, Burdens & Risk Assessment Energy Efficiency | Specific Actions Benefits, Burdens & Risk Assessment Demand Response | Specific Actions Benefits, Burdens & Risk Assessment

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Table No. 12.6: Narrative Description of Specific Actions

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (6)(a)	The CEIP must describe how the specific actions: Demonstrate progress toward meeting the standards identified in WAC 480-100-610 (2) and (3)	Renewable Energy | Specific Actions Energy Efficiency | Specific Actions Demand Response | Specific Actions
WAC 480-100-640 (6)(b)	Demonstrate consistency with the standards identified in WAC 480-100-610(4) including, but not limited to: An assessment of current benefits and burdens on customers, by location and population, and the projected impact of specific actions on the distribution of customer benefits and burdens during the implementation period; A description of how the specific actions in the CEIP mitigate risks to highly impacted communities and vulnerable populations and are consistent with the longer-term strategies and actions described in the utilities most recent IRP and CEAP as required by WAC 480-100-620 (11)(g) and (12)(c)	Renewable Energy | Specific Actions Benefits, Burdens & Risk Assessment Energy Efficiency | Specific Actions Benefits, Burdens & Risk Assessment Demand Response | Specific Actions Benefits, Burdens & Risk Assessment
WAC 480-100-640 (6)(c)	Are consistent with the proposed interim and specific targets	Renewable Energy | Interim Targets & Specific Actions Energy Efficiency | Specific Targets & Actions Demand Response | Specific Targets & Actions
WAC 480-100-640 (6)(d)	Are consistent with the utility's integrated resource plan	Renewable Energy | Interim Targets & Specific Actions Energy Efficiency | Specific Targets & Actions Demand Response | Specific Targets & Actions

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WAC 480-100-640 (6)(e)	Are consistent with the utility's resource adequacy requirements, including a narrative description of how the resources identified in the most recent resource adequacy assessment conducted or adopted by the utility demonstrates that the utility will meet its resource adequacy standard	Updated Portfolio Analysis for 2025 CEIP
WAC 480-100-640 (6)(f)	Demonstrate how the utility is planning to meet the clean energy transformation standards at the lowest reasonable cost including, but not limited to: A description of the utility's approach to identifying the lowest reasonable cost portfolio of specific actions that meet the requirements of (a) through (e) of this subsection, including a description of its methodology for weighing considerations in WAC 480-100-610(4); A description of the utility's methodology for selecting the investments and expenses it plans to make over the next four years that are directly related to the utility's compliance with the clean energy transformation standards, consistent with RCW 19.405.050 (3)(a), and a demonstration that its planned investments represent a portfolio approach to investment plan optimization; Supporting documentation justifying each specific action identified in the CEIP.	Updated Portfolio Analysis for 2025 CEIP

Table No. 12.7: Projected Incremental Cost

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (7)	Each CEIP must include a projected incremental cost as outlined in WAC 480-100-660(4)	Incremental Cost & Alternative Compliance

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Table No. 12.8: Public Participation

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (8)	Each CEIP must detail the extent of advisory group and other public participation in the development of the CEIP as described in WAC 480-100-655 including, but not limited to, the summary of advisory group member comments described in WAC 480-100-655 (1)(i).	Public Participation

Table No. 12.9: Alternative Compliance

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (9)	The utility must describe any plans it has to rely on alternative compliance mechanisms as described in RCW 19.405.040 (1)(b)	Alternative Compliance

Table No. 12.10: Early Action Coal Credit

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (10)	If the utility proposes to take the early action compliance credit authorized in RCW 19.405.040(11), the utility must satisfy the requirements in that statutory provision and demonstrate that the proposed action constitutes early action by presenting the analysis in subsection (6) of this section both with and without the proposed early action. The utility must compare both the proposed early action and the alternative against the same proposed interim and specific targets.	Early Action Credit

Table No. 12.11: Biennial CEIP Update

WAC Rule	Requirement	CEIP Discussion
WAC 480-100-640 (11)	The utility must make a biennial CEIP update filing on or before November 1st of each odd-numbered year that the utility does not file a CEIP. The CEIP update may be limited to the biennial conservation plan requirements under	The Company will file its 2027 Biennial CEIP in accordance with this rule no later than November 1, 2027.

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	chapter 480-109 WAC. The utility must file its biennial CEIP update in the same docket as its most recently filed CEIP and include an explanation of how the update will modify targets in its CEIP. In addition to its proposed biennial conservation plan, the utility may file in the update other proposed changes to the CEIP as a result of the integrated resource plan progress report.	

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