



**Washington
2024-2025**

**Biennial
Conservation
Report**

May 29, 2026



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All forward-looking statements contained in this document are based on underlying assumptions (many of which are based, in turn, upon further assumptions). These statements are subject to a variety of risks, uncertainties, and other factors. Most of these factors are beyond our control and may have a significant effect on our operations, results of operations, financial condition, or cash flows, which could cause actual results to differ materially from those anticipated in our statements.

Such risks, uncertainties, and other factors include, among others, those in our most recent annual report on Form 10-K, or quarterly report on Form 10-Q, filed with the Securities and Exchange Commission. Those reports are available on our website at avistacorp.com.

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■ Definitions

TABLE 1 – DEFINITIONS OF SELECT TERMS USED IN AVISTA’S 2024-2025 BIENNIAL CONSERVATION REPORT

Electric Conservation Terms	
EIA Target	All cost-effective conservation potential as required by RCW 19.285. Includes the Pro-Rata share from Avista’s Conservation Potential Assessment (CPA), plus other programs/measures with confident savings omitted from the CPA subject to the Energy Independence Act (EIA), such as distribution-level efficiency, pilots with uncertain savings, and additional portfolio buildout. Includes regional savings from the Northwest Energy Efficiency Alliance (NEEA).
EIA Penalty Threshold	As approved by the Commission, which may rely on standard practice to set investor-owned utilities’ conservation targets. For purposes of Avista’s <i>BCR</i> , this is the EIA target without NEEA savings included.
Decoupling Penalty Threshold	Five percent of the EIA Target, as originally defined in Docket UE-140188, Order 05.
Total Local Biennium Target	EIA Penalty Threshold plus Decoupling Penalty Threshold.
Total Local Conservation Achievement	Total Conservation achieved by Avista for the biennium, including excess savings applied per WAC 480-109-100(3)(c).
Total Reported Savings	Total Local Conservation Achievement plus Avista’s share of NEEA regional savings.
Total Conservation Goal	EIA Target plus Decoupling Penalty Threshold plus any additional targets identified by the utility outside of the EIA Target.
Natural Gas Conservation Terms	
Two-Year Conservation Target	All cost-effective conservation potential as required by RCW 80.28.380. Includes the estimated savings achievable from Avista’s CPA and adjustments made for expected site-specific conservation opportunities.
Decoupling Commitment	Five percent of the Two-Year Conservation Target, as established in Dockets UE-140188 and UG-140189, Order No. 05, with incremental penalties established in Dockets UE-190334, UG-190335, and UE-190222 (<i>Consolidated</i>), Order No. 09.
Total Local Biennium Target	Two-Year Conservation Target plus Decoupling Commitment.
Total Local Conservation Achievement	Total Conservation achieved by Avista for the biennium.
Total Reported Savings	Total Local Conservation Achievement plus Avista’s share of NEEA regional savings.
Total Conservation Goal	Two-Year Conservation Target plus Decoupling Commitment plus any additional targets identified by the utility.

■ Energy Efficiency Regulatory Framework

Also known as I-937, the EIA requires electric utilities serving at least 25,000 retail customers to obtain 15 percent of their electricity from new renewable resources such as solar, wind, and qualifying biomass by 2020, and to pursue all conservation efforts that are cost-effective, reliable, and feasible. Codified as RCW 19.285, with compliance rules adopted by the Washington Utilities and Transportation Commission (UTC or Commission) via WAC 480-109, Acquisition of Minimum Quantities of Conservation and Renewable Energy, the EIA serves as a foundation for Avista's conservation efforts. References to I-937 and EIA are used interchangeably within this 2024-2025 *Biennial Conservation Report* (BCR or Report).

The process of developing the 2024-2025 BCR is consistent with prior Commission orders, specifically its approval, with conditions, of Avista's previous *Biennial Conservation Plans* (BCPs) in Docket Nos. UE-100176, UE-111882, UE-132045, UE-152076, UE-171091, UE-190912, UE-210826, and UE-230897. For natural gas, this process is consistent with the requirements provided in RCW 80.28.380 as well as prior UTC approval, with conditions, in Docket Nos. UG-210827 and UG-230898.

For natural gas, target requirements are provided in RCW 80.28.380 as follows:

Each gas company must identify and acquire all conservation measures that are available and cost-effective. Each company must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective. The cost-effectiveness analysis required by this section must include the costs of greenhouse gas emissions established in RCW 80.28.395. The targets must be based on a conservation potential assessment prepared by an independent third party and approved by the commission. Conservation targets must be approved by order by the commission. The initial conservation target must take effect by 2022.

Avista's 2024-2025 BCR is provided in fulfillment of these requirements.

While not solely focused on energy efficiency, Senate Bill 5116, or the Clean Energy Transformation Act (CETA), outlines requirements for utilities in Washington to eliminate coal-fired resources from electric power supply by 2025, attain a carbon neutral electric supply by 2030, and achieve 100 percent non-emitting electricity supply by 2045. It also requires utilities to ensure the benefits of clean energy are equitably distributed to all Washington customers, particularly those who are members of Named Communities,¹ and may have therefore experienced barriers to equitable participation in company efficiency programs. This BCR, as well as Avista's 2025 *Annual Conservation Report* (ACR), provides details on programs designed to help ensure these benefits encompass Named

¹"Named Communities" is an umbrella term comprised of Highly Impacted Communities and Vulnerable Populations, as defined within WAC 480-100-605 and RCWs 19.405.020 (22) and (39). Vulnerable populations are designated within Avista's Clean Energy Implementation Plan (CEIP) pursuant to WACs 480-100-640 and 480-100-655.

Communities, as required by the clean energy transformation standards contained within WAC 480-100-610(4).

■ Executive Summary

In accordance with RCW 19.285, WAC 480-109-120(4), and Order No. 1 in Dockets UE-230897 and UG-230898, Avista Corporation, dba Avista Utilities (Avista or Company), respectfully submits its 2024-2025 Biennial Conservation Report to the Commission.

In its Order regarding Avista’s electric conservation goals,² the Commission approved the Company’s 2024-2025 electric conservation EIA Target of 63,374 megawatt-hours (MWh), in addition to an EIA Penalty Threshold of 47,635 MWh, and a Decoupling Penalty Threshold of 3,169 MWh, for a Total Local Biennium Target of 50,804 MWh and a Total Conservation Goal of 66,543 MWh. Avista’s Electric Energy Efficiency Program Portfolio (hereafter referred to as “Electric Portfolio”) achieved 84,849 MWh towards these thresholds from its local efforts during the 2024-2025 biennium, exceeding the EIA Penalty Threshold by 34,045 MWh and the Total Local Biennium Target by 34,051 MWh. No excess MWh conservation from prior biennia were available, nor necessary, and therefore were not applied towards the Company’s targets, consistent with RCW 19.285.040(c)(i). The following table provides a summary of Avista’s biennial accomplishments for its Electric Portfolio.

TABLE 2 – 2024-2025 ELECTRIC BIENNIAL CONSERVATION ACHIEVEMENTS

2024-2025 Electric Biennial Summary			
	Target	Actual	Percent
Savings Category	(MWh)	(MWh)	
EIA Penalty Threshold	47,635	84,849	178%
Total Local Biennium Target (including 5% Decoupling Threshold)	50,804		167%
Total Conservation Goal (including NEEA)	66,543	96,859	146%
Excess Savings			
Available Excess Savings		0	MWh
2024-2025 Savings in Excess of Target		34,045	
Total Excess Savings		34,045	
Conservation Expenditures			
	Budget	Actual	Percent
Total Conservation Expenditures	\$46,686,720	\$56,288,080	121%
Cost-Effectiveness			
	Total Resource Cost (TRC) Test	Utility Cost Test (UCT)	
Benefit-to-Cost Ratios – Planned	1.89	1.20	
Benefit-to-Cost Ratios – Actual	1.58	1.48	

² See Docket UE-230897, Order No. 1 and associated Attachment A.

As shown in Table 2, Avista met 146% of its electric Total Conservation Goal of 66,543 MWh³ and 178% of its EIA Penalty Threshold (167% of its Total Local Biennium Target) with its achievement of 84,855 MWh from demand-side energy efficiency. Under the Total Resource Cost (TRC) cost-effectiveness test, the electric efficiency benefits exceeded the costs by a ratio of 1.58.

TABLE 3 – 2024-2025 ELECTRIC ACHIEVEMENT BY SECTOR

2024-2025 Electric Biennium Achievement by Sector (MWh)			
	Planned	Achieved	Percentage Achieved
Commercial/Industrial	51,662	71,347	138%
Residential	8,857	12,869	145%
Low-Income	2,855	634	22%
Total	63,374	84,850	134%

Table 3 above details the savings achievements by sector for the biennium compared to the planned MWh savings.

For natural gas,⁴ the Commission approved Avista’s Two-Year Conservation Target of 1,812,463 therms and a Decoupling Commitment of 90,623 therms, for a 2024-2025 natural gas Total Conservation Goal of 1,903,086 therms. In pursuit of these targets, Avista’s Natural Gas Energy Efficiency Program Portfolio (hereafter referred to “Gas Portfolio”) achieved 1,330,575 therms from its local efforts during the 2024-2025 biennium, falling short of its Total Conservation Goal by 572,511 therms. Table 4 provides a summary of Avista’s biennial accomplishments for its Gas Portfolio.

TABLE 4 – 2024-2025 NATURAL GAS BIENNIAL CONSERVATION ACHIEVEMENTS

2024-2025 Natural Gas Biennial Summary			
	Target	Actual	Percent
Savings Category	(Therms)	(Therms)	
Two-Year Conservation Target	1,812,463	1,256,875	69%
Total Local Biennium Target (including 5% Decoupling Commitment)	1,903,086		66%
Total Conservation Goal (including NEEA)	1,903,086		70%
Conservation Expenditures			
	Budget	Actual	Percent
Total Conservation Expenditures	\$1,903,086	\$1,329,388	70%

³ Total Conservation Goal is made up of the two-year EIA Target (not EIA Penalty Threshold) of 63,374 MWh and the Decoupling Penalty Threshold of 3,169 MWh.

⁴ See Docket UG-230898, Order No. 1 and associated Attachment A.

2024-2025 Natural Gas Biennial Summary		
Cost-Effectiveness		
	TRC	UCT
Benefit-to-Cost Ratios - Planned	2.00	2.85
Benefit-to-Cost Ratios - Actual	1.38	0.68

As shown in Table 4, Avista met 70% of its Total Conservation Goal (including NEEA) and 66% of its Total Local Biennium Target (including 5% Decoupling Commitment) with its achievement of 1,256,875 therms from demand-side energy efficiency. Under the TRC cost-effectiveness test, the natural gas efficiency benefits exceeded the costs by a ratio of 1.38.

TABLE 5 – 2024-2025 NATURAL GAS ACHIEVEMENT BY SECTOR

2024-2025 Natural Gas Biennium Achievement by Sector			
	Planned	Achieved	Percentage Achieved
Commercial/Industrial	1,027,356	332,939	32%
Residential	863,464	897,482	104%
Low-Income	12,182	26,453	217%
Total	1,903,002	1,256,874	66%

Table 5 above details the savings achievements by sector for the biennium compared to the planned therm savings.

Biennial Target Compliance

As a result of many utilities being unable to achieve their electric and/or natural gas targets during the prior biennium (2022-2023),⁵ and the incongruence between the electric conservation target penalty waiver provisions of RCW 19.285.040(1)(e) and existence of no such provisions for natural gas, the Commission resolved this inconsistency within its 2022-2023 *BCP* compliance orders for each utility. For Avista, in its Order 02 in Docket UG-210827, the Commission amended Order 09 in consolidated Dockets UE-190334, UG-190335 and UE-190222, and Order 01 in Docket UG-210827, to clarify the intention that both the penalty provisions associated with the EIA *and* exemptions under RCW 19.285.040(1)(e) apply to decoupling targets. Additionally, the Commission exercised its discretion to not impose decoupling penalties, despite the Company having agreed to pay them if directed to do so, noting that the “intent in approving decoupling goals is to encourage conservation. Although Avista failed to meet its decoupling target, we find that

⁵ See Dockets UE-210822 and UG-210823 (Puget Sound Energy); UE-210826 and UG-210827 (Avista); UE-210830 (PacifiCorp); UG-210838 (Cascade Natural Gas).

there exist sufficient circumstances to allow Avista to be “considered in compliance.” We therefore find it appropriate to exercise such discretion for Avista’s decoupling targets in a manner that is consistent with the standard provided in RCW 19.285.040(1)(e).⁶

With this context in mind, the Company again looks to the Commission for a determination of compliance with its natural gas biennial acquisition targets for cost-effective conservation. While the effects of COVID-19 are no longer prevalent in the ways they were in 2022-2023, as the Commission noted in its Order 02,⁷ “These elements added to the already significant challenges utilities faced in achieving the remaining conservation in the region.” [Emphasis added]. For Avista, natural gas conservation efforts within Washington state are, by their very nature, a significant challenge, due to the reasons stated throughout this Report and the corresponding ACRs (2024 and 2025). The Company appropriately managed its Gas Portfolio despite the adverse conditions described within both the *Biennial Portfolio – Natural Gas* and *Cost-Effectiveness* sections of this BCR and continues to be agile in its ability to launch new programs, adjust incentives, and invest in targeted efficiency approaches. Furthermore, the Company appreciates the Commission’s emphasis in the above order that decoupling penalties are not intended to be punitive; rather, gas conservation goals are intended to encourage conservation activities, and consistent penalties for targets that may be fundamentally unreachable, due to various market forces explained in this Report, are instead a disincentive for conservation activities. As the Company considers future CPA and related target setting processes, it will further scrutinize the feasibility of top measures in future natural gas CPAs, in order to better calibrate natural gas targets to market actuals, while also accounting for future legislative and regulatory landscapes. Indeed, the Company has already identified barriers to implementation for many of the top measures in its 2023 CPA; these barriers are discussed in greater detail in the *Barriers to Achieving High Potential Measures* section of this BCR.

⁶ Order 02, Docket UG-210827, pg. 4, ¶ 9.

⁷ Ibid, pg. 3, ¶ 8.

■ Avista’s Commitment to Equity in Energy Efficiency

The 2024-2025 biennium was characterized by a strong focus on equity in both Avista’s Electric and Gas Portfolios (collectively “Conservation Portfolio”), as the Company worked to further align with the goals of CETA and implement its Clean Energy Implementation Plan (CEIP), aiming to ensure that the benefits of the clean energy transition are realized by customers in Named Communities. A summation of these activities is provided within this *BCR*, with additional details regarding each effort, program, service, or partnership further detailed within the 2024 and 2025 *ACRs*.

Tracking Equitable Benefits

Avista remains committed to ensuring that the benefits of clean energy are realized equitably, with a particular focus on Named Communities – where 58 percent of the Company’s residential electric customers reside. While Named Communities, as described previously within this *BCR*, is a term used widely for electric services as a result of CETA, for purposes of tracking energy efficiency services and benefits, Avista has elected to apply this identification approach across both of its fuel types to identify customers with electric and/or natural gas services in these communities. In 2024, the Company began tracking the impacts of its Conservation Portfolio for both fuels therein, to better assess efficacy and inform improvements for these populations and continued this tracking throughout 2025.

The metrics provided below encompass the benefits experienced within Named Communities from energy efficiency incentives that directly benefited these customers, the percentage of savings benefiting them, and the total Non-Energy Impacts (NEIs) received by these households – aligning with Customer Benefit Indicators (CBIs) within the Company’s CEIP. In tracking benefits to customers throughout the biennium, Avista program managers (PMs) also considered barriers that could inhibit equitable access to each program and took appropriate mitigation steps. Implementors and trade allies were directed to prioritize outreach to Named Communities, particularly for programs that offered low- or no-cost upgrades, such as the Home Insulation Program (HIP) and the Small Business Lighting direct-install program. These efforts, as well as each program’s specific metrics, are detailed in the program summaries within the 2025 *ACR*. Tables 6 and 7 below provide a summary of the benefits provided to all customers compared to those within Named Communities for the 2024-2025 biennium.

TABLE 6 - ELECTRIC BENEFITS PROVIDED TO NAMED COMMUNITIES, 2024-2025

Year	Electric	Benefited Customers Outside of Named Communities	Benefited Named Communities	Total Benefits	% Benefiting Named Communities
2024	Incentives	\$10,276,167	\$9,970,296	\$20,246,463	49%
	Savings (MWh)	25,145	19,873	45,018	44%
	NEIs	\$1,970,256	\$1,260,801	\$3,231,057	39%

Year	Electric	Benefited Customers Outside of Named Communities	Benefited Named Communities	Total Benefits	% Benefiting Named Communities
2025	Incentives	\$4,529,355	\$11,582,986	\$16,112,341	72%
	Savings (MWh)	15,346	24,844	40,190	62%
	NEIs	\$2,323,371	\$6,313,910	\$8,637,281	73%
Total	Incentives	\$14,805,522	\$21,553,282	\$36,358,804	59%
	Savings (MWh)	40,491	44,717	85,208	52%
	NEIs	\$4,293,627	\$7,574,711	\$11,868,338	64%

TABLE 7 - NATURAL GAS BENEFITS PROVIDED TO NAMED COMMUNITIES, 2024-2025

Year	Natural Gas	Benefited Customers Outside of Named Communities	Benefited Named Communities	Total Benefits	% Benefiting Named Communities
2024	Incentives	\$6,891,153	\$3,305,763	\$10,196,916	32%
	Savings (Therms)	350,987	161,886	512,873	32%
	NEIs	\$3,780,376	\$910,324	\$4,690,700	19%
2025	Incentives	\$5,772,296	\$5,111,837	\$10,884,133	47%
	Savings (Therms)	288,638	336,517	625,155	54%
	NEIs	\$2,823,325	\$3,449,230	\$6,272,555	55%
Total	Incentives	\$12,663,449	\$8,417,600	\$21,081,049	40%
	Savings (Therms)	639,625	498,403	1,138,028	44%
	NEIs	\$6,603,701	\$4,359,554	\$10,963,255	40%

As evidenced by the increase in the percentage of benefits received by Named Communities, in all categories (incentives, savings, and NEIs) from 2024 to 2025, the actions that the Company took to focus attention on its more vulnerable customers were highly effective. Adaptive management modifications made to programs year-over-year resulted in a greater concentration of benefits in Named Communities. This percentage change is further detailed in the tables below.

TABLE 8 - CHANGE IN DISTRIBUTION OF INCENTIVES, SAVINGS & NEIs, 2024-2025 – ELECTRIC

Electric	Percent Change in Named Communities
Incentives	16%
Savings (MWh)	25%
Non-Energy Impacts	401%

TABLE 9 - CHANGE IN DISTRIBUTION OF INCENTIVES, SAVINGS & NEIs, 2024-2025 – NATURAL GAS

Natural Gas	Percent Change in Named Communities
Incentives	55%
Savings (Therms)	108%
Non-Energy Impacts	279%

Increasing Language Access

Avista has undertaken many projects to remove language barriers within its service territory over the past several years. For energy efficiency, this includes the Spanish translation of program marketing materials and, where possible, Spanish-speaking staff at outreach events. Anecdotally, Avista received feedback from community partners that these efforts have significantly increased program awareness among Spanish-speaking communities, including those who are members of Named Communities.

Named Communities Investment Fund

Throughout the 2024-2025 biennium, Avista continued investing in non-cost-effective energy efficiency projects to benefit highly impacted and vulnerable electric customers through its Named Communities Investment Fund (NCIF). Avista’s NCIF oversight group maintained its evaluation of individual project eligibility based on alignment with the Company’s CBIs, while continuing to take an individualized approach to each potential NCIF-funded project, which allowed for the realization of benefits for organizations that serve Named Communities and otherwise often face significant barriers to participation in the Company’s efficiency projects.

In total, 66 projects were funded through the NCIF during the 2024-2025 biennium. Many projects combined funding from the NCIF with other program incentives – namely, shell upgrades and lighting improvements, as well as equipment upgrades. More details regarding the Company’s NCIF activities are included in the Company’s 2024 and 2025 ACRs.

Low-Income Weatherization

Throughout the biennium, Avista continued to partner with Community Action Agencies (CAAs or Agencies) to offer no-cost weatherization and equipment upgrades to income-qualified customers. Due to uncertainty regarding weatherization policy at the federal level,

concerns about Agencies' ability to maintain full weatherization staff, and recognition of the overall continued need for these services across Avista's service territory, the Company elected – with the support of its Energy Efficiency Advisory Group (EEAG or Advisory Group) – to raise its low-income weatherization budget from \$4 million in 2023 to \$4.25 million for both 2024 and 2025.

Agency Workforce Training

Avista launched a workforce-development pilot in 2024 to address the shortage of trained weatherization professionals within its service area by expanding training access for CAAs and a local tribe in Eastern Washington. Partnering with the Building Performance Center, Avista delivered five separate week-long training courses in Spokane and rural communities like Colville and Yakima, improving workforce readiness and strengthening Agencies' abilities to serve low-income customers.

In 2025, Avista expanded the program with more advanced, tailored training for CAA program managers and offered a proctored Building Analyst Technician (BA-T) certification exam, further building regional technical capacity and supporting more consistent, high-quality weatherization program delivery.

Spokane Tribe Energy Partnership

During the 2024-2025 biennium, Avista and the Spokane Tribe continued to move projects forward in support of the Tribe's energy strategy. The Spokane Tribe completed energy efficiency upgrades at its administrative building in Wellpinit, improving overall building performance and reducing operational energy use. Avista initially served as technical consultant in the Spokane Tribe's efforts to secure grant funding for these upgrades. In further support of these efforts, \$40,000 was awarded from Avista's NCIF in 2025 to offset efficiency improvement costs, allowing the project to move to completion.

The upgrades made to the administrative building are a critical precursor for the microgrid-enabled resiliency station project, which continues to move forward, supported by a \$2.75 million award from the Washington State Department of Commerce Tribal Clean Energy Program. The project will integrate solar generation, energy storage, controllable loads, and backup generation to improve energy resiliency, emergency preparedness, and continuity of operations during outages, and will be designed to coordinate with Avista's distribution system. Total project costs are estimated at approximately \$7 million. In 2025, Avista confirmed a \$1.5 million commitment from its NCIF,⁸ along with ongoing technical assistance and construction support for required distribution system upgrades. The Spokane Tribe plans to leverage additional funding, including a US Department of Energy Tribal Formula Grant, to fully fund and complete the project.

Home Insulation Program

In 2025, Avista replaced its longstanding prescriptive insulation program by launching a new direct-install program called the Home Insulation Program, or HIP. Under this new model, insulation and air sealing measures began to be offered as a no-cost service to

⁸ This portion of NCIF funding is apportioned from the larger NCIF "community" budget, not a part of the \$2 million allocation specific to energy efficiency.

residents of Named Communities that utilize electric heat. Generous incentives (although not without cost) are also offered to electric customers that do not reside in Named Communities, as well as to residential gas customers throughout the service territory. The program has generated significant interest since inception.

Distributional Equity Analysis

As provided within the Company’s CEIP,⁹ the final order in Avista’s 2022 general rate case (GRC)¹⁰ resulted in a directive for UTC Staff to guide a distributional equity analysis (DEA) process and select a facilitator for Avista to hire for incorporating equity into its capital planning process. While a benefit-cost analysis is a well-established practice for decision-making, DEA framework – which compares the impact (typical benefit-cost analysis) on certain customer groups relative to other customers with the intent of understanding if there is a disproportionate burden on any single population – is an emerging decision-making tool to be used in conjunction with benefit-cost analysis. Addressing distributional equity is an ongoing effort within the Commission’s larger equity policy docket (Docket A-230217), but as that work begins to gain momentum, Avista has facilitated a concurrent exploration of how to best approach DEA within existing programs. The Company started its application of DEA framework within its NCIF processes in 2024 and 2025; in fact, the NCIF was designed to align with stages 1-6 of the framework. Figure 1 and Table 10 below illustrate the DEA stages as aligned with applicable NCIF-specific activities.

FIGURE 1 - NCIF AND DEA STAGES

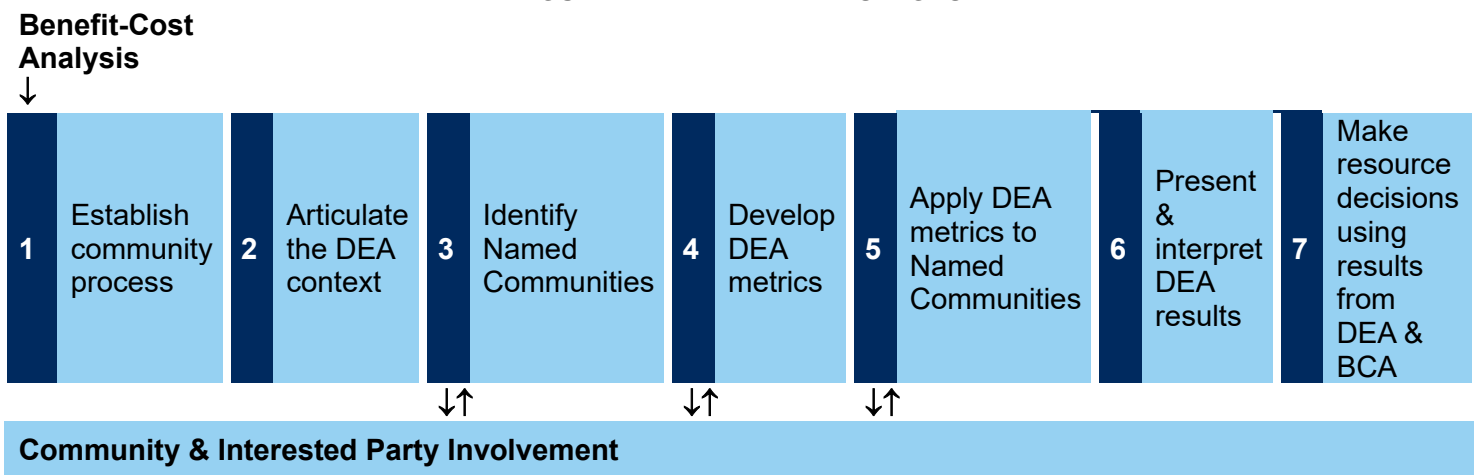


TABLE 10 - DEA STAGES AND NCIF ACTIVITY

DEA Stage	NCIF Activity
1	EAG Results Based Activity for initial project prioritization and process to receive proposals for community identified projects

⁹ See Docket UE-250746, pg. 105-106.

¹⁰ See Docket UE-220053 et. al., Final Order 10/04.

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, <i>Biennial Conservation Plan</i> metrics, IRP
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	NCIF program modifications are made based on results

In addition to the NCIF, other programs within the Electric Portfolio have also utilized the DEA framework to improve equitable program outcomes, and Avista's energy efficiency team has regularly engaged with the Company's Equity Advisory Group (EAG) to present information and get feedback on programs.¹¹ This framework was also leveraged to inform the Company's decision to prioritize program outreach in Named Communities throughout the biennium. Outreach in Named Communities is described in more detail in the Company's 2024 and 2025 ACRs in each program's *Equity Considerations* section.

As Avista continues its commitment to equity within energy efficiency, the Company remains focused on the advancement of equity as a core principle that informs all decisions and practices. Generally, the Company's efforts have supported the reduction of financial and administrative barriers to participation, intended to encourage broader customer engagement and a more equitable distribution of program benefits. Avista recognizes this to be an iterative and ever evolving approach and will continue to refine its consideration and integration of equitable practices for all energy efficiency programs and services.

¹¹ The dates that the energy efficiency team presented to the Company's EAG, and topics discussed, are as follows: March and July of 2023 (Spokane Tribe Microgrid); March and September 2024 (NCIF); April 2024 (CETA/ CEIP and CBIs); October 2025 (NCIF); and November 2025 (Collection of Demographic Information for Efficiency Programs).

■ Collaborative Engagement & Public Participation

Avista has included ongoing active involvement of interested parties within its business planning and operational processes since 1992. Extensive engagement, as well as multiple opportunities for public participation, have been incorporated into the development of this *BCR* and associated issues through multiple processes, including Avista's Integrated Resource Plan (*IRP*) Technical Advisory Committee (TAC), the EEAG, the EAG, and Avista's Public Participation meetings.

Avista's EEAG consists of interested regulatory, consumer, and energy industry participants. Avista works collaboratively with its EEAG to seek timely input in its energy efficiency program planning processes and maintains regular communication with members. In preparation for the 2026-2027 *BCP*¹² Avista hosted several webinars in 2025 – in addition to the Company's regularly-scheduled EEAG meetings¹³ – to inform its Advisory Group of its *BCR* progress and allow time for input and feedback. Consistent with conditions 3(c) and 3(f) of its electric *BCP* conditions¹⁴ and conditions 6(f) and 6(h) of its natural gas *BCP* conditions,¹⁵ Avista hosted an initial webinar with its EEAG on June 25, 2025 to discuss the draft targets for the 2026-2035 CPA, 2026-2029 CEIP, and 2026-2027 *BCP*, followed by a second webinar on August 25, 2025 to share draft program details and budgets. The Company also shared its draft 2026-2027 *BCP* with the EEAG on October 1, 2025, inclusive of draft program tariffs.

In addition to the EEAG, Avista also receives input and feedback from its EAG to help inform its energy efficiency efforts; engagement from this group is primarily focused on programs and projects for customers in Named Communities or equitable distribution of energy efficiency benefits. Members of the EAG are charged with making decisions about how to spend the \$500,000 in NCIF funding that is specifically designated for community-identified investments, as well as providing feedback regarding programs or projects being considered for NCIF funding. During meetings held the first half of 2024, members of the EAG also developed areas of prioritization for energy efficiency projects. The group employed a results-based accountability review and prioritization process, and this prioritization matrix is actively used to inform the implementation of programs and projects that are most aligned with EAG guidance.

Advisory Group members are continuously invited to participate in the Company's *IRP* process through attending TAC meetings where the CPA is discussed. In addition to the requisite EEAG meetings and *BCR/ACR* filings, Avista provides its Advisory Group with monthly updates as well as additional documents with updates in tariff rider balances, planning, programmatic, statistical, and savings acquisitions.

¹² And pursuant to Dockets UE-230897 and UG-230898, Order No. 01, issued by the Commission on January 17, 2024.

¹³ EEAG meetings were held in 2024 on February 27, May 13, August 13, and October 15. EEAG meetings in 2025 were held on March 4, May 13, June 25, August 25, and October 21.

¹⁴ Docket UE-230897, Order 01, Attachment A.

¹⁵ Docket UG-230898, Order 01, Attachment A.

Lastly, members of the Company's energy efficiency team also participated in Public Participation meetings throughout the biennium, sharing information and getting feedback from the community on topics such as Energy Efficiency and Demand Response Specific Actions for the 2024-2025 biennium (September 2023), an overview of the Conservation Portfolio (March 2025), and an update on the NCIF (November 2025).

■ Cost-Effectiveness

Avista uses the Total Resource Cost test, as modified by the Northwest Power and Conservation Council (Council), to evaluate the cost-effectiveness of its electric and natural gas programs. The Council-modified calculation of TRC includes quantifiable non-energy benefits and/or impacts, a risk adder, and a 10 percent conservation benefit adder. The Council does not include a net-to-gross adjustment. In addition to the Council-modified TRC, Avista provides calculations of the Program Administrator Cost test (also called the Utility Cost Test, or UCT), Ratepayer Impact Measure (RIM) test, and Participant Cost Test (PCT).

Overall conservation cost-effectiveness is evaluated at the respective Portfolio level on an annual basis, separately for both the Electric and Gas Portfolios. Costs included in the portfolio-level analysis include conservation-related administrative costs. Avista continually evaluates measure- and program-level cost tests and seeks the best information available for accurate and applicable savings for electric and natural gas measures, looking first to the council's Regional Technical Forum (RTF). If Avista uses savings amounts for prescriptive programs that are not yet established by the RTF, such estimates are based on a rigorous impact evaluation with verified savings levels as assessed by a third-party evaluator and presented to the Advisory Group for feedback.

Avista's cost-effectiveness methodology has been included within the 2025 ACR. For the 2024-2025 biennium, Avista's Electric Portfolio achieved a TRC cost-effectiveness ratio of 1.58 and a UCT cost-effectiveness ratio of 1.48. For the Gas Portfolio Avista's cost ratios were 1.38 for TRC and 0.68 for UCT. A comparison of each Portfolio's cost-effectiveness ratios for the last three biennia is provided in Table 11.

TABLE 11 - COMPARISON OF COST-EFFECTIVENESS TESTS ACROSS BIENNIA

	2020-2021 Biennium	2022-2023 Biennium	2024-2025 Biennium
Electric TRC	1.32	1.67	1.58
Electric UCT	1.92	2.05	1.48
Natural Gas TRC	1.28	1.48	1.38
Natural Gas UCT	2.25	1.50	0.68

For both the Electric and Gas Portfolios, planned cost-effectiveness is established based on the aggregated expected costs necessary to achieve the targeted savings utilizing all the programs in the Portfolio. While Tables 2 and 4 demonstrate both Portfolios were cost effective under the TRC for the biennium, the benefit-to-cost ratios were lower than initially planned. This difference between planned cost-effectiveness and actual cost-effectiveness is primarily attributed to the general rise in incremental cost at the measure level with no attributable rise in savings. These impacts are illustrated clearly in Tables 12 and 13 below, where measures from the 2025 impact evaluations showed fewer kWh or therm savings year over year (as compared to the 2024 impact evaluations) for those same measures;

some measures also show significant increases in equipment costs as well, only further compounding the issue of similar or lesser savings coupled with increased costs.

TABLE 12 – IMPACT EVALUATION MEASURE COMPARISON, 2024-2025 – ELECTRIC MEASURES

Electric Measure	Delta kWh	Delta Equipment Cost
Mini Split (Retrofit)	-189.13	\$1,305.56
Mini/Multi Split	6.94	\$393.63
E Smart Thermostat DIY with Electric Heat	-507.28	\$57.00
>= 150W Incandescent to <= 30W LED Fixture	-38.73	\$-
>= 42W CFL to <= 20W LED Fixture	-58.27	\$-
1000 watt HID Fixture to 400 watt or less LED Fixture	-2,048.23	\$-
2, 3, 4-Lamp T12/T8 Fixture to LED Qualified 2x4 Fixture	-26.69	\$-
20-50 watt MR16 to MR16 LED 2-9 watt	-34.72	\$-
250-watt HID Fixture to 140-watt or less LED Fixture	-8.04	\$-
Ceiling or Fixture Occupancy sensor with built-in relays	-30.10	\$-
DLC Qualified LLLC Fixture	-25.49	\$-

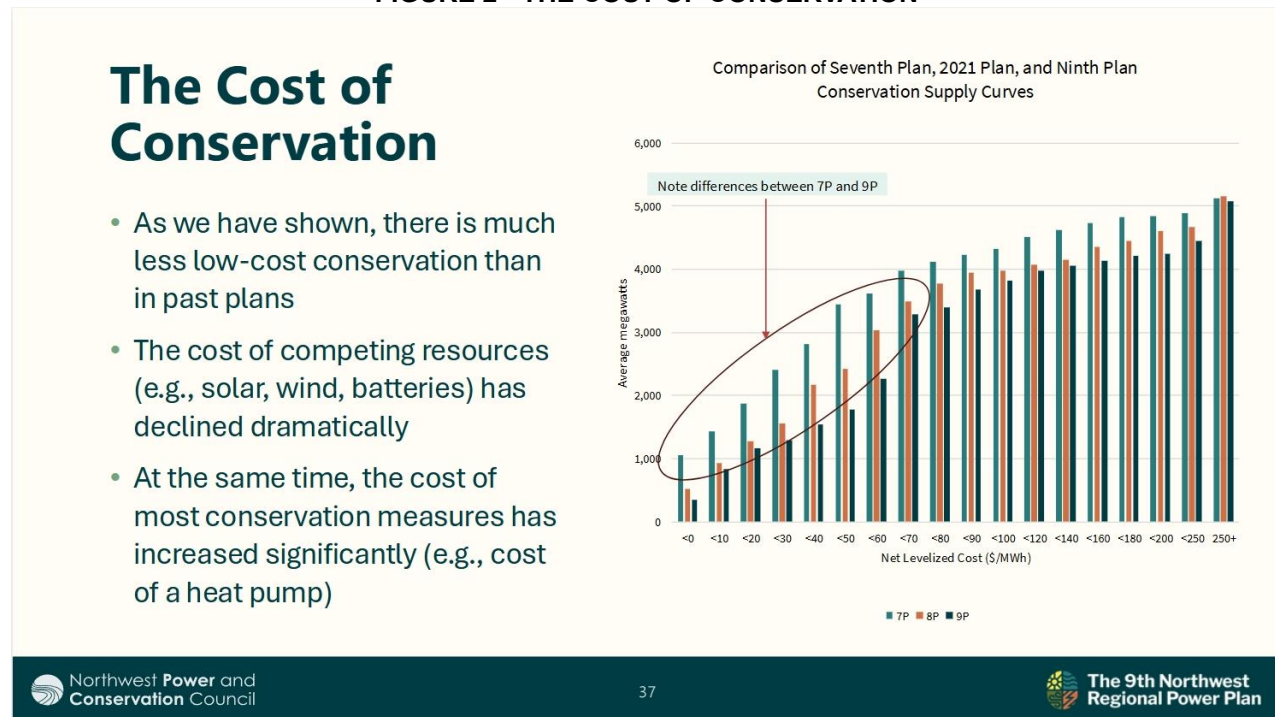
TABLE 13 – IMPACT EVALUATION MEASURE COMPARISON, 2024-2025 – NATURAL GAS MEASURES

Gas Measure	Delta Therms	Delta Equipment Cost
Rotisserie Oven	-	\$1,732.21
Combination Oven	-1.13	\$886.08
Furnace	-12.93	\$691.86
G Air Infiltration	-3.13	\$689.75
G Natural Gas Boiler	6.78	\$472.20
G Smart Thermostat DIY with Natural Gas Heat	-32.49	\$-

It is important to note that this effect is not borne only by Avista, but one that is being felt across the entire region. Evidence of this experience was provided at a recent Conservation

Resource Advisory Committee (CRAC),¹⁶ where it was demonstrated that over the last three Northwest Regional Power Plans, the amount of savings attributed to low-cost measures has continued to diminish, leaving utilities to pursue higher cost measures in order to meet their conservation targets. Figure 2 below provides a slide of CRAC presentation from the April 23, 2026, meeting where this topic was discussed.

FIGURE 2 - THE COST OF CONSERVATION



While this phenomenon is not wholly unexpected, as lower cost measures such as LED lighting have been highly successful over a long period of time and the potential for additional savings is nearly saturated, it remains an important consideration within the Company’s ability to balance the cost-effectiveness of its Conservation Portfolio with overall customer affordability. Additionally, measures that initially showed great savings potential, such as heat pumps and smart thermostats, have been proven to be slightly less effective due to the option for homeowners to override the most efficient settings, resulting in less efficiency for each of these measures without any reduction in the costs associated with the measures themselves. To help mitigate these impacts, Avista continues to tune existing programs, adjust incentives, study and identify new measures, provide education and awareness to its customers and diligently manage its Conservation Portfolio to remain cost-effective.

¹⁶ The CRAC is an advisory committee hosted by the staff of the Council, intended to provide an opportunity for regional interests to work with Council Staff regarding aspects of the Northwest Regional Power Plan as it is developed and implemented. Members and attendees include a wide range of stakeholders from utilities, consumer groups, environmental groups, tribes, government agencies, and energy organizations.

■ Biennial Portfolio – Electric

Avista builds its *BPP* based on the Company’s EIA Target – which, as previously defined, includes both the Pro-Rata share from the Company’s CPA as well as expected NEEA contributions – in addition to further considerations for existing program throughput, impacts of current and forecasted incentive levels, and any additional observed or anticipated market impacts. These additional considerations influence the overall Total Conservation Goal and budget for the *Plan*. Because of this, the Total Conservation Goal for Avista may be higher than that of the EIA Target in a given biennium. For Avista, the EIA Target and Total Conservation Goal established within its 2024-2025 *BCP* and associated Commission approval¹⁷ did not contain any additional savings identified outside of the EIA Target (i.e., the Total Conservation Goal of 66,543 MWh represents solely the EIA Target (63,374 MWh) plus the Decoupling Penalty Threshold (3,169 MWh)). However, upon preparing this *BCR*, Avista determined that the Company’s planning for the biennium was consistently based on a higher projected savings goal than that approved as the Total Conservation Goal, or “Total Two-Year Utility Conservation Goal”.¹⁸ Rather than aiming for 66,543 MWh of savings over the two-year period, the Company’s sector-level planning was based on the pursuit of 79,113 MWhs to be achieved by its Electric Portfolio. This information can be found in Appendix A of the *BCP*, entitled “Washington Two-Year Planning Summary”, as well as Table 2 within the *BCP*.¹⁹ While this higher savings goal seems to be based on a misunderstanding of whether NEEA was to be included within or outside of the EIA Target, Avista far surpassed both its Total Conservation Goal, as approved, in addition to the higher savings goal set internally.

Table 14 below shows the verified savings and related conservation expenditures alongside the goals identified within the Company’s *Plan* – which is inclusive of the Company’s Total Utility Conservation Goals of 66,543 MWh, in addition to the additive 15,739 MWh in planned savings.

TABLE 14 – BIENNIAL CONSERVATION PLAN VS ACTUAL 2024-2025 ELECTRIC RESULTS

Program	2024-2025 BCP Savings Goal (MWh)	2024-2025 Budget	2024-2025 Actual Savings (MWh)	2024-2025 Actual Spend
Residential	8,855	\$2,927,385	12,908	\$5,364,783
Low-Income	2,855	\$9,768,644	887	\$5,618,287
Non-Residential	51,662	\$17,251,797	71,412	\$27,264,512
2024 ACR Adjustments			-358	
Administration/Other	0	\$13,431,901	0	\$15,013,526

¹⁷ Docket UE-230897, Order No. 1, Attachment A, Sec. 1.

¹⁸ Ibid, Condition 1(a)(v).

¹⁹ As re-filed on January 29, 2025.

Program	2024-2025 BCP Savings Goal (MWh)	2024-2025 Budget	2024-2025 Actual Savings (MWh)	2024-2025 Actual Spend
Total Before NEEA	63,374	\$43,379,727	84,849	\$53,261,108
NEEA	15,739	\$3,306,993	12,010	\$3,026,973
Total	79,113	\$46,686,720	96,859	\$56,288,080

As noted in Table 14 above, there were adjustments made to the 2024 Electric savings total following the filing of the 2024 ACR. Most of these adjustments are the result of the Company's move to biennial impact evaluations (versus the prior annual cadence) to provide more low-risk, stable programs. As a result, reported savings for 2024 were verified during the 2025 evaluation period and recommended adjustments were applied accordingly. Additionally, a couple of measures had corrected savings identified following the 2024 reporting period. In total, the adjustments reduced the reported 2024 savings by 358 MWh. Table 15 below details the 2024 savings adjustments.

TABLE 15 – 2024 ELECTRIC SAVINGS ADJUSTMENTS

Sector	Measure	2024 Reported Savings (kWh)	2024 Updated Savings (kWh)	Delta
Residential	E Energy Star Certified Insulated Door	37,600	3,433	-34,167
Residential	E Multifamily Energy Star Certified Insulated Door	6,400	584	-5,816
Low-Income	E Air Infiltration	37,735	4,521	-33,214
Low-Income	E Attic Insulation With Electric Heat	10,509	14,723	4,215
Low-Income	E Conversion to Air Source Heat Pump	289,372	119,302	-170,071
Low-Income	E Conversion to Ductless Heat Pump	60,325	18,154	-42,170
Low-Income	E Door Sweep	29	28	-1
Low-Income	E Duct Insulation	1,361	748	-614
Low-Income	E Duct Sealing	3,550	3,687	137
Low-Income	E Exterior Doors	8,097	2,426	-5,671
Low-Income	E Floor Insulation With Electric Heat	25,903	13,299	-12,604

Sector	Measure	2024 Reported Savings (kWh)	2024 Updated Savings (kWh)	Delta
Low-Income	E Health Safety and Repair	0	0	0
Low-Income	E Lighting	98	0	-98
Low-Income	E Refrigerator	39	21	-18
Low-Income	E Wall Insulation with Electric Heat	13,486	7,286	-6,200
Low-Income	E Window Replacement from Single Pane W Electric Heat	22,587	35,437	12,849
Commercial/Industrial	Attic =< R11 to R30-R44	4,744	419	-4,325
Commercial/Industrial	Attic =< R11 to R45+	43,016	21,200	-21,816
Commercial/Industrial	Wall =< R4 to R11-R19	12,973	9,900	-3,073
Commercial/Industrial	Wall =< R4 to 19+	30,648	2,908	-27,740
Commercial/Industrial	Roof =< R11 to R30+	8,835	844	-7,991
Total		617,306	258,919	-358,387

As previously stated, Avista’s electric energy efficiency program measures its cost-effectiveness using the TRC. The overall portfolio for 2024-2025 achieved a TRC benefit-to-cost ratio of 1.58 inclusive of low-income programs and 1.63 without. Table 16 identifies the TRC with and without the impact of the low-income program.

TABLE 16 – 2024-2025 BIENNIAL ELECTRIC TOTAL RESOURCE COST (TRC)

	Portfolio Without Low-Income Program	Low-Income Portfolio	Overall Portfolio
TRC Benefits	\$88,233,976	\$4,251,978	\$92,485,954
TRC Costs	\$54,033,215	\$4,367,289	\$58,400,504
TRC Ratio	1.63	0.97	1.58

High Achievement Across the Electric Portfolio

Overall, Avista’s Electric Portfolio performed strongly throughout the biennium, with the Company adaptively managing each of its programs to achieve the most meaningful results possible. Electric program success, built on the momentum of programs launched in 2023 to increase program participation during the previous biennium, continued as savings achievements outpaced the 2024-2025 biennial target. As described within this Report as

well as the associated ACRs filed for each year of the two-year period,²⁰ Avista, in partnership with external partners and trade allies – and with input from its EEAG and EAG – continued to sustain efforts to ensure that program design and outreach efforts supported equitable distribution of clean energy benefits to customers. Multiple new programs were successfully launched during the biennium, including the Home Energy Reports (HERs) program and the Home Insulation Program, as well as pilot programs such as the Hybrid Heat Pump Pilot, the Low-Income Agency Workforce Development Pilot, and the Time-of-Use (TOU) Rate and Peak Time Rebate (PTR) pilot programs. Programs that were initiated in the 2022-2023 biennium – notably, Midstream and Small Business Lighting – matured, generating significant savings and participation.

Electric programs were insulated from many of the barriers that contributed to the lower participation in the natural gas sector referenced throughout this BCR, due to the high number of low-cost and no-cost measures in the Electric Portfolio, such as the Small Business direct install program, which drove the highest portion of savings in the Commercial sector. Furthermore, the Electric Portfolio tends to have overall lower costs than measures in the natural gas sector, and are therefore easier for customers to afford.

Excess Conservation Utilization

In accordance with RCW 19.285.040(1)(c)(i) and WAC 480-109-100(3)(c), Avista accounts for any excess savings in a biennium which may be applied to future biennial periods. For the 2024-2025 biennium, no excess savings from prior biennia were available to apply to the 2024-2025 target, nor were they necessary in the achievement of Avista’s targets. Avista recognizes 34,051 MWh of excess savings above the EIA target for the 2024-2025 biennium, which will be available in the next two biennia for use as excess cost-effective conservation. Table 17 illustrates Avista’s Biennial excess savings carryforward.

TABLE 17 – EXCESS EIA SAVINGS (MWh) AVAILABLE IN FUTURE BIENNIAL PERIODS

Biennium	Target	Actual	Excess	Available 2022-23	Available 2024-25	Available 2026-27	Available 2028-29
2020-2021	63,590	54,809	0	0	0		
2022-2023	96,132	73,110	0		0	0	
2024-2025	50,804	84,855	34,045			34,045	34,045
Total Available			34,045	0	0	34,045	34,045

²⁰ See Dockets UE-230897 ([UTC Case Docket Document Sets | UTC](#)) and UG-230898 ([UTC Case Docket Document Sets | UTC](#)).

■ Biennial Portfolio – Natural Gas

For 2024-2025, Avista’s natural gas Two-Year Conservation Target was informed by the Company’s 2023 Natural Gas CPA and includes an additional five percent Decoupling Commitment as a result of agreements within Avista’s 2019 Washington general rate case (GRC).²¹ The CPA identified 1,812,463 therms of potential savings in the biennium. After adding the five percent Decoupling Commitment of 90,623 therms, the total Two-Year Conservation Target for Avista’s Gas Portfolio was 1,903,003 therms. Approximately 54 percent of the savings value was anticipated to come from commercial and industrial programs.

As described above for the Electric Portfolio, upon preparing this *BCR*, Avista determined that the Company’s planning for the biennium was consistently based on a higher projected savings goal than that approved as the Total Conservation Goal, or “Total Two-Year Utility Conservation Goal”.²² Rather than aiming for 1,903,003 therms of savings over the two-year period, the Company’s sector-level planning was based on the pursuit of 1,942,973 therms to be achieved by its Gas Portfolio. Like the Electric Portfolio planning information, this information can be found in Appendix A of the *BCP*, entitled “Washington Two-Year Planning Summary”, as well as Table 3 within the *BCP*.²³

While this higher internal savings goal seems to be based on a misunderstanding of whether NEEA was to be included within or outside of the Two-Year Conservation Target, Avista continued to utilize this target for its Gas Portfolio planning throughout 2024-2025 and, as such, has reported this information by the program sector level below. Table 18 shows these natural gas savings and goals and projected budget in comparison to verified savings and related conservation expenditures for the 2024-2025 biennium.

TABLE 18 – BIENNIAL CONSERVATION PLAN VS ACTUAL 2024-2025 NATURAL GAS RESULTS

Program	2024-2025 BCP Savings Goal (therms)	2024-2025 Budget	2024-2025 Actual Savings (therms)	2024-2025 Actual Spend
Residential	863,464	\$6,828,704	778,659	\$6,736,193
Low-Income	12,182	\$1,181,356	26,430	\$2,708,747
Non-Residential	1,027,356	\$3,879,911	332,939	\$751,976
2024 ACR Adjustments			118,847	
Administration/Other	0	\$6,097,768	0	\$1,584,218
Total Before NEEA	1,903,003	\$17,987,739	1,256,875	\$11,781,134
NEEA	39,970	\$812,000	72,513	\$438,675
Total	1,942,973	\$18,799,739	1,329,388	\$12,219,809

²¹ See Dockets UE-190334, UG-190335, and UE-190222 (*Consolidated*), Order No. 09.

²² Docket UE-230897, Order No. 1, Attachment A, Sec. 1.

²³ As re-filed on January 29, 2025.

As noted in Table 18 above, there were adjustments made to the 2024 Natural Gas savings total following the filing of the 2024 ACR. Most of these adjustments are the result of the Company's move to every other year impact evaluations for low-risk, stable programs. As a result, reported savings for 2024 were verified during the 2025 evaluation period and some adjustments were implemented accordingly. Additionally, there were several measures that had corrected savings identified following the 2024 reporting period. In total, the adjustments increased the reported 2024 savings by 118,847 therms. Table 19 below details the adjustments.

TABLE 19 – 2024 NATURAL GAS SAVINGS ADJUSTMENTS

Sector	Measure	2024 Reported Savings (therms)	2024 Updated Savings (therms)	Delta
Residential	E Energy Star Certified Insulated Door	3,440	442	-2,998
Residential	E Multifamily Energy Star Certified Insulated Door	82	11	-71
Residential	G Natural Gas Furnace	86,103	191,415	105,312
Residential	G Instantaneous Water Heater	3,065	19,646	16,581
Low-Income	G Air Infiltration	1,802	1,452	-350
Low-Income	G Attic Insulation With Natural Gas Heat	2,107	2,821	714
Low-Income	G Duct Insulation	231	129	-101
Low-Income	G Duct Sealing	121	244	123
Low-Income	G Exterior Doors	1,577	436	-1,141
Low-Income	G Floor Insulation With Natural Gas Heat	1,086	1,097	11
Low-Income	G Natural Gas Furnace	3,310	1,955	-1,355
Low-Income	G Health Safety and Repair	0	0	0
Low-Income	G Storm Windows	20	39	19
Low-Income	G Tankless Water Heater	599	546	-52
Low-Income	G Wall Insulation With Natural Gas Heat	883	1,092	209
Low-Income	G 50 Gallon Natural Gas Water Heater	70	113	44
Low-Income	G Window Replacement With Natural Gas Heat	3,005	4,910	1,905
Total		107,499	226,346	118,847

Avista’s Gas Portfolio measures its cost-effectiveness using the TRC test. The overall Portfolio achieved a TRC benefit-to-cost ratio of 1.38 inclusive of low-income programs and 1.67 without low-income programs. Table 20 identifies the TRC with and without the impact of the low-income program.

TABLE 20 – 2024-2025 BIENNIAL NATURAL GAS TOTAL RESOURCE COST (TRC)

	Portfolio Without Low-Income Program	Low-Income Portfolio	Overall Portfolio
TRC Benefits	\$26,987,653	\$1,986,968	\$28,974,621
TRC Costs	\$16,201,760	\$4,833,773	\$21,035,532
TRC Ratio	1.67	0.41	1.38

Challenges for Natural Gas Business Customers

In the Gas Portfolio, there was significantly less participation than expected in the commercial sector for both years of the biennium. In 2024 and 2025, commercial savings reached only 38 percent of expected therm savings. To better understand this trend, Avista’s Account Executive team conducted discussions with a subset of large natural gas customers during the biennium to better understand the increasingly complex factors businesses are weighing as they decide whether to engage in gas efficiency projects. Energy efficiency PMs had similar discussions with small businesses to better comprehend participation barriers being experienced for natural gas efficiency programs.

In these discussions, customers reported several common barriers to participation. The most significant factor shared was the financial pressure created by absorbing costs related to the Climate Commitment Act (CCA), which were levied for the first time during the biennium. Avista began recovering CCA compliance costs through its tariff Schedule 163. These new CCA charges left many commercial/industrial customers focused on managing near-term operating expenses rather than pursuing efficiency investments. This trend was noted to be compounded by the fact that many of these customers had not anticipated CCA costs when developing annual budgets and capital plans.

Customers also identified a significant gap between available incentives and total project costs, particularly for projects that require substantial upfront capital while incentives are paid only after completion. Some projects also did not advance because of operational or technical constraints, including process impacts, product quality requirements, metering limitations, or uncertainty about incentive eligibility.

While CCA implementation appears to have been a substantial near-term barrier for commercial customers during the 2024-2025 biennium – particularly because many customers had little opportunity to anticipate and plan or budget for the new expenses – discussions with Account Executives indicate that customers continue to evaluate projects for future implementation once metering, engineering review, internal budgeting, or funding questions are resolved. Some commercial customers reported that they are considering

projects for the 2026–2027 biennium, although participation will likely continue to depend on whether incentives, grants, or other funding support are sufficient to close remaining cost gaps.

The commercial sector was also significantly affected by lower-than-expected realization rates for gas measures in the Commercial Midstream program in 2024. Although realization rates in this program improved from 47 percent in 2023 to 78 percent in 2024, the resulting divergence between expected savings and actual savings remained substantial during the first year of the biennium. By 2025, realization rates for the Midstream program had improved to nearly 100 percent; however, the improvement was not enough to offset the savings deficit in the sector, given that most natural gas equipment incentives were now delivered through this program.

Increased Participation in Residential Gas Programs

In contrast to the commercial/industrial sector, residential gas programs significantly outpaced expected savings in 2025, enabling the Company to exceed its biennial savings targets for residential programs, despite achieving savings less than expected for the sector in 2024. During the 2024-2025 biennium, the Company achieved 897,482 therms from residential programs, or 104 percent of expected savings for residential gas measures. The success of this sector can be attributed to the launch of above-mentioned programs such as HIP, new measures and improved realization rates in the Midstream program, as well as through an increased focus on outreach and engagement as those delivery channels matured, particularly in 2025. Low-income programs also achieved more than double the savings projected, reflecting high participation as well as increased project capacity in the CAA delivery model. While Avista's efforts to increase savings in the residential sector were successful, those programs were ultimately unable to overcome the savings scarcity of the commercial programs.

Although this biennium represents the second subsequent biennium for which Avista has been unable to meet the natural gas conservation targets established within RCW 80.28.380 and approved by the Commission in its Order 01 in Docket No. UG-230898, the Company's Gas Portfolio achieved a significantly higher percentage of the Total Local Biennium Target than in the 2022-2023 biennium (69 percent of the Total Local Biennium Target in 2024-2025 versus 58 percent in the previous biennium). This increase in savings with respect to target is further evidence of the positive impacts of the Company's efforts to increase savings and participation in its natural gas conservation programs, despite the regulatory and economic headwinds described within this Report.

Gas Participation Trends and Resulting Adaptive Management

As the Company planned for, and subsequently pursued, its Total Local Biennium Target for 2024-2025, Avista noted challenges in reaching its targets as early as May of 2023. The Company cited in its EEAG meeting that month that increases in measure costs, shortage of labor, rising interest rates, and persistent supply chain issues following the end of the COVID-19 pandemic would make it difficult, if not impossible, to achieve the Two-Year Conservation Target from its CPA.

Throughout 2024, the Company remained focused on launching the Midstream and site-specific programs, with Midstream recognized as a promising channel to increase participation for natural gas measures. Avista therefore elected to add the highest value incentives from the 2023 gas CPA into the Midstream program; such measures included food preparation equipment, water heating and space heating measures.

In March of 2025, the Company discussed with its Advisory Group the fact that planned gas savings were not reflecting on on-the-ground participation, with participation being significantly lower than expected. During these conversations, the Company further cited new building codes and new decarbonization policies as factors driving lower-than-expected gas conservation, while also noting that gas participation numbers have been slowly declining since late 2022. The Advisory Group was then informed that projections for achievements for 2025 would ultimately not align with CPA targets.

The Company continues to prioritize the Midstream and HIP direct-install programs as high-performing delivery channels, and this strategy is indisputably helping drive higher participation for natural gas customers in both programs. However, new programs take time to fully develop and accelerate. Both Midstream and direct-install are proven delivery models across the region, but the impact of the program builds over multiple years as markets adjust, trade ally networks strengthen, and adoption becomes more normalized.

TABLE 21 – COMPARISON OF NATURAL GAS ACHIEVEMENTS BY SECTOR ACROSS BIENNIA

	2020-2021 Biennium	2022-2023 Biennium	2024-2025 Biennium
Residential			
Planned Savings	1,285,450	1,443,092	863,464
Achieved Savings	838,958	910,436	897,482
Percentage	65%	63%	104%
Commercial			
Planned Savings	537,454	811,786	1,027,356
Achieved Savings	499,952	196,658	332,939
Percentage	93%	24%	32%
Low-Income			
Planned Savings	51,487	48,550	12,182
Achieved Savings	26,905	26,454	26,453
Percentage	52%	54%	217%

■ Barriers to High Potential Measures

The two charts provided below are extracts from Avista’s 2023 Natural Gas CPA, upon which Avista’s 2024-2025 *BCP* was based. They show the highest-ranking CPA measures, identified for their savings potential, in the Residential and Industrial sectors. The Company believes it is essential to reference these charts, and further describe the challenges related to implementing these measures, as they represent 87.4% of all of conservation potential identified in the Residential sector and 88.5% of the potential identified in the Industrial sector for the 2024-2025 biennium.²⁴

TABLE 22 – TOP MEASURES IN 2023 AND 2036, TRC ACHIEVABLE ECONOMIC POTENTIAL, WASHINGTON RESIDENTIAL SECTOR

Rank	Measure / Technology	2023 Cumulative dtherms	% of Total	2035 Cumulative dtherms	% of Total
1	Gas Furnace - Maintenance	19,639	36.0%	53,786	6.2%
2	Furnace	13,294	24.4%	248,091	28.6%
3	Connected Thermostat - ENERGY STAR (1.0)	7,426	13.6%	236,408	27.3%
4	Building Shell - Whole-Home Aerosol Sealing	6,216	11.4%	127,435	14.7%
5	Insulation - Ceiling Installation	3,478	6.4%	72,298	8.3%
6	Clothes Washer - ENERGY STAR (8.0)	2,161	4.0%	20,175	2.3%

TABLE 23 – TOP MEASURES IN 2023 AND 2036, TRC ACHIEVABLE ECONOMIC POTENTIAL, WASHINGTON INDUSTRIAL SECTOR

Rank	Measure / Technology	2023 Cumulative dtherms	% of Total	2035 Cumulative dtherms	% of Total
1	Process - Heat Recovery	1,464.9	74.9%	19,327.6	75.3%
2	Process Boiler - Stack Economizer	135.7	6.9%	1,205.7	4.7%
3	Process Boiler - Insulate Steam Lines/Condensate Tank	69.6	3.6%	810.6	3.2%
4	Process Boiler - Hot Water Reset	66.5	3.4%	1,372.5	5.3%

In the residential sector, some measures were implemented successfully; notably, furnace and appliance measure achievements aligned with expected savings in the CPA. Some measures, though, faced barriers that were not anticipated during the CPA process. Aerosol sealing, for example, was piloted during the 2022-2023 biennium, and the Company was

²⁴ Excerpted from “Avista’s Natural Gas Conservation Potential Assessment for 2023-2045”, AEG, Dec 21, 2022.

optimistic, given the high savings potential. However, verified savings were significantly lower than expected savings and incremental costs were significantly higher in the pilot than conventional duct sealing measures identified in the RTF, so measures were never deployed into a full program. The table below is taken from analysis performed by the Company following the pilot evaluation.

TABLE 24 – AEROSEAL COMPARISON TO CONVENTIONAL DUCT SEALING

Duct Sealing Type	Home Type	Incremental Cost	kWh Savings	Therm Savings	WA Elec TRC	WA Gas TRC
Aeroseal Pilot	Manufactured Homes	\$2,981	1,361	97	0.66	0.52
Conventional - RTF	Manufactured Homes	\$465	888	63	2.16	1.72
Conventional - RTF	Single Family Homes	\$440	436	31	1.39	1.13

Connected Thermostats also showed significant potential within the CPA, but deemed savings for these measures were sunset in the RTF at the beginning of the 2024-2025 biennium, resulting in zero savings to be acquired. Gas furnace maintenance measures, although identified as the top measure in the residential CPA, were difficult to implement and incent due to the need for ongoing maintenance (verified filter replacements) to ensure persistence of savings.

In the industrial sector, the largest potential measure identified was heat recovery for industrial processes, which made up more than 70 percent of the industrial sector’s conservation potential. Despite this large potential, this measure is available to a relatively small number of customers (only those with significant natural gas process loads, typically food production facilities). Although Avista supports these types of projects with incentives, they are rarely implemented because they are capital-intensive and can result in production disruptions, for weeks or even months, due to reconfiguration of production lines required for heat recovery measures.

■ NEEA Biennial Target and Programs

Avista's local Conservation Portfolio consists of programs and supporting infrastructure designed to enhance and accelerate the saturation of efficiency measures throughout the Company's service territory. These objectives are promulgated by financial incentives, technical assistance, program outreach, and education.

Because it is not feasible for Avista to independently have a meaningful impact on regional or national markets, utilities within the Pacific Northwest have worked together through NEEA to address opportunities that are beyond the reach of individual utilities. Avista has been participating in, and funding, NEEA since it was founded in 1997.

Avista will continue to work closely with NEEA and other regional entities to identify overlapping priorities and objectives while simultaneously deploying a more thorough and customized market transformation strategy to its local market – including additional investment and direct coordination with the supply chain.

Electric Energy Savings Share

Values provided in NEEA's 2024 annual report represent the amounts allocated to Avista's service territory, which is a combination of site-based energy-savings data (where available) or an allocation of savings based on funding share. Using the latter approach, the funding share for Avista is split 70 percent for Avista Washington and 30 percent for Avista Idaho. The funding share for Avista varies by funding cycle and within each cycle if the funding composition changes.

Natural Gas Energy Savings Share

NEEA's costs include all expenditures for operations and value delivery; energy savings initiatives; investments in market training and infrastructure; stock assessments, evaluations, data collection, and other regional and program research; emerging technology research and development; and all administrative costs.

Avista's criteria for funding NEEA's market transformation portfolio calls for delivery of incrementally cost-effective resources beyond what could be acquired through Avista's local Conservation Portfolio alone. Avista has historically communicated to NEEA the importance of delivering cost-effective resources to the Company's service territory and remains confident that NEEA will continue to offer cost-effective electric market transformation for the foreseeable future. The Company will remain active in the organizational oversight of NEEA, a critical step in ensuring that geographic equity, cost-effectiveness, and resource acquisition goals of market transformation are met.

■ Utility Evaluation, Measurement, and Verification

Evaluation, Measurement, and Verification (EM&V) is intended to represent the comprehensive analyses and assessments necessary to supply salient information to interested parties that adequately determines the energy efficiency acquisition of Avista's Conservation Portfolio as well as providing real-time information for program management. EM&V, as described below and taken as a whole, is analogous with other industry standard terms such as *portfolio evaluation* or *program evaluation*.

Avista is committed to using independent third-party EM&V consultants and evaluators for the various analyses required to substantiate its Conservation Portfolio over the biennium. The role of EM&V for validation of Avista's conservation acquisition is critical to the *BCR*, and the processes and protocols for conservation evaluation will continue to be refined. The existing EM&V documents, including the EM&V framework and annual EM&V plans, will be reviewed and updated as necessary to improve their benefit to the Conservation Portfolio and Avista's customers.

The RTF, as an advisory committee to the Council, is a valued source of information relating to the measurement of energy savings – but it is not the only source. The RTF provides UES references suitable for consideration in Avista's acquisition planning relative to each biennium. In cases where Avista uses RTF UES values and delivers programs in a manner consistent with the RTF's defined delivery mechanism, the evaluation efforts are limited to verification of participation that would be applied to the associated UES. RTF assumptions may be updated with Avista-specific assumptions (e.g., actual vs. forecasted purchases) to come up with an RTF-consistent UES that is more appropriate for Avista. Furthermore, since the RTF evaluation process incorporates a market-adjusted baseline, applications of RTF UES values are not subject to net-to-gross adjustment. Avista may elect to evaluate, refer to, and use RTF or other sources of energy efficiency metrics with equal merit. Information from the RTF, the Council's power plan, NEEA, and other data sources are used in Avista's Technical Resource Manual (TRM) to compile, catalog, and track electrical energy efficiency measures. Key criteria available from the RTF include measure costs, savings, NEIs, estimated useful lifetimes, and measure discontinued thresholds. Program-specific savings amounts, whether established by the RTF or other means, are subject to rigorous and frequent impact evaluation that serves to verify or adjust appropriate energy savings levels.

For the 2024-2025 biennium, Avista spent \$1,214,758 of its conservation budget on independent, third-party EM&V engagement. The Company will continue to provide opportunities for its Advisory Group to review the EM&V protocols to allow for continuous collaboration and improvement of these processes.

■ Compliance and Supporting Documentation

This Report is intended to comply with RCW 19.285.070 and WAC 480-109-120(4), as outlined below:

RCW 19.285.070. **Reporting and public disclosure.**

- 1) On or before June 1, 2012, and annually thereafter, each qualifying utility shall report to the department on its progress in the preceding year in meeting the targets established in RCW 19.285.040, including expected electricity savings from the biennial conservation target, expenditures on conservation, actual electricity savings results, the utility's annual load for the prior two years, the amount of megawatt-hours of each type of eligible renewable resource acquired, the type and amount of renewable energy credits acquired, and the percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits.

WAC 480-109-120(4). **Biennial conservation report.**

- a) On or before June 1st of each even-numbered year, a utility must file with the commission, in the same dockets as its current biennial conservation plan, a biennial conservation report regarding its progress in meeting its conservation target during the preceding two years.
- b) The biennial conservation report must include:
 - i) The biennial conservation target;
 - ii) Planned and claimed electricity savings from conservation;
 - iii) Budgeted and actual expenditures made to acquire conservation;
 - iv) The portfolio-level cost-effectiveness of the actual electricity savings from conservation;
 - v) An independent third-party evaluation of portfolio-level biennial conservation savings achievement;
 - vi) A summary of the steps taken to adaptively manage conservation programs throughout the preceding two years; and
 - vii) Any other information needed to justify the conservation savings achievement.
- c) A utility must provide a summary of the biennial conservation report to its customers by bill insert or other suitable method within ninety days of the commission's final action on the report.
- d) A utility may file the annual conservation report and the biennial conservation report together as one report, provided that the report includes all of the information required in subsections (3) and (4) of this section and states that it serves as both the annual conservation report and the biennial conservation report.

This Report is also consistent with the natural gas conditions approved in Order No. 01 of Docket UG-230898, Attachment A, Section 5(c)(i), which requires Avista to file with the Commission on or before June 15 of each even-numbered year a BCR regarding its progress in meeting its conservation target during the preceding two years.

Included as part of Avista's 2024-2025 *BCR* are the Company's 2025 *ACR* (in accordance with WAC 480-109-120(4)(d)) and its EIA/I-937 Commerce Conservation Report (RCW 19.285.070(1)). The Company will provide the necessary conservation reporting to the Washington Department of Commerce simultaneously with the submission of the *BCR* with the Commission.

■ Conclusion and Contact Information

While the Company is disappointed to have not fully achieved its natural gas energy efficiency goals for the 2024-2025 biennium, Avista recognizes the strong efforts made by the energy efficiency team to adaptively manage all programs within its Electric and Gas Portfolios to meet the needs of its customers. Avista's electric conservation efforts exceeded targets, achieving 96,859 MWh towards its Total Conservation Goal and a TRC ratio of 1.58. Conversely, the Gas Portfolio achieved 1,330,575 therms, about 70% of its goal, with a TRC ratio of 1.38. While a large percentage of the goal was achieved in comparison to the 2022-2023 biennium, the Gas Portfolio fell short due to challenges such as declining commercial and industrial participation, rising incremental costs, and saturation of low-cost savings opportunities. The Company continues adaptive management, program tuning, and new measure identification to maintain cost-effectiveness and affordability.

For additional supporting information, please see the following appendix:
Appendix A – 2024-2025 Compliance Record

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Appendix A – 2024-2025 Compliance Record

Source	Docket	Ref	Language	Condition Met	Notes
BCP-E	UE-230987	1a	The following conservation targets are approved for Avista, with conditions pursuant to RCW 19.285.040(1)(e) and WAC 480-109-120(1). This approval is subject to the Conditions described in Paragraphs (2) through (13) below. i) Ten-Year Potential: 317,000 megawatt-hours. ii) Two-Year EIA Target: 63,374 megawatt-hours. iii) Two-Year EIA Penalty Threshold: 47,635 megawatt-hours. iv) Two-Year Decoupling Penalty Threshold: 3,169 megawatt-hours, pursuant to Order 5 in Docket UE-140188. v) Total Two-Year Utility Conservation Goal: 66,543 megawatt-hours.	NA	Avista continues to pursue its stated targets.
BCP-E	UE-230987	1b	The Commission approves the above targets and thresholds as measured at the customer meter. All planning and reporting must include savings data as measured at the customer meter.	NA	All planning and reporting include savings data as measured at the customer meter.
BCP-E	UE-230987	1c	As part of Avista's biennial conservation acquisition efforts, Avista must continue to invest in regional studies and market transformation, in collaboration with funding from other parties and with other strategic market partners in this biennium that complements Avista's energy efficiency programs, planning, services, and measures.	Yes	Avista continues to partner with NEEA on market transformation efforts.
BCP-E	UE-230987	2	Nothing in these conditions relieves Avista of the sole responsibility for complying with RCW 19.285 and WAC 480-109. Specifically, the conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Avista's operational authority nor its ultimate responsibility.	Yes	Avista continues to retain responsibility for compliance with all applicable RCWs and WACs.
BCP-E	UE-230987	3a	To meet the requirements of WAC 480-109-110, Avista must continue to use its Advisory Group, initially created under Docket UE-941377, and its Integrated Resource Planning Advisory Group as described under WAC 480-100-630.	Yes	EEAG: Feb. 27, 2024; May 16, 2024; Aug. 13, 2024; Oct. 15, 2024; Mar. 4, 2025; May 13, 2025; Jun. 25, 2025; Aug 25, 2025; Oct 21, 2025; TAC (electric): Jan. 30, 2024; Mar. 21, 2024; Apr. 9, 2024; Apr. 23, 2024; May 7, 2024; May 21, 2024; Jun. 4, 2024; Jun. 18, 2024; Jul. 30, 2024; Aug. 13, 2024; Sep. 17, 2024; TAC (natural gas): Feb. 14, 2024; Apr. 24, 2024; May 15, 2024; Jun. 5, 2024; Jun. 26, 2024; Jul. 17, 2024; Aug. 21, 2024; Sep. 25, 2024; Nov. 19, 2024; Jan. 9, 2025; Jan. 22, 2025.
BCP-E	UE-230987	3b	Avista must notify Advisory Group members of all public meetings scheduled to address Avista's Integrated resource plan. Avista must also coordinate a meeting with Advisory Group members and the entity conducting the conservation potential assessment (CPA) addressing the scope and design of the CPA. Such a meeting must address the assumptions and relevant information utilized in the development of Avista's integrated resource plan as they apply to the development and/or modification of the ten-year conservation	Yes	Avista's EEAG was notified for all meetings pertaining to the CPA and IRP; AEG presented CPA to

Source	Docket	Ref	Language	Condition Met	Notes
			potential. This meeting must be held early enough in the integrated resource plan public process to incorporate the group's advice. Avista must notify Advisory Group members of IRP Advisory Group meetings that present the Company's natural gas and energy price forecasts and generation resource cost assumptions used in the development of the Company's integrated resource plan, as these assumptions will inform the ten-year conservation potential.		EEAG on June 25, 2025.
BCP-E	UE-230987	3c	Avista must consult with the Advisory Groups starting no later than July 1, 2025, to begin to identify achievable conservation potential for 2026-2035 and to begin to set annual and biennial targets for the 2026-2027 biennium, including necessary revisions to program details and the quadrennial 2026-2029 CEIP target. See RCW 19.285.040(1)(b); WAC 480-109-120; and WAC 480-100-640(11).	Yes	Avista held a meeting for this purpose on June 25, 2025.
BCP-E	UE-230987	3d	Avista must inform the Advisory Group members when its projected expenditures indicate that Avista will spend more than 120 percent or less than 80 percent of its annual conservation budget.	Yes	Avista discussed current budget and tariff rider balances at its May 13, 2024, and May 13, 2025, EEAG meetings.
BCP-E	UE-230987	3e	If Avista believes that an event beyond its reasonable control has occurred that may prevent it from meeting its combined EIA Penalty Threshold and Decoupling Penalty Threshold, Avista will confer with the Advisory Group members as soon as possible to determine a path forward. See RCW 19.285.040(1)(e) and RCW 19.285.060(2).	Yes	NA
BCP-E	UE-230987	3f	Prior to filing the 2026-2027 Biennial Conservation Plan, Avista must provide the following information to the Advisory Group: draft ten-year conservation potential, revised four-year target, and two-year target by August 1, 2025; draft program details, including budgets, by September 1, 2025; and draft program tariffs by October 2, 2025.	Yes	Avista shared this information during EEAG meetings held on June 25, 2025, and August 25, 2025. Avista shared its draft 2026-2027 BCP with the EEAG on October 1, 2025.
BCP-E	UE-230987	4	Avista must provide its proposed budget in a detailed format with a summary page indicating the proposed budget and savings levels for each conservation program, and subsequent supporting spreadsheets providing further detail for each program and line item shown in the summary sheet. Avista must allocate a reasonable amount of its program budget (as determined through consultation with the Advisory Group) towards pilot programs, research, and data collection.	Yes	This information is included in Avista's 2025 ACP and in the 2026-2027 BCP.
BCP-E	UE-230987	5	Avista must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed and updated in this docket. Avista must notify the Advisory Group when it files updated measures, incentives, or eligibility requirements.	Yes	Avista's conservation tariffs remain on file with the commission and are updated as needed, in consultation with the EEAG.
BCP-E	UE-230987	6a	Avista has identified several potential conservation measures described in the BCP. The Commission is not obligated to accept savings identified in the BCP for purposes of compliance with RCW 19.285.	NA	NA
BCP-E	UE-230987	6b	When Avista proposes a new or significant change to a program, pilot, or tariff schedule, it must present the program to the Advisory Group with program details fully defined, to the extent practicable. After consultation with the Advisory Group in accordance with WAC 480-109-110(1)(h), the Advisory Group may advise if a revision to the Conservation Plan in this docket is necessary.	Yes	Avista consulted with its EEAG on all new programs introduced in 2024 and 2025 including Home Insulation, Home Energy Reports, and the Multifamily Energy

Source	Docket	Ref	Language	Condition Met	Notes
					Excellence Program. Avista also consulted with the EEAG on changes to the Midstream Program and Lighting Programs, as well as pilot programs including Compressed Air, Hybrid Heat Pump, Time of Use, and Peak Time Rebate. Avista consulted with its EEAG on proposed incentive changes to Residential Windows and Doors during its May 13, 2024, EEAG Meeting. Avista also consulted with its EEAG on Residential Rebate changes during its October 15, 2024, meeting.
BCP-E	UE-230987	6c	Avista must spend a reasonable (as determined through consultation with the Advisory Group) amount of its conservation budget on evaluation, measurement, and verification (EM&V), including a reasonable proportion on independent, third-party EM&V. Avista must perform EM&V annually on a maximum four-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market, and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes.	Yes	Avista procured an independent third-party EM&V vendor to perform impact and process evaluations, as well as cost effectiveness analysis, for Avista's program portfolio. Results from this EM&V are contained within the 2024-2025 BCR.
BCP-E	UE-230987	6d	An independent third party must review portfolio-level electric energy savings reported by Avista for the 2022-2023 biennial period, from existing conservation programs operated during that period, per WAC 480-109-120(4)(b)(v). The review will be funded by Avista's Electric Service Conservation Rider. The review will be managed jointly by Commission Staff and Avista staff with input on the scope, cost, RFP development, reviewer selection, and ongoing oversight by the Advisory Group. The independent third-party reviewer must be selected through an RFP process and is intended to: i) Verify the calculation of total portfolio MWh savings; and ii) Provide a review of EM&V activities and application for best practices and resonable findings, which include the following: (1) Validate the adequacy of Avista's savings verification process, controls and procedures. (2) Validate savings tracking and reporting processes and practices. (3) Review program process and impact evaluations completed during the biennium for appropriateness of evaluation approach/methodologies (program specific) and program cost-effectiveness calculations.	Yes	Avista contracted with ADM to perform this scope of work.

Source	Docket	Ref	Language	Condition Met	Notes
BCP-E	UE-230987	6e	A final report for the entire 2024-2025 biennium may be implemented in phases and delivered as a final product at an earlier date, as needed, by Avista.	In progress	Avista filed its 2024 ACR on May 30, 2025. Avista will file its 2025 ACR, as well as its 2024-2025 BCR on or before June 1, 2026.
BCP-E	UE-230987	7a	Modifications to the programs must be filed with the Commission as revisions to tariffs or as revisions to Avista's current Conservation Plan, as determined in consultation with the Advisory Group.	Yes	Avista consulted with its EEAG on all new programs introduced in 2024 and 2025 including Home Insulation, Home Energy Reports, and the Multifamily Energy Excellence Program.
BCP-E	UE-230987	7b	Incentives and Conservation Program Implementation — Programs, program services, and incentives may be directed to consumers, retailers, manufacturers, trade allies or other relevant market actors as appropriate for measures or activities that lead to electric energy savings. Avista must work with the Advisory Group to establish a balanced portfolio of measures that provides savings from a variety of savings types and meets the needs of a broad spectrum of Avista customers.	Yes	No new action beyond what has been discussed with its EEAG and/or filed in a plan or report.
BCP-E	UE-230987	7c	Conservation Efforts without Approved EM&V Protocol — Avista may spend up to 10 percent of its conservation budget on programs whose savings impact has not yet been measured, if the overall portfolio of conservation passes the primary cost-effectiveness test used by the Commission. These programs may include information-only, and pilot projects. Avista may ask the Commission to modify this spending limit, following Advisory Group consultation. i) Information-only services refers to those information services that are not associated with an active incentive program or that include no on-site technical assistance or on-site delivery of school education programs. Information-only services and behavior change services must be assigned no quantifiable energy savings value without full support of the Advisory Group. ii) If quantifiable energy savings have been identified and Commission-approved for any aspect of such programs, the budget associated with that aspect of the program will no longer be subject to this 10 percent spending restriction.	Yes	Details regarding information-only or pilot projects were reported within Avista's 2024 ACR (May 30, 2025), with further reporting of expenditures related to such programs in its 2025 ACR (to be filed by June 1, 2026).
BCP-E	UE-230987	8a	The Commission currently uses a modified Total Resource Cost Test (TRC), consistent with the Council, as its primary cost-effectiveness test. The modified TRC test includes all quantifiable nonenergy impacts (NEIs), a risk adder, and a 10 percent conservation benefit adder. Avista's portfolio must pass the modified TRC test. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0, consistent with the Council's methodology.	Yes	This is a standard practice for Avista's cost-effectiveness calculation framework.
BCP-E	UE-230987	8b	Avista must also provide calculations of the Program Administrator Cost Test (also called the Utility Cost Test) as described in the National Action Plan for Energy Efficiency's study "Understanding Cost-Effectiveness of Energy Efficiency Programs" (November 2008), located at: https://www7.eere.energy.gov/seeaction/system/files/documents/understanding-cost-effectiveness-ee-programs.pdf .	Yes	Avista includes these calculations as a standard element of its cost effectiveness calculation framework.
BCP-E	UE-230987	8c	Conservation-related administrative costs must be included in portfolio-level analysis.	Yes	Included.
BCP-E	UE-230987	9a	Avista must demonstrate progress toward sustained energy burden reductions during the 2024-2025 biennium by, at a minimum, funding all eligible and cost-effective low-income conservation measures, consistent with RCW 19.405.120. i) Avista's biennial report must include the contribution of low-income conservation programs toward sustained energy burden reductions. The report	Yes	Avista has met conditions i) and ii) through its inclusion of low-income programs in its

Source	Docket	Ref	Language	Condition Met	Notes
			must include the number of participants and any other information that demonstrates progress as described above. The utility should include a discussion of barriers to success, options for overcoming these barriers, and potential uses for increased low-income conservation funding. ii) Energy savings for low-income conservation measures will be counted toward conservation goals. iii) Avista may, after consultation with advisory groups, fully fund repairs, administrative costs, and health and safety improvements associated with cost-effective low-income conservation measures. These costs are excluded from portfolio cost-effectiveness calculations. Avista shall maintain a project cost allowance of thirty percent (30%) for Administrative/Indirect Rate associated with the delivery of low-income conservation measures.		plans and reports. Avista has met condition iii) by fulfilling funding repairs, administrative costs, and health and safety improvements as described.
BCP-E	UE-230987	9b	Avista must continue to consider how and whether existing conservation programs serve the highly impacted communities and vulnerable populations identified in its CEIP. In addition, Avista must continue to adjust existing conservation programs or design new programs and offerings so that the portfolio of programs ensures an improvement in the equitable distribution of energy and nonenergy impacts to the same communities identified in its CEIP. See WAC 480-100-640(4).	Yes	Avista has designed a portfolio of programs to serve the needs of Named Communities and funds them through its Named Communities Investment Fund. In 2023, Avista began reporting on the extent to which existing conservation programs serve Named Communities, as well as CBIs that efficiency-specific actions impact.
BCP-E	UE-230987	10a	Avista must continue to evaluate opportunities for location-targeted programs that provide non-wires alternatives to eliminate or delay the need for distribution system investments. i) If Avista pursues such research, evaluation, and/or outreach, it should detail the research and evaluation results and outreach efforts in its conservation reporting.	Yes	The Connected Communities Program, which is described within the BCP, the ACP, and the ACR, explores opportunities to serve customers in Avista's territory with non-wires alternatives.
BCP-E	UE-230987	11a	During this biennium, Avista must continue to demonstrate progress towards identifying, researching, and properly valuing NEIs. The NEIs considered must include the costs and risks of long-term and short-term public health benefits, environmental benefits, energy security, and other applicable NEIs. In consultation with the Company's conservation, equity, and resource planning advisory groups, NEIs and risks must be included in the next Biennial Conservation Plan and Conservation Potential Assessment.	Yes	Avista partnered with DNV to conduct NEI studies, including a gas transport customer NEI study to inform program design for Avista's natural gas transport customers in WA. NEIs have been incorporated within the CPA and the 2026-2027 BCP where possible/quantifiable.

Source	Docket	Ref	Language	Condition Met	Notes
BCP-E	UE-230987	11b	Avista must continue to identify the discrete NEIs and the monetized value used in cost-effectiveness testing for each electric conservation program. This must be provided in a detailed format with a summary page and subsequent supporting information in a spreadsheet or any alternate format that is adequately transparent, subject to approval by Commission Staff, in native format with formulas intact, providing further detail for each program and line item shown in the summary sheet in annual plans and reports. Such identification and evaluation of NEIs should be completed, at minimum, on a biennial basis beginning in 2025, to allow time for appropriate contracting and financing of this work.	Yes	This information was included in Avista's 2024 ACR and will be included in its 2025 ACR as well as its 2024-2025 BCR.
BCP-E	UE-230987	11c	Avista must continue to identify the forecasted distribution of energy and nonenergy impacts in annual plans and reports. This reporting must use currently quantified NEIs as well as values and estimates of additional impacts as they become available. See WAC 480-100-640(3)(a)(i).	Yes	Avista has been meeting this condition beginning with its 2024 ACP.
BCP-E	UE-230987	12a	Scope of Expenditures — Funds collected through the Electric Conservation Service Rider must be used on approved conservation programs and their administrative costs. Additionally, Rider funds may be used for other purposes when they have a benefit to Avista customers and are approved by the Commission.	Yes	No action needed.
BCP-E	UE-230987	12b	Recovery for Each Customer Class — Rate spread, and rate design must match Avista's underlying base volumetric rates.	NA	Standard practice for Avista's energy efficiency tariffs.
BCP-E	UE-230987	12c	Recovery of costs associated with distribution and production efficiency initiatives are not funded through the Electric Conservation Tariff Rider because these programs are not customer conservation initiatives. These are company conservation programs. As such, these costs are recovered in the general rate-making process over time and may be requested through a general rate case, a deferred accounting petition or other allowed mechanism. The method of cost recovery in no way diminishes its obligation as required in RCW 19.285 and WAC 480-109.	Yes	Avista does not recover any costs associated with distribution and production efficiency initiatives through the electric conservation tariff rider.
BCP-E	UE-230987	12d	Avista must file revisions to its cost recovery tariff (Schedule 91) by June 1 each year, with the requested effective date of August 1 of that same year.	Yes	See dockets UE-240216 and UE-250417 for Avista's approved Schedule 91 cost recovery adjustment filings for 2024 and 2025, respectively.
BCP-E	UE-230987	13a	Avista must continue to pursue cost-effective conservation in the form of reduction in electric power consumption resulting from increases in the efficiency of energy used at electric power production facilities it owns in whole or in part. Avista's Annual Report must include updates regarding production efficiency activities in power production facilities operated by Avista and, to the extent practicable, facilities wholly or partially owned by Avista that are not operated by the Company.	Yes	Avista is in regular contact with its generation and plant managers to determine if any projects at Avista owned or managed plants or facilities are planned. There were several reconductering and Clean Buildings Act projects completed in 2024. Avista will continue to monitor these plans and will share information as it becomes available.
BCP-E	UE-230987	13b	To avoid double-counting of efficiency savings achieved at electric power production facilities owned in whole or in part by Avista, the Company must	Yes	NA

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			consult with the Advisory Group when developing or modifying its protocol for how savings will be claimed.		
BCP-G	UG-230898	1a	The following conservation targets are approved for Avista Company, with conditions according to RCW 80.28.380. This approval is subject to the Conditions described in Paragraphs (2) through (14) below. i) Two-Year Conservation Target: 1,812,463 therms. ii) Two-Year Decoupling Commitment: 90,623 therms, pursuant to Order 5 in Docket UG-140189. iii) Total Two-Year Utility Conservation Goal: 1,903,086 therms.	NA	Avista continues to pursue its stated targets.
BCP-G	UG-230898	1b	As part of Avista's biennial conservation acquisition efforts, Avista must continue to invest in regional studies and market transformation, in collaboration with funding from other parties and with other strategic market partners in this biennium that complements Avista's energy efficiency programs, planning, services, and measures.	Yes	Avista continues to partner with NEEA on market transformation efforts.
BCP-G	UG-230898	2	Nothing in these conditions relieves Avista of the sole responsibility for complying with RCW 80.28.380. Specifically, the conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Avista's operational authority nor its ultimate responsibility.	NA	NA
BCP-G	UG-230898	3a	<i>Ten-year conservation potential.</i> Every two years, Avista must project its cumulative ten-year conservation potential in a conservation potential assessment (CPA). i) This projection must consider all conservation resources that are cost-effective and available. ii) Methods for identifying conservation potential: (1) In identifying conservation potential Avista must be consistent with the methodologies used by the Northwest Power and Conservation Council (NWPPCC) as summarized in this subsection. (a) <u>Technical potential.</u> Determine the amount of conservation that is technically feasible, considering measures and the number of these measures that could physically be installed or implemented, without regard to achievability or cost. (b) <u>Achievable technical potential.</u> Determine the amount of the conservation technical potential that is available within the planning period, considering barriers to market penetration and the rate at which savings could be acquired. (c) <u>Economic achievable potential.</u> Establish the economic achievable potential, which is the conservation potential that is cost-effective, by comparing the total resource cost of conservation measures to the cost of other resources available to meet the expected demand for gas. A utility may use either of the following approaches to identify achievable economic potential: (i) Integrated portfolio approach. A utility may analyze, as a part of its integrated resource plan (IRP), the cost-effective potential of conservation resources over a range of potential future outcomes for unknown variables, such as future demand, costs, and resource availability. The achievable economic potential will be based on a resource plan that achieves a long-run lowest reasonable cost gas system considering all costs and quantifiable nonenergy costs and benefits. (ii) Benefit-cost ratio approach. A utility may establish economic achievable potential as those conservation measures or programs that pass a total resource cost test, in which the ratio of total benefits to total costs is one or greater. The benefit-cost calculation must use inputs that incorporate the cost of risks that would otherwise be reflected in an integrated portfolio approach. (d) <u>Total resource cost.</u> In determining economic achievable potential as provided in (c) of this subsection, perform a life-cycle cost analysis of measures or programs to determine the net levelized cost, as described in this subsection: (i) Conduct a total resource cost analysis that assesses all costs and all benefits of conservation measures regardless of who pays the costs or receives the benefits. (ii) Include the incremental savings and incremental costs of measures and replacement measures where resources or measures have different measure lifetimes. (iii) Calculate the value of the gas saved based on when it is saved. In performing this calculation, use time-differentiated avoided costs to conduct the analysis that determines the financial value of gas saved through conservation. (iv) Include the increase or decrease in annual or periodic operations and maintenance costs due to conservation measures. (v) Include avoided energy costs equal to a forecast of regional market prices plus variable	Yes	Avista has followed the processes described herein. See UG-230469 for Avista's CPA.

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			transportation costs (e.g., fuel and variable charges), which represents the cost of the next increment of gas available to the utility for the life of the energy efficiency measures to which it is compared. (vi) Include benefits from deferred infrastructure capacity costs for system capacity resources and distribution capacity resources required in peak load resource planning. (vii) Include the social cost of greenhouse gas emissions from avoided gas consumption. (viii) If necessary, include a risk mitigation credit to reflect the additional value of conservation, not otherwise accounted for in other inputs, in reducing the risk associated with costs of avoided nonconservation resources. If this value is negative, use a value of 0 for the risk mitigation credit. (ix) Include all nonenergy impacts that a resource or measure may provide that can be reasonably quantified and monetized. (x) Include an estimate of program administrative costs. (xi) Include the cost of financing measures using the capital costs of the entity that is expected to pay for the measure. (xii) Discount future costs and benefits at a discount rate equal to the weighted average cost of capital; and (xiii) Include a 10 percent bonus to the energy and capacity benefits of conservation measures as defined in 16 U.S.C. § 839a of the Pacific Northwest Electric Power Planning and Conservation Act. iii) This projection must be either identified through or included as input into Avista's most recent IRP. Avista must document any differences from the projection in the potential assessment and the IRP. iv) The CPA must include a list of each measure used in the potential, its unit energy savings value, first-year therm savings, customer incremental cost, life of the measure, any applicable nonenergy impacts, and the source of the values.		
BCP-G	UG-230898	3b	Avista must file a CPA by June 1, 2025, in a new docket. The CPA must be approved by the Commission per RCW 80.28.380.	Yes	See UG-230469.
BCP-G	UG-230898	4a	Process for acquiring all conservation. i) Process. Avista's obligation to identify and acquire all conservation measures that are available and cost-effective includes the following process: (1) <u>Identify potential</u> . Identify the cost-effective and available potential of possible technologies and conservation measures in Avista's service territory. (2) <u>Develop portfolio</u> . Develop a conservation portfolio that includes all available, cost-effective conservation. Avista must develop programs to acquire available conservation from all the types of conservation identified in (ii) of this subsection. The portfolio must include conservation programs and mechanisms intended to reduce the energy burden of low-income customers, including programs and mechanisms identified in Condition (4)(f) below or other utility planning processes. If no cost-effective conservation is available from one of the types of conservation, Avista is not obligated to acquire such a resource. (3) <u>Implement programs</u> . Implement conservation programs identified in the portfolio to the extent the portfolio remains cost-effective and available. Implementation methods shall not unnecessarily limit the acquisition of all available conservation that is cost-effective. (4) <u>Adaptively manage</u> . Continuously review and update as appropriate the conservation portfolio to adapt to changing market conditions and developing technologies. Avista must stay up to date on the latest developments in the conservation field and assess the potential of such developments for implementation in its service territory. ii) Types. Types of conservation include, but are not limited to: (1) End-use efficiency; (2) Behavioral programs; and (3) Market transformation. iii) Pilots. Avista must consider, in consultation with the Advisory Group, implementing pilot projects when appropriate and expected to produce cost-effective savings within the current or immediately subsequent biennium if the overall portfolio remains cost-effective.	Yes	Avista has followed the processes described herein and will include all relevant conservation acquisition information in its 2025 ACR/2024-2025 BCR.
BCP-G	UG-230898	4b	<u>Biennial conservation target</u> . Beginning January 2022, and every two years thereafter, Avista must establish a biennial conservation target. i) The biennial conservation target must identify, and quantify in therms, all conservation that is available and cost-effective. ii) The biennial conservation target must be based on the CPA developed under Condition 3 above and include any adjustments for known or expected site-specific projects. Avista must consult with the Advisory Group in determining how to set its target. iii) Excess conservation. No more than twenty-five percent of any biennial target may be met with excess	Yes	

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			conservation savings allowed by this condition. Excess conservation may only be used to mitigate shortfalls in the immediately subsequent two biennia and may not be used to adjust Avista's biennial target. The presence of excess conservation does not relieve Avista of its obligation to pursue the level of conservation in its biennial target. (1) Cost-effective conservation achieved over a biennial conservation target may be used to meet up to twenty percent of each of the immediately subsequent two biennial targets. (2) Avista may use single large facility conservation savings achieved over its biennial target to meet up to 10 percent of each of the immediately subsequent two biennial conservation targets. If Avista believes it has a project that may constitute a "single large facility", it should work with its Advisory Group to determine how to meet this condition.		
BCP-G	UG-230898	4c	<u>Prudence</u> . Avista retains the responsibility to demonstrate the prudence of all conservation expenditures.	Yes	
BCP-G	UG-230898	4d	<u>Energy savings</u> . When available, Avista must use unit energy savings values and standard protocols approved by the regional technical forum. Unit energy savings value or standard protocol should be: i) Based on generally accepted methods, impact evaluation data, or other reliable and relevant data that includes verified savings levels; ii) Or based on territory-specific values determined from pre/post billing EM&V activities, and iii) Presented to its advisory group for review. The Commission retains discretion to determine an appropriate value or protocol.	Yes	
BCP-G	UG-230898	4e	<u>Applicable sectors</u> . Avista must offer a mix of conservation programs to ensure it is serving each customer sector, including programs targeted to the low-income subset of residential customers.	Yes	
BCP-G	UG-230898	4f	Low-income conservation. i) Avista must fully fund low-income conservation measures that are determined by the implementing agency to be cost-effective consistent with either the <i>Weatherization Manual</i> maintained by the Washington State Department of Commerce or when it is cost-effective to do so using utility-specific avoided costs. For purposes of this subsection, "fully fund" does not prohibit the agency leveraging other funding sources, in combination with utility funds, to fund low-income conservation projects. Measures identified through the priority list in the <i>Weatherization Manual</i> are considered cost-effective. In addition, Avista may fully fund repairs, administrative costs, and health and safety improvements associated with cost-effective low-income conservation measures. Avista shall maintain a project cost allowance of thirty percent (30%) for Administrative/Indirect Rate associated with the delivery of low-income conservation measures. ii) Avista's biennial conservation plan must include low-income conservation programs and mechanisms identified. To the extent practicable, Avista must prioritize energy assistance to low-income households with a higher energy burden. iii) Avista must exclude low-income conservation from portfolio-level cost-effectiveness calculations. Avista must account for the costs and benefits, including nonenergy impacts, which accrue over the life of each conservation measure. iv) Avista must count savings from low-income conservation toward meeting its biennial conservation target. Savings may be calculated consistent with the procedures in the <i>Weatherization Manual</i> .	Yes	
BCP-G	UG-230898	5a	Biennial conservation plan. i) On or before November 15 of every odd-numbered year, Avista must file with the Commission a biennial conservation plan. ii) The plan must include, but is not limited to: (1) The extent of public participation in the development of the ten-year conservation potential and the biennial conservation target. (2) The ten-year conservation potential, the biennial conservation target, biennial program details, biennial program budgets, and cost-effectiveness calculations. (3) A description of the technologies, data collection, processes, procedures, and assumptions Avista used to develop the figures in Condition 5(a)(ii)(2). (4) A description of and support for any changes from the assumptions or methodologies used in Avista's most recent conservation potential assessment. (5) An evaluation, measurement, and verification plan for the biennium including, but not limited to: (a) The evaluation, measurement, and verification framework. (b) The evaluation, measurement, and verification budget; and (c) Identification of	Yes	This is a standard practice at Avista, as the company's natural gas efficiency planning complies with the electric WAC 480-109-120(1), which is almost identical to this condition.

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			programs that will be evaluated during the biennium. iii) For this section, the ten-year conservation potential is derived from Condition 3 above. iv) Program details must be maintained and updated as necessary in Avista's conservation tariff throughout the biennium, under Condition 8 below.		
BCP-G	UG-230898	5b	Annual conservation report. i) On or before June 15 of each year, Avista must file with the Commission, in the same docket as its current biennial conservation plan, an annual conservation report regarding its progress in meeting its conservation target during the preceding year. ii) The annual conservation report must include, but is not limited to: (1) The biennial conservation target. (2) Planned and claimed gas savings from conservation, including a description of the key sources of variance between the planned and actual savings. (3) Budgeted and actual expenditures made to acquire conservation through the conservation cost recovery adjustment described in Condition 12. (4) The portfolio- and program-level cost-effectiveness of the actual gas savings from conservation. (5) All program evaluations completed in the preceding year. (6) A discussion of the steps taken to adaptively manage conservation programs throughout the preceding year.	Yes	This is a standard practice at Avista, as the company's natural gas efficiency planning complies with the electric WAC 480-109-120(3), which is almost identical to this condition (with the exception of 3(c) of the stated WAC).
BCP-G	UG-230898	5c	Biennial conservation report. i) Beginning in 2024, on or before June 15 of each even-numbered year, Avista must file with the Commission, in the same docket as its current biennial conservation plan, a biennial conservation report regarding its progress in meeting its conservation target during the preceding two years. ii) The biennial conservation report must include: (1) The biennial conservation target. (2) Planned and claimed gas savings from conservation. (3) Budgeted and actual expenditures made to acquire conservation. (4) The portfolio-level cost-effectiveness of the actual gas savings from conservation. (5) An independent third-party evaluation of portfolio-level biennial conservation savings achievement. (6) A summary of the steps taken to adaptively manage conservation programs throughout the preceding two years; and (7) Any other information needed to justify the conservation savings achievement. iii) Avista must provide a summary of the biennial conservation report to its customers by bill insert or other suitable method within ninety days of the Commission's final action on the report. iv) Avista may file the annual conservation report and the biennial conservation report together as one report, provided that the report includes all the information required in subsections (c) and (d) of this condition and states that it serves as both the annual conservation report and the biennial conservation report.	Yes	This is a standard practice at Avista, as the company's natural gas efficiency planning complies with the electric WAC 480-109-120(4), which is almost identical to this condition.
BCP-G	UG-230898	5d	Plan and report review. i) Interested persons may file written comments regarding the biennial conservation plan and biennial conservation report within thirty days of Avista's filing. ii) Upon conclusion of the Commission review of Avista's biennial report or plan, the Commission will issue a decision accepting or rejecting the calculation of Avista's conservation target; or determining whether Avista has acquired enough conservation resources to comply with its conservation target. If Avista does not meet its biennial conservation target described in Condition 1(a), the Commission will determine the amount in terms by which Avista was deficient. iii) Biennial plans and reports may be reviewed through the Commission's open meeting process, as described in chapter 480-07 WAC.	Yes	This is a standard practice at Avista, as the company's natural gas efficiency planning complies with the electric WAC 480-109-120(5), which is almost identical to this condition.
BCP-G	UG-230898	5e	<i>Publication of reports.</i> Beginning with the 2022-2023 BCP, all conservation plans and reports required by Commission order as well as a summary of planned and actual savings and expenditures reflected in the plans and reports, must be posted and maintained on Avista's website. Plans and reports must be posted on Avista's website within thirty days of Commission acknowledgment of the plan or order approving the report. A copy of any such plan, report, or summary must be provided to any person upon request.	Yes	This is a standard practice at Avista, as the company's natural gas efficiency planning complies with the electric WAC 480-109-120(6), which is almost identical to this condition.
BCP-G	UG-230898	6a	Avista must use its Advisory Group, initially created under UG-941378, to advise Avista on conservation issues including but not limited to: i) Conservation programs and measures. ii) Updates to Avista's evaluation,	Yes	Avista has consulted with its advisory group on

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			measurement, and verification framework. iii) Modification of existing, or development of new evaluation, measurement, and verification methods. iv) Independent third-party evaluation of portfolio-level biennial conservation achievement. v) Development of conservation potential assessments. vi) The methodology, inputs, and calculations for cost-effectiveness. vii) The data sources and values used to develop and update supply curves. viii) The need for tariff modifications or mid-biennium program corrections. ix) The appropriate level of planning for: (1) Marketing conservation programs. (2) Incentives to customers for measures and services; and (3) Impact, market, and process evaluations. x) Programs for low-income residential customers. xi) Establishment of the biennial conservation target and program achievement results compared to the target. xii) Conservation program budgets and actual expenditures compared to budgets. xiii) Development and implementation of new and pilot programs.		all of these items over the 2024-2025 biennium.
BCP-G	UG-230898	6b	<i>Advisory group meetings.</i> Avista must meet with its conservation advisory group at least four times per year. Conservation advisory group members may request additional meetings. Avista must provide reasonable advance notice of all conservation advisory group meetings.	Yes	Avista held four meetings in 2024 and five meetings in 2025.
BCP-G	UG-230898	6c	<i>Advance notification of filings.</i> Except for the conservation cost recovery adjustment filing required in Condition 12, Avista must provide its conservation advisory group an electronic copy of all conservation filings that Avista intends to submit to the Commission at least thirty days in advance of the filing. The filing cover letter must document the amount of advance notice provided to the conservation advisory group.	Yes	This is standard practice at Avista, as the company already complies with the electric WAC 480-109-110(3).
BCP-G	UG-230898	6d	<i>Advance notification of meetings.</i> Avista must notify its conservation advisory group of public meetings scheduled to address its conservation programs, its conservation tariffs, or the development of its conservation potential assessment.	Yes	Avista's EEAG was notified of all company and commission public meetings in 2024 and 2025.
BCP-G	UG-230898	6e	Avista must notify Advisory Group members of all public meetings scheduled to address Avista's integrated resource plan. Avista must also coordinate a meeting with Advisory Group members and the entity conducting the CPA addressing the scope and design of the CPA. This meeting must be held early enough in the integrated resource plan public process to incorporate the group's advice. Avista must notify Advisory Group members of IRP advisory group meetings that present the Company's gas price forecasts and resource cost assumptions used in the development of the company's integrated resource plan.	Yes	Avista's EEAG was notified of all meetings pertaining to the CPA as well as the IRP.
BCP-G	UG-230898	6f	Avista must consult with the Advisory Groups starting no later than July 1, 2025, to begin to identify achievable conservation potential for 2026-2035 and to begin to set annual and biennial targets for the 2026-2027 biennium, including necessary revisions to program details.	Yes	Avista held a meeting for this purpose on June 25, 2025.
BCP-G	UG-230898	6g	Avista must inform the Advisory Group members when its projected expenditures indicate that Avista will spend more than 120 percent or less than 80 percent of its annual conservation budget.	Yes	Avista discussed current budget and tariff rider balances at its Spring EEAG meeting on May 13, 2025.
BCP-G	UG-230898	6h	Before filing its Biennial Conservation Plan, Avista must provide the following information to the Advisory Group: draft ten-year conservation potential and two-year target no later than August 1, of odd-numbered years; draft program details, no later than September 15, of odd-numbered years; and draft program tariffs no later than October 16, of odd-numbered years.	Yes	
BCP-G	UG-230898	7	Annual Budgets and Energy Savings. Avista must provide its proposed budget to the Advisory Group in a detailed format with a summary page indicating the proposed budget and savings levels for each conservation program, and subsequent supporting information in a spreadsheet or any alternate format that is adequately transparent, subject to approval by Commission Staff, providing	Yes	This information is included in Avista's the 2024-2025 BCP.

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			further detail for each program and line item shown in the summary sheet. The proposed budget must also be filed in support of any cost recovery filing, along with any other necessary workpapers. Avista must allocate a reasonable amount of its program budget (as determined through consultation with the Advisory Group) towards pilot programs, research, and data collection.		
BCP-G	UG-230898	8	Program Details. Avista must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed and updated in this docket. Avista must consult its Advisory Group per Condition 6 above before making changes to program details. Avista must notify the Advisory Group when it files updated measures, incentives, or eligibility requirements.	Yes	Avista's conservation tariffs remain on file with the commission and are updated as needed, in consultation with the EEAG.
BCP-G	UG-230898	9a	Avista has identified several potential conservation measures described in the BCP. The Commission is not obligated to accept savings identified in the BCP for purposes of compliance with the targets detailed in this Order.	Yes	NA
BCP-G	UG-230898	9b	When Avista proposes a new or significant change to a program, pilot, or tariff schedule, it must present the program to the Advisory Group with program details fully defined, to the extent practicable. The Advisory Group, after consultation, may advise if a revision to the Conservation Plan in this docket is necessary.	Yes	Avista consulted with its EEAG on all new programs introduced in 2024 and 2025, as well as revisions to existing programs.
BCP-G	UG-230898	9c	Avista must spend a reasonable (as determined through consultation with the Advisory Group) amount of its conservation budget on evaluation, measurement, and verification (EM&V), including a reasonable proportion on independent, third-party EM&V. Avista must perform EM&V annually on a maximum four-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market, and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes.	Yes	Avista procured an independent third-party EM&V vendor to perform impact and process evaluations, as well as cost effectiveness analysis, for Avista's program portfolio.
BCP-G	UG-230898	9d	A final report for the current biennium may be implemented in phases and delivered as a final product at an earlier date, as needed, by Avista.	In progress	Avista filed its 2024 ACR on May 30, 2025. Avista will file its 2025 ACR, as well as its 2024-2025 BCR, on or before June 1, 2026.
BCP-G	UG-230898	10a	Modifications to the programs must be filed with the Commission as revisions to tariffs or as revisions to Avista's current Conservation Plan, as determined in consultation with the Advisory Group.	Yes	Program modifications were outlined in the 2024 and 2025 ACPs. All draft revisions for 2024-2025 have been shared and circulated with Avista's EEAG.
BCP-G	UG-230898	10b	Incentives and Conservation Program Implementation — Programs, program services, and incentives may be directed to consumers, retailers, manufacturers, trade allies, or other relevant market actors as appropriate for measures or activities that lead to gas energy savings. Avista must work with the Advisory Group to establish a balanced portfolio of measures that provides savings from a variety of savings types and meets the needs of a broad spectrum of Avista customers.	Yes	No new action beyond what has been discussed with the EEAG and/or filed in a plan or report.
BCP-G	UG-230898	10c	Conservation Efforts without Approved EM&V Protocol — Avista may spend up to 10 percent of its conservation budget on programs whose savings impact has	Yes	Done.

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			not yet been measured if the overall portfolio of conservation passes the primary cost-effectiveness test used by the Commission. These programs may include information-only, and pilot projects. Avista may ask the Commission to modify this spending limit, following the Advisory Group consultation. i) Information-only services refer to those information services that are not associated with an active incentive program or that include no on-site technical assistance or on-site delivery of school education programs. Information-only services and behavior change services must be assigned no quantifiable energy savings value without the full support of the Advisory Group. ii) If quantifiable energy savings have been identified and Commission-approved for any aspect of such programs, the budget associated with that aspect of the program will no longer be subject to this 10 percent spending restriction.		
BCP-G	UG-230898	11a	The cost-effectiveness analysis required by RCW 80.28.380 must include the costs of greenhouse gas emissions established in RCW 80.28.395.	Yes	Incorporation of the social cost of greenhouse gas is standard practice for Avista as part of its least reasonable cost analysis and optimization within its resource planning process.
BCP-G	UG-230898	11b	For the 2022-2023 biennium, Avista must use the modified Total Resource Cost Test (TRC), consistent with the Council, as its primary cost-effectiveness test. The modified TRC test includes all quantifiable nonenergy impacts, a risk adder, and a 10 percent conservation benefit adder. Avista's portfolio must pass the modified TRC test. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0, consistent with the Council's methodology. i) In 2024-2025, Avista must participate in any docket where the appropriate cost-effectiveness test and discount rate to be used for gas conservation is debated. ii) Beginning with the 2024-2025 biennium, Avista must either: (1) Employ the cost-effectiveness test developed through the stakeholder process described in Condition 11(b)(i); (2) Employ a properly balanced TRC, as described in the Commission's 2013 natural gas conservation policy statement; or (3) Employ a different cost-effectiveness test as determined in conjunction with Commission Staff and the Advisory Group.	Yes	Beginning with the 2022-2023 biennium, Avista has followed the UCT methodology. Avista follows option 2, a properly-balanced TRC, as described in the commissions 2013 natural gas conservation policy statement. Avista shared these plans with its advisory group at its Fall 2023 meeting.
BCP-G	UG-230898	11c	Avista must also provide calculations of the Program Administrator Cost Test (also called the Utility Cost Test) as described in the National Action Plan for Energy Efficiency's study "Understanding Cost-Effectiveness of Energy Efficiency Programs," (November 2008; located at: https://www7.eere.energy.gov/seeaction/system/files/documents/understanding-cost-effectiveness-ee-programs.pdf).	Yes	This is a standard practice at Avista.
BCP-G	UG-230898	11d	Avista must provide calculations of both the TRC and UCT in its plans and reports.	Yes	This is a standard practice at Avista.
BCP-G	UG-230898	11e	Conservation-related administrative costs must be included in portfolio-level analysis.	Yes	Included.
BCP-G	UG-230898	12a	Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances. Avista must include its conservation cost recovery procedures in its tariff.	Yes	This is a standard practice at Avista.
BCP-G	UG-230898	12b	Scope of Expenditures — Funds collected through the Gas Conservation Service Rider must be used on approved conservation programs and their administrative costs.	Yes	No action needed.
BCP-G	UG-230898	12c	Recovery for Each Customer Class — Avista shall retain existing cost recovery mechanisms, subject to the Commission's Order in Docket UG-230898.	Yes	This is a standard practice at Avista.
BCP-G	UG-230898	12d	Avista must file revisions to its cost recovery tariff (Schedule 191) by June 1 each year, with a requested effective date of August 1 of that same year.	Yes	Avista did not file any revisions to its Schedule 191 cost

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					recovery tariff for 2024, as no adjustments were needed. See UG-250418 for Avista's approved Schedule 191 cost recovery adjustment filing for 2025.
BCP-G	UG-230898	12e	Avista may not accrue interest or incur carrying charges on deferred conservation cost balances. Utilities must base conservation recovery rates on forward-looking budgeted conservation program costs for the future year with revisions to recover only actual program costs of the prior year. Utilities must also include the effects of variations in actual sales on the recovery of conservation costs in the prior year.	Yes	This is a standard practice at Avista.
BCP-G	UG-230898	13a	<i>Low-Income Programs.</i> i) Avista must demonstrate progress toward sustained energy burden reductions during the 2024-2025 biennium by, at a minimum, funding all eligible and cost-effective low-income conservation measures as described in Condition 4(f). (1) Avista's biennial report must include the contribution from low-income conservation programs toward sustained energy burden reductions. The report must include the number of participants and any other information that demonstrates progress as described above. The utility should include a discussion of barriers to success, options for overcoming these barriers, and potential uses for increased low-income conservation funding. (2) Energy savings from low-income conservation measures will be counted toward conservation goals. (3) Avista may, after consultation with advisory groups, fully fund repairs, administrative costs, and health and safety improvements associated with cost-effective low-income conservation measures. These costs are excluded from portfolio cost-effectiveness calculations.	Yes	Avista has met conditions i) and ii) through its inclusion of low-income programs in its plans and reports. iii) Avista fully funds repairs, admin costs, and health and safety improvements as described in this condition.