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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION FOR)	CASE NO. AVU-E-25-10
APPROVAL TO INCREASE ITS ENERGY)	
EFFICIENCY TARIFF RIDER)	APPLICATION OF AVISTA
ADJUSTMENT SCHEDULE 91)	

In accordance with Idaho Code §61-502 and Idaho Public Utilities Commission Modified Procedure Rule (RP) 052, Avista Corporation, doing business as Avista Utilities (“Avista” or “Company”), at 1411 East Mission Avenue, Spokane, Washington, hereby respectfully applies to the Idaho Public Utilities Commission (“Commission”) for an order authorizing Avista to increase to its electric tariff, I.P.U.C. No. 28, Schedule 91, “Energy Efficiency Rider Adjustment” rates, effective October 1, 2025.

Avista’s Schedule 91 is tariff rider rate adjustment designed to recover costs incurred by the Company associated with providing cost-effective energy efficiency services and programs to customers. The tariff rider mechanism is intended to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods’ actual expenditures and collections. The purpose of this filing is to establish tariff riders that are sufficient to fund the following twelve (12) months’ expenditures

of the Company's Electric Energy Efficiency Program, as well as amortize any tariff rider imbalance, thus minimizing the amount of future under-or-over-collections. In this filing, Avista proposes to increase billed electric rates by approximately 1.2% through proposed revisions in Schedule 91, with a requested effective date of October 1, 2025. The Company also requests that this filing be processed under the Commission's Modified Procedure Rules (RP 201-204).

All communications, pleadings, and orders with respect to this Application should be directed to:

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I. BACKGROUND

Avista's Schedule 91 funds the Electric Energy Efficiency Program as described in the Company's Schedule 90. All revenue derived through Schedule 91 is applied only to the provision of electric efficiency services, including programs offered by the Company directly, through designated contractors, or as part of regional electric programs, as well as evaluation,

measurement, and verification (“EM&V”) of these programs. These programs include, but are not limited to, behavioral programs, low-income weatherization, Northwest Energy Efficiency Alliance (NEEA) participation, and provision of incentives for various energy efficiency measures such as appliances, compressed air, HVAC, industrial, lighting, maintenance, motors, shell, and sustainable buildings. The Company’s programs are based on providing a financial incentive, or “rebate,” for cost-effective efficiency measures, or a direct customer benefit, such as a direct-install service or home energy audit. Avista also offers Midstream programs, through which incentives are paid to distributors to ensure that energy efficient HVAC, water heating and kitchen equipment is always available in the market for customers to purchase.

While several metrics are applied to determine the costs and benefits of these programs, the Utility Cost Test (UCT) and Total Resource Cost (TRC) test are most often utilized for purposes of determining cost-effectiveness and to provide insights into program efficacy.¹ Idaho’s energy efficiency programs focus primarily on the UCT as its benchmark for cost-effectiveness. Ratios over 1.0 illustrate that benefits exceed costs.

As of June 30, 2025, the current Schedule 91 (electric) tariff rider balance was approximately \$17 million underfunded. Underfunded balances indicate that not enough tariff rider funding was collected to fund the actual ongoing costs of the Energy Efficiency Program operations. This underfunded balance was driven by two main factors. The most notable factor leading to this balance is the unanticipated level of customer participation in the Company’s Small Business Lighting direct-install program. This program has, and continues to be, a successful

¹ The Total Resource Cost test measures the net costs of an energy efficiency program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. Further, it includes the impact of any quantifiable non-energy impacts that may be associated with the equipment installed. In comparison, the Utility Cost Test measures the net costs of an energy efficiency program as a resource option based on the costs incurred only by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. The benefits are similar to the TRC benefits, however, exclude non-energy impacts; costs are therefore defined more narrowly.

source of energy savings for Avista and its customers – with throughput much higher than anticipated. This massive increase in participation continues to drive much higher than expected energy savings, which, in turn, propels increases in the overall costs of Avista’s Electric Energy Efficiency Program. Second, the Company’s Midstream program, while to a lesser degree than those resulting from the Small Business Lighting direct install program, has also been a large contributor to increased energy efficiency program costs, again because of higher than expected customer participation.

To best support these increases in customer participation and associated increases in costs of the Electric Energy Efficiency Program, the Company is proposing to increase rates collected in Schedule 91 to bring the forecasted tariff balance close to \$0 by September 30, 2028; this approach will provide an appropriate level of funding for Avista’s Energy Efficiency Program for the next thirty-six (36) months and minimize the continued under collection of tariff rider funds over this three-year period. By extending the collection period over a longer period of time, the Company is attempting to align the collection of revenue in Schedule 91 more closely with the annual Energy Efficiency Program budget, thus minimizing the future rate impact to customers.

IV. REQUEST FOR APPROVAL

Avista is proposing an increase in the rates and charges in Schedule 91, to become effective October 1, 2025. The estimated annual revenue change associated with this filing is an annual increase of approximately \$3.6 million for electric Schedule 91, or an increase of 1.2% in overall billed rates. Residential customers using an average of 939 kilowatt-hours per month would see their monthly bills increase from \$116.71 to \$118.03, an increase of \$1.32 per month, or 1.1%. Attachment A to this Application provides the corresponding workpapers and rate calculations for the revisions to the Energy Efficiency Rider Adjustment described herein. Additionally, the

proposed revisions to tariff Schedule 91 are provided as Attachment B to this filing, including the proposed revisions in legislative format per RP 121.

V. CUSTOMER NOTIFICATION

In conformance with RP 125, this Application will be brought to the attention of the Company's customers by way of a customer notice, provided as Attachment C to this filing, which will be included in customer bills beginning in early August 2025 and run for a full billing cycle. Notice will also be given simultaneously with the filing, by posting of the Application to the Company's website at myavista.com.

VI. CONCLUSION

Avista hereby respectfully requests the Commission issue its Order finding the proposed rates and charges in Schedule 91, attached to this Application as Attachment B, to be fair, just, reasonable and nondiscriminatory, and effective for electric service rendered on and after October 1, 2025, with this Application processed under the Commission's Modified Procedure Rules through the use of written comments.

DATED this 31st day of July 2025.

Respectfully submitted,

Avista Utilities

By: /s/ Patrick Ehrbar
Patrick D. Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	0.298 ¢ per kWh	Schedule 25	0.151 ¢ per kWh
Schedule 11 & 12	0.156 ¢ per kWh	Schedule 25P	0.123 ¢ per kWh
Schedule 21 & 22	0.824 ¢ per kWh	Schedule 31 & 32	0.287 ¢ per kWh
Schedules 41 - 49	1.097 ¢ per kWh		

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued July 31, 2025

Effective October 1, 2025

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



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MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	0.158 ¢ per kWh	Schedule 25	0.084 ¢ per kWh
Schedule 11 & 12	0.129 ¢ per kWh	Schedule 25P	0.067 ¢ per kWh
Schedule 21 & 22	0.130 ¢ per kWh	Schedule 31 & 32	0.146 ¢ per kWh
Schedules 41 - 49	0.555 ¢ per kWh		

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

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MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	<u>0.298</u> ¢ per kWh	Schedule 25	<u>0.151</u> ¢ per kWh
Schedule 11 & 12	<u>0.156</u> ¢ per kWh	Schedule 25P	<u>0.123</u> ¢ per kWh
Schedule 21 & 22	<u>0.824</u> ¢ per kWh	Schedule 31 & 32	<u>0.287</u> ¢ per kWh
Schedules 41 - 49	<u>1.097</u> ¢ per kWh		

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