



**Avista Corp.**

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May 29, 2026

Jeff Killip,  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
621 Woodland Square Loop SE  
Lacey, Washington 98503

Re: Tariff WN U-28, Electric Service – WA Renewable Energy Credit Revenue Mechanism

Dear Mr. Killip:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective August 1, 2026:

**Twelfth Revision Sheet 98 Canceling Eleventh Revision Sheet 98**

The proposed tariff sheet reflects an electric rate adjustment to collect from customers the surcharge balance related to Renewable Energy Credits (“RECs”). In Dockets UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to file an adjustment to the REC Revenue rebate on or before April 1, 2016, and each year thereafter, to reflect both the under- and over-amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period.<sup>1</sup> In Dockets UE-220053, UG-220054, UE-210854 (Consolidated) the effective date was moved from July 1 to August 1 to coincide with other rate changes<sup>2</sup>. As a result, this year’s annual filing reflects the projected un-amortized balance from the current rebate through July 2026 as well as the projected net REC revenue for the August 2026 – July 2027 time period. The new rates are proposed to go into effect August 1 for a twelve-month period.

The net REC revenue surcharge balance in this year’s filing is driven by a reduction in the number of RECs available to sell. As noted in last year’s filing, the need for RECs to retire for compliance (RPS/CETA/CCA) continues to escalate, resulting in a minimal number of excess RECs available to sell. This has resulted in the bulk of the deferral balance recorded, and forecasted through July 2027, being related to the allocation of the cost to retire RECs generated by the Company’s system resources. In the past, these costs have been offset by excess REC sales resulting in a net rebate to

<sup>1</sup> See Dockets UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

<sup>2</sup> See Final Order 10/04 in Dockets UE-220053, UG-220054, UE-210854 (Consolidated) p. 44-45

customers, however with little to no excess RECs available, we expect a net surcharge going forward.

As provided in the workpapers accompanying this filing, the total surcharge effective August 1, 2026 of \$5.5 million is an increased cost to electric customers of approximately \$6.6 million, or 0.8%, compared to the current rebate in effect of approximately \$1.1 million. Below, Table 1 illustrates the change in the REC rebate balance compared to last year and Table 2 illustrates the impact by rate schedule:

**Table 1 - Change in REC Rebate**

	(\$ in millions)
Expected REC Deferral Balance July 31, 2026 ( <u>surcharge</u> )	\$ 5.1
REC Revenue - August 2026 - July 2027	-
Interest and Revenue Conversion Factor	0.4
Total REC Deferral August 2024 - July 2027 ( <u>surcharge</u> )	\$ 5.5
Current Rebate	1.1
<b>Change in REC Tariff Revenue (rate increase)</b>	<b>\$ 6.6</b>

**Table 2 - Impact by Rate Schedule**

Schedule No.	Rate Schedule	Change in Billed Revenue
1/7/8	Residential	0.8%
11/12/13/17/18	General Service Schedule	0.6%
21/22/23	Large General Service Schedule	0.8%
25/25I	Ext. Lg General Service Schedule	1.3%
31/32	Pumping Service Schedule	0.8%
41-48	Street and Area Lights	0.2%
<b>Overall</b>		<b>0.8%</b>

The change in revenues has no effect on Avista's earnings. Enclosed is a set of workpapers which shows the derivation of the proposed per kilowatt-hour rate proposed to be effective for a twelve-month period beginning August 1, 2026.

The average residential customer using 925 kWhs per month will see an increase of \$1.03 per month, or approximately 0.8%. The present bill for 925 kWhs is \$124.23 while the proposed bill is \$125.26. The actual bill change will vary based on customer usage.

In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the June 2026 bill cycle.

Please direct any questions regarding this filing to Marcus Garbarino at (509) 495-2567.

Sincerely,  
/s/ *Patrick D. Ehrbar*

Patrick D. Ehrbar  
Director of Regulatory Affairs



AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 98

RENEWABLE ENERGY CREDIT REVENUE MECHANISM - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Renewable Energy Credit Revenue Mechanism 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 rebate will be based on the projected net REC revenues for the August 2026 through July 2027 time period, as well as a true-up of the amortization of the prior rebate in effect from August 1, 2025 through July 31, 2026. Interest on the deferred balance will accrue at the after-tax cost of capital interest rate (6.8059%) from the Company's most recent approved general rate case (UE-240006). The revenue conversion factor used in the development of the rates set forth below will be from the Company's most recent approved general rate case (UE-240006).

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MONTHLY RATE:

The rate spread is based on the generation allocation factor E02 from the Company's most recent approved general rate case (UE-240006). The energy charges of the individual rate schedules are to be increased by the following amounts:

(C)

Schedules 1, 7 & 8	0.093¢ per kWh
Schedules 11, 12, 13, 17 & 18	0.092¢ per kWh
Schedules 21, 22 & 23	0.100¢ per kWh
Schedules 25 & 25l	0.091¢ per kWh
Schedules 31 & 32	0.091¢ per kWh
Schedules 42 – 48	0.105¢ per kWh

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TERM:

On or before June 15, every year, the Company will file to adjust rates with an effective date of August 1.

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 May 29, 2026

Effective August 1, 2026

Issued by Avista Utilities  
By

Patrick Ehrbar, Director of Regulatory Affairs

