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August 31, 2026

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

RE: **Avista Utilities Tariff WN U-28, Schedule 64, Clean Energy Implementation Plan Proposed Modifications**

Dear Mr. Killip:

Attached for filing with the Washington Utilities and Transportation Commission (Commission) is Avista Corporation's, dba Avista Utilities (Avista or the Company), proposed modifications to electric tariff sheets, WN U-28 – Electric Service:

Second Revision Sheet 64 Cancelling First Revision Sheet 64

I. PURPOSE

The purpose of this filing is to modify Avista's tariff Schedule 64, which outlines the cost recovery related to implementation of the Company's 2021 and 2025 Clean Energy Implementation Plan (CEIP). Avista is requesting approval of its proposed tariff schedule modifications with an effective date of November 1, 2026.

II. BACKGROUND

Pursuant to WAC 480-100-640, Avista files a CEIP every four years with its first CEIP submitted October 1, 2021[1] and its second on October 1, 2025.[2] Each CEIP describes the Company's interim and specific clean energy targets, specific actions it will take towards achieving those targets, and identifying Customer Benefit Indicators (CBIs) designed to measure progress.

[1] Conditionally approved in Docket UE-210628, Order 01.
[2] Conditionally approved in Docket UE-250746, Order 01

In order to implement the CEIP and associated conditions, the Company filed a deferred accounting petition (Petition) to defer the costs required to implement the CEIP.[3] Included in the Petition and as described more fully below, in its 2021 CEIP, Avista proposed to implement a Named Communities Investment Fund (NCIF) as a specific action to be dedicated to the equitable distribution of energy and non-energy benefits and reduction in burdens to Vulnerable Populations and Highly Impacted Communities jointly referred to as Named Communities. The Company originally requested to defer implementation costs until such time that it could propose recovery in base rates during its next general rate case (i.e., its 2024 rate case with rates effective December 21, 2024). The Company's Petition was approved on July 28, 2022, with an effective date starting June 16, 2022 (approval date of Avista's 2021 CEIP)[4] with a proposal to begin amortizing deferred costs on August 1, 2023.

On August 30, 2024,[5] Avista filed its proposed Clean Energy Implementation Rate Adjustment Tariff Schedule 64 (Schedule 64) to recover annual CEIP related expenses incurred through June 30, 2024, which became effective by operation of law on November 1, 2024.[6] On August 29, 2025, the Company updated Schedule 64 to recover expenses incurred between July 1, 2024 – June 30, 2025, which became effective by operation of law on November 1, 2025.[7]

The proposed tariff modifications in this filing include deferred CEIP related labor and non-labor expenses incurred between July 1, 2025 – June 30, 2026. Costs included in this deferral may span multiple fiscal reporting periods or CEIP implementation periods. As such, the costs requested for recovery in this reporting period may or may not reflect total project costs.

III. CLEAN ENERGY IMPLEMENTATION PLAN & NAMED COMMUNITY INVESTEMNT FUND INCREMENTAL SPEND

To implement its CEIP, the Company incurred incremental labor and non-labor charges related to the delivery of the CEIP and projects under the NCIF. As listed in Table No. 1 below, the Company is seeking recovery of approximately $2 million CETA related costs for the period of July 1, 2025, through June 30, 2026.

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[3] Docket UE-220350.

[4] Docket UE-220350, Order 01.

[5] Due to minimal deferred NCIF costs through mid-2023, the Company did not begin amortization of deferred costs on August 1, 2023, as proposed in its Petition. Additionally, considering the relatively minimal and uncertain nature of the other new costs associated with implementing the 2021 CEIP, Avista did not include them in its 2024 general rate case. As such, on March 25, 2024, Avista filed for an amendment to Order 01 in Docket UE-220350 requesting that the Company be allowed to (1) defer costs associated with the implementation of its 2021 CEIP beyond December 21, 2024, (2) defer costs associated with the implementation of future CEIPs, and (3) to treat the approved deferral as a balancing account when the Company seeks to recover the deferral. On May 9, 2024, the Commission issued order 02 in Docket UE-220350 approving the amendments.

[6] Docket UE-240656.

[7] Docket UE-250660.

Table No. 1 – CEIP & NCIF Incremental Summary

Category	Labor	Non-Labor	Total
Clean Energy Implementation Plan	$ 266,922.64	$ 142,015.38	$ 408,938.02
Named Community Investment Fund	$ -	$ 1,601,270.80	$ 1,601,270.80
Total	**$ 266,922.64**	**$ 1,743,286.18**	**$ 2,010,208.82**

CEIP Incremental Labor

To support the implementation of its CEIP work, the Company added three full-time incremental roles: an Electric Distribution Planning Engineer, a Clean Energy Project Manager, and a Customer Engagement Manager. The Electric Distribution Planning Engineer in the System Planning Department was hired at the end of December 2022 to support the additional CEIP requirements of the Distributed Energy Resource (DER) Potential Study and the Distribution Planning Advisory Group (DPAG). Under the Clean Energy Strategy Department, a project manager role was hired in January 2023 to support projects resulting from the NCIF and other clean energy related initiatives and pilots. In the Community Vitality and Economic Growth Department, a customer engagement manager was hired in January 2024 to manage the Equity Advisory Group (EAG) and pursue community engagements related to Avista's CEIP. As listed in Table No. 1 above, the incremental labor associated with these roles totaled $266,922.64 between July 1, 2025 – June 30, 2026.

CEIP Incremental Non-Labor

The Company's non-labor costs associated with its CEIP work totaled $142,015.38 between July 1, 2025 – June 30, 2026. Table No. 2 below includes an itemization of the charges and Appendix A includes a narrative description of each.

Table No. 2 – CEIP | Incremental Non-Labor Spend Detail

Clean Energy Implementation Plan	Non-Labor
Acxiom	$ 66,769.20
Cedar Plank	$ 10,795.00
Desautel Hege (DH)	$ 4,790.67
Dynamic Language	$ 9,840.27
EAG Stipend	$ 7,920.00
Hanna & Associates	$ 9,386.24
In-Person EAG Meeting	$ 1,269.53
Little Fish Productions	$ 22,044.18
National Color Graphics	$ 2,479.00
Th Fig Tree	$ 62.19
Survey Monkey	$ 5,930.49
Social Media Advertising	$ 667.01
Spokane Tribe Microgrid	$ 61.60
Total	**$ 142,015.38**

IV. NAMED COMMUNITY INVESTMENT FUND

NCIF | Overview

Avista proposed the NCIF in its 2021 CEIP as a specific action the Company would take to assist with the equitable distribution of energy and non-energy benefits and reduction in burdens in Named Communities. The Company committed up to $5 million for the NCIF, with $3 million dedicated to community related projects and $2 million to supplement non-cost-effective energy efficiency projects. Although projects may receive funding from both Energy Efficiency and Community portions of the NCIF, the filing discussed herein will not address the energy efficiency costs, as those costs are recovered through Avista's Demand Side Management Rate Adjustment Tariff Schedule 91.

NCIF | Prioritization Methodology

A prioritization matrix for projects, shown in Table No. 3 below, was developed in collaboration with Avista's EAG[8] to ensure an equity lens is provided for all NCIF project funding decisions. The Company delivers semi-annual NCIF project updates to its EAG and intends to assess and, if needed, revise the priority matrix under the 2025 CEIP.

Table No. 3 – EAG NCIF Prioritization Considerations

Rank	EAG NCIF Prioritization Considerations
1	Improve energy efficiency (and awareness/education) for schools, community centers, and other places where Named Community members spend time.
1	Improve energy efficiency for Spokane Tribe partners.
2	Improve energy efficiency for multi-family housing and mobile homes.
3	Increase tree canopy in Named Communities (consider tradeoffs with solar).
3	Increase access to energy efficient products/appliances for Named Communities.
4	Increase awareness of and engagement in energy efficiency programs, while meeting whole-house needs through community-based partnerships and referrals to services.
5	Provide matching funds for energy efficiency grant applications for community organizations and tribal partners.
6	Improve energy efficiency for those without stable housing (consider including with other initiatives).

NCIF | Communication & Outreach

The Named Communities Investment Fund (NCIF) has been actively promoted through direct community outreach using Avista Account Executives, complemented by community engagement and targeted communications efforts. Avista has worked closely with nonprofits, tribal organizations, and community-based organizations to increase awareness of funding opportunities

[8] The EAG used a Results Based Accountability (RBA) model in setting priorities for NCIF projects in meetings from September to December of 2022.

through site visits, one-on-one technical assistance, and partner referrals. These efforts are supported by the NCIF website and ongoing coordination with internal and external partners to ensure eligible organizations are informed about available funding opportunities. During this period, NCIF also leveraged earned media, community publications, and social media channels to expand awareness and engagement. The NCIF continues to be cross promoted on the Company's website, through social media, Avista's multiple advisory groups, and during public CEIP meetings.

NCIF | Customer Benefit Indicators

CBIs play a pivotal role in assessing the equitable distribution of both energy and non-energy benefits, as well as the reduction of burdens resulting from the transition to a cleaner energy future. Avista's equity benefit areas, illustrated in Figure No. 1 below, include affordability (encompassing both cost reductions and energy burden mitigation), accessibility (reflecting non-energy benefits), energy resilience, energy security (which includes energy-related benefits), environmental impacts, and public health. NCIF projects are evaluated and selected in alignment with these CBIs.

Figure No. 1: CBI Benefit Areas

Each CBI has multiple metrics, and each metric has defined logic determining how and what is measured. The Investments in Named Communities' metrics, under the Accessibility CBI, were specifically designed to quantify NCIF investments; therefore, all NCIF funded activities are measured by the Accessibility CBI. NCIF projects/activities may support other benefit areas but are not included in Avista's metric logic. Table No. 4 below reflects all projects specifically quantified under the Investments in Named Community CBI. In addition, some NCIF projects may support the Outreach and Communications and Energy Burden CBIs, but those projects are not specifically measured in Avista's calculation logic.

Table No. 4 – NCIF | Projects & Customer Benefit Indicators

Benefit Area		Accessibility	Accessibility	Affordability
Customer Benefit Indicators		**Investments in Named Communities**	**Outreach & Comms**	**Energy Burden**
Organization	**Description**			
Palouse Habitat for Humanity	Rooftop Solar	X		X
Spokane Habitat for Humanity	Rooftop Solar	X		X
MLK Resiliency Center	Battery	X		
Aging & Long-Term Care	Air Conditioning	X		
Christ Kitchen	Job Training	X		X
Corbin Senior Center	Air Purification	X		
Lilac Services for the Blind	HVAC	X	X	
Maddie's Place	HVAC	X		
Raze Early Development	Tree Canopy	X		
Side by Side	HVAC	X		
SNAP	Air Conditioning	X		
Spokane Tribe of Indians	HVAC	X		
St. Andrews Episcopal Church	Weatherization	X		
The Lands Council	Tree Canopy	X		
Volunteers of America	HVAC	X		
Desautel Hege	Partner Survey	X	X	
Feast World Kitchen	Communication	X	X	
Little Fish Productions	Communication	X	X	
Scott Social	Communication	X	X	
Zoom	Communication	X	X	
Dignified Workday	Job Training	X		X

NCIF | Costs

Table Nos. 5 and 6 below include the NCIF costs by category and project/benefiting organizations by category for this reporting period of July 1, 2025, through June 30, 2026. Appendix A includes a detailed description of each project/benefitting organization.

Table No. 5 – NCIF | Incremental Non-Labor by Category Type[9]

Distribution	Customer & Third Party	Outreach	Other	Total
$ 404,879.41	$ 952,405.22	$ 93,986.17	$ 150,000.00	$ 1,601,270.80

[9] As awarded project timelines and activities vary, there is often a lag between project awards and actual funds spent. In addition to the actualized NCIF community project costs identified above, the Company has committed funds that have not yet been expended. Avista anticipates these projects, and the associated costs will be completed throughout the remainder of the 2025 CEIP implementation period.

Table No. 6 – NCIF Costs by Project

Category	Project/Organization	Non-Labor	Total
Distribution Resiliency	Palouse Habitat for Humanity	$ 28,897.00	
	Spokane Habitat for Humanity	$ 10,255.00	
	MLK Resiliency Center	$ 365,727.41	
		Distribution Resiliency	**$ 404,879.41**
Customer & Third Party	Aging & Long Term Care	$ 35,872.66	
	Christ Kitchen	$ 50,977.54	
	Corbin Senior Center	$ 55,395.80	
	Lilac Services for the Blind	$ 191,550.79	
	Maddie's Place	$ 119,127.86	
	Raze Early Childhood Development Center	$ 188,819.37	
	Side-by-Side	$ 60,500.79	
	SNAP	$ 38,855.28	
	Spokane Tribe of Indians - TANF	$ 66,186.00	
	St. Andrews Episcopal Church	$ 65,919.13	
	The Lands Council Spokanopy	$ 68,000.00	
	Volunteers of America	$ 11,200.00	
		Customer & Third Party	**$ 952,405.22**
Outreach	Desautel Hege (DH)	$ 38,422.18	
	Feast World Kitchen	$ 2,500.00	
	Little Fish Productions	$ 25,016.24	
	Scott Social	$ 27,971.39	
	Zoom	$ 76.36	
		Outreach	**$ 93,986.17**
Other	Dignified Work Day	$ 150,000.00	
		Other	**$ 150,000.00**
		Grand Total	**$1,601,270.80**

NCIF | Participant Survey

To enhance transparency and responsiveness to customer feedback, Avista conducts biannual, post-award electronic surveys with grant recipients to gather feedback on the application experience, award process, and project implementation support. Through the Survey Monkey platform, participants choose to remain anonymous or identify themselves. Results are used to refine the program and improve applicant experience.

The first survey was distributed in 2025, with a 29% response rate (10 completed surveys). Using a zero to five scale, Avista received an average effectiveness rating of 4.7 for helping address project implementation challenges. A majority of responders reported the NCIF helped to achieve their project goals and facilitated partnerships, while a moderate amount stated it enabled access to additional resources. Feedback on the grant process highlighted its simplicity, with most participants reporting a smooth and successful experience. The responses affirmed the critical role of NCIF staff and the value of its tailored approach for supporting individual projects. Avista administered its 2026 survey in July with results pending.

V. CUSTOMER IMPACTS

The proposed Schedule 64 will increase the Company's annual Washington revenues by approximately $500,000, or about 0.1%. For purposes of the revenue spread and rate design, the Company applied a percentage of base revenue allocation and a uniform cent per kWh to the individual rate schedules.[10] As a result of the proposed Schedule 64 impacts, the average Washington residential customer receiving service under schedule 01 will see an increase of $0.06 per month. If approved, the average monthly bill for residential electric customers using 925 kWh a month would increase from $125.69 to $125.75. For all other rate schedules, the following chart includes the estimated monthly bill impact for each customer class based on average use of the customer for each schedule.

This filing is being made concurrently with two other electric rate adjustments applicable to Avista customers.[11] Collectively, if approved by the Commission, residential electric customers using an average of 925 kilowatt hours/month would see their monthly bills change from $125.69 to $125.64, a reduction of $0.05/month, or approximately 0.04%.

VI. CONCLUSION

As outlined in the attached Schedule 64, Avista hereby requests that the proposed tariff modifications become effective on November 1, 2026. Also included with this filing is a draft of the customer notice that will be sent to customers in September. If you have any questions regarding this filing, please contact me at (509) 495-7950 or amanda.ghering@avistacorp.com.

Sincerely,

/s/ Amanda Ghering

Amanda Ghering
Regulatory Affairs Manager

[10] Consistent with the rate spread and rate design for the Company's LIRAP tariff the 3rd block for Schedules 25 and 25I have been removed from the allocations.
[11] Avista's Bonneville Power Administration (BPA) Residential Exchange Program, Insurance Expense Balancing Account, Clean Energy Implementation Plan (CEIP) will all be filed simultaneously on August 31, 2026.

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 64

CLEAN ENERGY IMPLEMENTATION RATE ADJUSTMENT- WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Clean Energy Implementation Rider Adjustment 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 the implementation of the Company's Clean Energy Implementation Plan (CEIP) and Named Community Investment Fund.

MONTHLY RATE:

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

Schedule 1, 7 & 8	$0.00043 per kWh	I
Schedule 11, 12, 13, 17 & 18	$0.00053 per kWh	I
Schedule 21, 22 & 23	$0.00045 per kWh	I
Schedule 25 & 25I (First 500,000 kWh)	$0.00031 per kWh	I
Schedule 25 & 25I (Next 5,500,000 kWh)	$0.00031 per kWh	I
Schedule 25 & 25I (Over 6,000,000 kWh)	$0.00000 per kWh	
Schedule 31 & 32	$0.00038 per kWh	I
Schedules 41-48	$0.00210 per kWh	I

TERM:

On or before September 1, every year, if adjustments are required, the Company will file to adjust rates with an effective date of November 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 August 31, 2026 Effective November 1, 2026

Issued by Avista Corporation
By Patrick Ehrbar, Director of Regulatory Affairs

Patrick D. Ehrbar