

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 71

CONNECTED COMMUNITIES OPTIONAL PILOT PROGRAM – WASHINGTON

PURPOSE:

Connected Communities is an optional pilot program to explore and demonstrate clean, equitable products and solutions for commercial and residential customers which optimize grid utilization, increase resiliency, and reduce energy burden. This project provides the utility the ability to dispatch customer assets to improve grid utilization without compromising customer needs and comfort.

The Connected Communities pilot will be deployed across four neighborhoods in Spokane served by Avista's Third and Hatch substation. The project will combine utility assets and customer devices located behind the meter to achieve demand flexibility, reduce greenhouse gas emissions, and achieve energy savings.

Customers participating in events will experience a 4-degree adjustment on their HVAC system.

AVAILABLE:

Customers in the State of Washington where the Company has electric service in Spokane on the Third and Hatch feeders in zip codes: 99201, 99202, 99203, 99204, 99206, 99207, 99218, 99223, 99224. All participating customers will be required to complete and sign a Connected Communities Pilot Program Agreement which outlines the terms and conditions within this tariff.

The Customers' property will be inspected to determine eligibility in the program.

If customers are disconnected for non-payment during their participation in the pilot, they are no longer eligible.

The pilot is scheduled to begin in the first quarter 2024 and conclude on July 31, 2027.

PROGRAM OPTIONS AND CHARGES:

Connected Communities program options available to customers will include, but are not limited to the following:

Customers can participate in these program options using their own equipment.

Incentives will vary based on event participation levels.

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Patrick Ehrbar, Director of Regulatory Affairs



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SCHEDULE 71 - Continued

Residential Package 1:

- Customer agrees to allow Avista to control their smart thermostat without prior notification.
- Incentives will be from \$0/month up to \$50/month, including an annual bonus up to \$100 if the customer does not opt out of events. Incentives will be applied as a bill credit to the customer account monthly and an annual bonus to be applied 1 year after the initial signing of the customer agreement.

Small Business Package 1: Custom – may include Smart Thermostat + Rooftop Controls

- Customer agrees to allow Avista to control customer equipment without prior notification.
- Incentives will be from \$0/month up to \$50/month, including an annual bonus up to \$100 if the customer does not opt out of events. Incentives will be applied as a bill credit to the customer account monthly and an annual bonus to be applied 1 year after the initial signing of the customer agreement.

Customers can participate in the following programs and have equipment provided to them at no cost. Equipment will be paid for with grant funds received from the Department of Energy.

Residential Package 2: Smart Thermostat + Weatherization

- Customer receives a smart Thermostat and agrees to allow Avista to control the thermostat without prior notification.
- Incentives will be from \$0/month up to \$50/month, including an annual bonus up to \$100 if the customer does not opt out of events. Incentives will be applied as a bill credit to the customer account monthly and an annual bonus to be applied 1 year after the initial signing of the customer agreement.
- If needed, the customer will also receive weatherization (insulation) at no cost.

Residential Package 3: Smart Thermostat + Weatherization + Heat Pump

- Customer receives a smart thermostat and agrees to allow Avista to control their thermostat without prior notification.
- Customer receives a dual fuel heat pump at no cost. The primary source of heat will be electric; during cold temperatures (below approximately 20 degrees) the heat pump will switch to the customer's existing natural gas supply.
- If needed, the customer will also receive weatherization (insulation) at no cost.

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Residential Package 4: Energy Storage

- Customers will be eligible to purchase a residential energy storage battery. They will be provided a one-time incentive of up to \$400/kw (based on the size of the battery). The customer will also be paid an annual incentive of up to \$15/kw for participating in events.

Multi-Family Package 1: Custom – may include common space HVAC controls + solar + storage

- Customers will receive equipment depending on the makeup of the building, this could include a smart thermostat and subsidized energy storage.
- Customers will be eligible to purchase an energy storage battery. They will be provided a one-time incentive of up to \$400/kw (based on the size of the battery). The customer will also be paid an annual incentive of up to \$15/kw for participating in events.
- If needed, the customer will also receive weatherization (insulation) at no cost.

Small Business Package 2: Smart Thermostat + LED relamping (if applicable)

- Customer receives equipment at no cost and will include a smart thermostat and LED relamping.
- Incentive will be from \$0/month up to \$50/month including an annual bonus up to \$100 if the customer does not opt out of events.
- If needed, the customer will also receive weatherization (insulation) at no cost.

Commercial Industrial Package: Custom – may include connecting to existing building management system, sensor equipment, connecting to existing lighting controls, etc.

- Customer will receive an annual capacity incentive.
- Customer will receive a performance incentive based on the demand flexibility achieved during an event.

MONTHLY BILLING:

Residential, Multi-Family, and Small Business options – The monthly billing shall apply a credit based on the monthly incentive as defined above. For Commercial Industrial options – the monthly billing shall apply a credit based on the \$/kwh incentive as defined above. Each customers' kwh performance will be calculated monthly according to the customer's billing cycle. The incentive will be applied to the following month's bill.

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DEMAND FLEXIBILITY:

Demand flexibility is the capacity of demand-side loads to change consumption patterns. During this pilot demonstration, Avista will dispatch customer assets and flex the customer's demand during times when stress on the grid is high.

DEMAND FLEXIBILITY OPT-OUT:

Residential and small or medium business customers can opt-out of events simply by manually adjusting the set degree threshold on their thermostat. Opting out of more than three events in a calendar year prohibits the customer from receiving the annual opt-out bonus.

Commercial and industrial customers can opt-out through the Edo user interface located within their building. By opting out of the event, the commercial and/or industrial customer will not be paid a performance incentive for that event.

PROGRAM ADMINISTRATION:

To ensure that all benefits of this program are only applied to program participants, all funds used to incentivize customers under this schedule will be separately identified and tracked. All funds are tracked and reported to the Department of Energy.

CUSTOMER INFORMATION:

The Customer grants to the Company the right to use their personal information, relative to this service. Personal information includes, but is not limited to, contact information such as telephone number or email address. The Company will make appropriate efforts to safeguard the Customers' confidential information.

REPORTING:

Reporting on the pilot program is provided to the DOE at the end of each Program year starting in August 2023 (report on Program year 1 that occurred from August 1, 2022 – July 31, 2023). The annual report provided to the DOE will be filed with the Commission no later than December 1st of each project year starting in 2024 (at the end of Program year 2).

SPECIAL TERMS AND CONDITIONS:

1. Service under this schedule is subject to the Rules and Regulations contained in this tariff.
2. Customers may apply for, or terminate participation from, this schedule anytime during the year.

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