



## Avista BCP Conditions Compliance Record

2018-2019

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## Advisory Group & Ten-Year Potential/Biennial Conservation Target

| Docket #                  | Paragraph #  | Item # | Item Label   |
|---------------------------|--------------|--------|--|
| DOCKET UE-171091 Order 01 | Appendix A 1 | 1.a    | <a href="#">Conservation Targets</a>                       |
| DOCKET UE-171091 Order 01 | Appendix A 1 | 1.a.i  | <a href="#">Biennial Conservation Target</a>               |
| DOCKET UE-171091 Order 01 | Appendix A 1 | 1.a.ii | <a href="#">Decoupling Commitment</a>                      |
| DOCKET UE-171091 Order 01 | Appendix A 1 | 1.b    | <a href="#">Regional Electric Market Transformation</a>    |
| DOCKET UE-171091 Order 01 | Appendix A 2 | 2      | <a href="#">Responsibility</a>                             |
| DOCKET UE-171091 Order 01 | Appendix A 3 | 3.a    | <a href="#">Use of Advisory Group</a>                      |
| DOCKET UE-171091 Order 01 | Appendix A 3 | 3.b    | <a href="#">Integrated Resource Plan</a>                   |
| DOCKET UE-171091 Order 01 | Appendix A 3 | 3.c    | <a href="#">Conservation Potential Assessment</a>          |
| DOCKET UE-171091 Order 01 | Appendix A 3 | 3.d    | <a href="#">Expenditures vs. Budgets</a>                   |
| DOCKET UE-171091 Order 01 | Appendix A 3 | 3.e    | <a href="#">Prior to filing Biennial Conservation Plan</a> |

### Item 1.a – Conservation Targets:

**Item Description** - Following conservation targets are approved for Avista with conditions pursuant to RCW 19.285.040(1)(e) and WAC 480-109-120(1). Approval is subject to Conditions described in Paragraphs (2) through (10) below.

| Year      | Condition Met? | Date Met | Action Taken                             | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--|--------------------------------|
| 2018-2019 | Yes            | 1/12/18  | Met upon approval of Company's filed BCP | Docket UE-171091               |

### Item 1.a.i – Biennial Conservation Target:

**Item Description** - 79,785 MWh as measured at the customer meter.

| Year      | Condition Met? | Date Met | Action Taken                             | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--|--------------------------------|
| 2018-2019 | Yes            | 1/12/18  | Met upon approval of Company's filed BCP | Docket UE-171091               |

### Item 1.a.ii – Decoupling Commitment:

**Item Description** - 4,489 MWh pursuant to Order 5 of Docket Nos. UE-140188 and UG-140189.

| Year      | Condition Met? | Date Met | Action Taken                             | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--|--------------------------------|
| 2018-2019 | Yes            | 1/12/18  | Met upon approval of Company's filed BCP | Docket UE-171091               |

## Item 1.b – Regional Electric Market Transformation

**Item Description** – As part of Avista's biennial conservation acquisition efforts, Avista will continue to pursue regional electric 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, services, and measures.

| Year      | Condition Met? | Date Met            | Action Taken                              | Notes (Docket #, Report, etc.)                              |
|-----------|----------------|---------------------|---|---|
| 2018-2019 | Yes            | Throughout biennium | Ongoing funding and participation in NEEA | Avista continues to fund NEEA market transformation efforts |

## Item 2 – Responsibility

**Item Description** – Responsibility for complying with RCW 190285 and WAC 480-109. Need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Avista's operational authority nor its ultimate responsibility for meeting the biennial conservation target approved.

| Year      | Condition Met? | Date Met | Action Taken   | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--|--------------------------------|
| 2018-2019 | Yes            | various  | Avista has a standing meeting with WUTC Staff on a bi-weekly basis and also has held several advisory group meetings throughout the biennium | None                           |

## Item 3.a – Use of Advisory Group

**Item Description** – To meet requirements of WAC 480-109-110, Avista shall continue to use its Advisory Group, initially created under Docket Nos. UE-941377 and UG-941378 and its Integrated Resource Planning Advisory Group created under WAC 480-100-238.

| Year      | Condition Met? | Date Met | Action Taken                              | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|---|--------------------------------|
| 2018-2019 | Yes            | Various  | Meetings, webinars, and conference calls. | See list of meetings below     |

### Meeting Notes:

**Advisory Group Meeting in Olympia April 25-26, 2018:** Agenda topics included: 2018 YTD WA and ID program results; 2016-17 WA and ID program evaluation results by Nexant; regulatory updates on WA GRC, Hydro One, and WA Statewide Working Group; tariff and budget ID and WA updates; EM&V processes, timeline, and 2018-19 work plan for Cadmus; CPA gas and demand response timeline update; DSM pilot updates for residential in-home energy audit & weatherization, multifamily hard to reach direct install, residential wall insulation, low income multifamily, CO2 heat pumps, residential behavioral, and closeout for Ecova commercial building operation simulation; marketing update; iEnergy/DSM Central software system update; document reviews for SOPs, EM&V framework, master calendar, and newsletter; and other topics including particulate matter 2.5, hard to reach study from Council, EMV 2.0 Pullman study from Nexant, and ID electric research projects.

**Advisory Group Skype Call June 28, 2018:** Agenda topics included the Multifamily Direct Install pilot program update and future direction and the fuel conversion program (primarily for Washington). Washington mandated a change in the funding source from electric to gas tariff riders and possible overall changes to the program.

**Advisory Group Skype Call July 20, 2018:** Agenda topics included the Multifamily Direct Install pilot program update and future direction of continuing the pilot as a formal program. In addition, an update to Avista's LED Street Light Change-Out program.

**Advisory Group Fall Meeting October 24-25, 2018:** Avista provided updates on its 2018 year to date savings and financial overview, an update on the CPA/DR studies, products and services, 2019 Annual Conservation Plans for WA and ID, results of the 2016-2017 Impact Evaluation and recommendations, an overview of incentive setting, marketing updates, program updates, pilot program updates, streetlight program and other updates.

**Advisory Group Spring Meeting May 16-17, 2019:** Avista provided updates on its 2019 year to date savings and financial overview, 2018 program results from Cadmus, 2020 Annual Conservation Plan, CPA/IRP updates, regulatory updates, LEAP and switch saver proposal, Q1 2020 plan, iEnergy, marketing and Idaho research projects.

**Advisory Group BCP Webinar June 28, 2019:** Presentation of draft 10-year potential assessment for I-937 target setting.

**Advisory Group Webinar on Idaho Research Projects: July 31, 2019:** Presentation and report on research projects in Idaho.

**Advisory Group BCP Webinar August 29, 2019:** Discuss draft program details including budgets for Avista's 2020-2021 BCP.

**Advisory Group Fall Meeting October 22-23, 2019:** Avista provided updates on savings year to date, tariff balances and cost recovery updates, CPA presentation and 2020-2021 Target development, ACP and BCP presentation, HUB and AEM presentation, market transformation update, pilot program updates.

### Item 3.b – Integrated Resource Plan

**Item Description** – Avista will notify its Advisory Group members of public meetings scheduled to address Avista's integrated resource plan. Provide Advisory Group members opportunity to meet with entity conducting conservation potential assessment regarding scope and design of study and assumptions and relevant information in dev't of integrated resource plan as they apply to dev't and/or modification of ten-year conservation potential as requested through integrated resource plan public process. Provide members opportunity to review natural gas and energy price forecasts and generation resource cost assumptions utilized in dev't of integrated resource plan, as these assumptions will inform the ten-year conservation potential.

| Year      | Condition Met? | Date Met | Action Taken                       | Notes (Docket #, Report, etc.)  |
|-----------|----------------|----------|------------------------------------|---|
| 2018-2019 | Yes            | 10/22/19 | CPA presentation to Advisory Group | Presented at Fall AG Meeting. Note that this would normally occur sooner in the year but due to the delay in the IRP process, Avista presented the information when made available. |

### Item 3.c – Conservation Potential Assessment

**Item Description** – Consult with Advisory Groups starting no later the July 1, 2019 to begin to identify achievable conservation potential for 2020-2029 and begin to set annual and biennial targets for 2020-2021 biennium.

| Year      | Condition Met? | Date Met | Action Taken                | Notes (Docket #, Report, etc.)            |
|-----------|----------------|----------|-----------------------------|---|
| 2018-2019 | Yes            | 06/28/19 | Presented to Advisory Group | Consulted with Advisory Group via Webinar |

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### Item 3.d – Expenditures vs. Budgets

**Item Description** – Inform Advisory Group members when projected expenditures indicate that Avista will spend more than 120% or less than 80% of annual conservation budget.

| Year | Condition Met? | Date Met                       | Action Taken  | Notes (Docket #, Report, etc.) |
|------|----------------|--------------------------------|---|--------------------------------|
| 2018 | Yes            | Monthly & Quarterly Newsletter | Avista revised its Schedule 91 tariffs in response to forecasted expenses being lower due to the discontinuation of the fuel conversion program | None                           |
| 2019 | Yes            | Monthly & Quarterly Newsletter | Avista presented to the AG in its Fall 2019 meeting the expected budget for the remainder of 2019.  | None                           |

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### Item 3.e – Prior to Filing Biennial Conservation Plan

**Item Description** – Prior to filing Biennial Conservation Plan, Avista shall provide information to Advisory Group: draft ten-year conservation potential and two-year target by August 1, 2019; draft program details including budgets by Sept 1, 2019; and draft program tariffs by Oct 1, 2019.

| Year      | Condition Met? | Date Met | Action Taken    | Notes (Docket #, Report, etc.)   |
|-----------|----------------|----------|-----------------|--|
| 2018-2019 | Yes            | 6/28/19  | Presented to AG | Due to the delay in the IRP, updated CPA information was not available. During this meeting, the AG and Avista agreed to use the 2017 IRP CPA information in place of the 2018 CPA information with the condition that the Company would update the target after the finalization of the IRP |

## Programs and Evaluation

| Docket #                  | Paragraph #  | Item # | Item Label  |
|---------------------------|--------------|--------|---|
| DOCKET UE-171091 Order 01 | Appendix A 5 | 5      | <a href="#">Program Details</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.a    | <a href="#">Measures and Savings</a>  |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.b    | <a href="#">New Program</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.c    | <a href="#">Amount of Conservation Budget for EM&amp;V</a>                          |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.d    | <a href="#">Independent, Third-Party EM&amp;V Selection</a>                         |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.d.i  | <a href="#">Independent, Third-Party EM&amp;V Verify Calculation of Savings</a>     |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.d.ii | <a href="#">Independent, Third-Party EM&amp;V Review Activities and Application</a> |
| DOCKET UE-171091 Order 01 | Appendix A 6 | 6.e    | <a href="#">Final Report for the Entire 2018-2019 Biennium</a>                      |
| DOCKET UE-171091 Order 01 | Appendix A 7 | 7.a    | <a href="#">Program Modifications</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 7 | 7.b    | <a href="#">Incentives and Conservation Program Implementation</a>                  |
| DOCKET UE-171091 Order 01 | Appendix A 7 | 7.c    | <a href="#">Conservation Efforts w/out Approved EM&amp;V Protocol</a>               |
| DOCKET UE-171091 Order 01 | Appendix A 7 | 7.c.i  | <a href="#">Information-only Services</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 7 | 7.c.ii | <a href="#">Quantifiable Energy Savings</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 8 | 8.a    | <a href="#">Total Resource Cost Test</a>  |
| DOCKET UE-171091 Order 01 | Appendix A 8 | 8.b    | <a href="#">Program Administrator Cost Test</a>                                     |
| DOCKET UE-171091 Order 01 | Appendix A 8 | 8.c    | <a href="#">Administrative Costs</a>  |
| DOCKET UE-171091 Order 01 | Appendix A 8 | 8.d    | <a href="#">New Cost-effectiveness Test Methodologies</a>                           |

### Item 5 – Program Details

**Item Description** – Avista must maintain its conservation tariffs on file with the Commission. Program details about specific measures, incentives and eligibility requirements must be filed and updated in the Annual Conservation Plan in this Docket.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.)  |
|-----------|----------------|----------|--------------|---|
| 2018-2019 | Yes            | Ongoing  | None         | Avista’s tariffs are on file and program details filed with annual plan |

### Item 6.a – Measures and Savings

**Item Description** – Avista has identified a number of potential conservation measures described in BCP. Commission is not obligated to accept savings identified in BCP for purposes of compliance with RCW 19.285.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--------------|--------------------------------|
| 2018-2019 | NA             | NA       | NA           | NA                             |

## Item 6.b – New Program

**Item Description** – When Avista Corporation proposed a new or significant change to a program pilot or tariff schedule, it must present program to the Advisory Group with program details fully defined to maximum extent practicable. After consultation with the Advisory Group in accordance with WAC 480-109-110(1)(h), Avista must file a revision to its currently filed DSM Conservation Plan in this Docket.

| Year | Condition Met? | Date Met | Action Taken                                     | Notes (Docket #, Report, etc.)   |
|------|----------------|----------|--|--|
| 2018 | Yes            | Q2 2018  | Approved pilot program for full status           | Avista sought and gained approval from its advisory group for the MFDI program.  |
| 2019 | Yes            | Q4 2019  | Presentation of proposed pilot programs for 2020 | Avista included details around the proposed pilot programs to the degree possible. As those plans mature, Avista will continue to update the advisory group. |

## Item 6.c – Amount of Conservation Budget for EM&V

**Item Description** – Avista Corporation must spend a reasonable amount of its conservation budget on EM&V including a reasonable proportion on independent, third-party EM&V. Avista must perform EM&V annually on a four-year schedule of selected programs such that over the EM&V cycle all major programs are covered. EM&V function includes impact, process, market and cost test analyses. Results must verify level at which claimed energy savings have occurred, evaluate existing internal review processes, & suggest improvements to program & ongoing EM&V processes.

| Year      | Condition Met? | Date Met | Action Taken                    | Notes (Docket #, Report, etc.)  |
|-----------|----------------|----------|---------------------------------|---|
| 2018-2019 | Yes            | 1/1/18   | Contracted with Cadmus for EM&V | 2018-2019 Electric and Natural Gas Impact Evaluation and Process Evaluation |

## Item 6.d – Independent, Third-Party EM&V Selection

**Item Description** – An independent, third-party review of portfolio-level electric energy savings reported by Avista for the 2018-2019 biennial period, from existing conservation programs operated during the period shall be conducted per WAC 480-109-120(4)(b)(v). The independent third-party reviewer shall be selected through an RFP process and is intended to:

| Year      | Condition Met? | Date Met | Action Taken                    | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|---------------------------------|--------------------------------|
| 2018-2019 | Yes            | 1/1/18   | Contracted with Cadmus for EM&V | None                           |

## Item 6.d.i – Independent, Third-Party EM&V Verify Calculation of Savings

**Item Description** – Verify calculation of total portfolio MWh savings; and

| Year      | Condition Met? | Date Met | Action Taken      | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|-------------------|--------------------------------|
| 2018-2019 | Yes            | Q2 2019  | Impact evaluation | Provided within ACR            |

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## Item 6.d.ii – Independent, Third-Party EM&V Review Activities and Application

**Item Description** – Provide a review of EM&V activities and application for best practices and reasonable findings, which includes the following: (1) Validate adequacy of savings verification process, controls & procedures; (2) Validate savings tracking & reporting processes & practices; (3) Review program process & impact evaluations completed during biennium for appropriateness of evaluation approach/methodologies (program specific) & program cost-effectiveness calculations.

| Year      | Condition Met? | Date Met | Action Taken      | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|-------------------|--------------------------------|
| 2018-2019 | Yes            | Q2 2019  | Impact evaluation | Provided within ACR            |

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## Item 6.e – Final Report for Entire 2018-2019 Biennium

**Item Description** – Final report for entire 2018-2019 biennium may be implemented in phases & delivered as a final product at an earlier date, as needed by Avista.

| Year | Condition Met? | Date Met   | Action Taken      | Notes (Docket #, Report, etc.) |
|------|----------------|------------|-------------------|--------------------------------|
| 2019 | Yes            | 06/01/2020 | Filed 2018-19 BCR |                                |

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## Item 7.a – Program Modifications

**Item Description** – Modifications to the programs must be filed with the Commission as revisions to tariffs or as revisions to Avista's current Conservation Plan, as appropriate.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--------------|--------------------------------|
| 2018-2019 | NA             | NA       | NA           | On-going as needed             |

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## Item 7.b – Incentives and Conservation Program Implementation

**Item Description** – Programs, program services, & 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 shall work with Advisory Group to establish appropriate penetration levels consistent with Council methodology & Energy Independence Act.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--------------|--------------------------------|
| 2018-2019 | NA             | NA       | NA           | On-going as needed             |

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## Item 7.c – Conservation Efforts w/out EM&V Protocol

**Item Description** – Avista may spend up to 10 percent of its conservation budget on programs whose savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Total Resource Cost (TRC) test as modified by the Council. These programs may include information-only, behavior change, and pilot projects. Avista may ask the Commission to modify this spending limit, following their Advisory Group consultation.

| Year      | Condition Met? | Date Met   | Action Taken | Notes (Docket #, Report, etc.)   |
|-----------|----------------|------------|--------------|--|
| 2018-2019 | Yes            | 12/31/2019 | None         | Avista spent approximately \$1,203,000 on four pilot programs which is 3.81% of the biennial total budget of \$31,536,939. |

## Item 7.c.i – Information-only Services

**Item Description** – 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 shall be assigned no quantifiable energy savings value without full support of Advisory Group.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--------------|--------------------------------|
| 2018-2019 | NA             | NA       | NA           | NA                             |

## Item 7.c.ii – Quantifiable Energy Savings

**Item Description** – 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.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|--------------|--------------------------------|
| 2018-2019 | NA             | NA       | NA           | NA                             |

## Item 8.a – Total Resource Cost Test

**Item Description** – The Commission uses the Total Resource Cost test (TRC), as modified by the Council, as its primary cost effectiveness test. The Council-modified TRC test includes quantifiable non-energy benefits, a risk adder, and a 10 percent conservation benefit adder. Avista's portfolio must pass the TRC test. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0, consistent with the Council's methodology.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.)                                   |
|-----------|----------------|----------|--------------|--|
| 2018-2019 | Yes            | 12/31/19 | None         | Avista's portfolio exceeds a TRC of 1.0 achieving a TRC of 1.54. |

## Item 8.b – Program Administrator Cost Test

**Item Description** – Avista Corporation 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."

| Year | Condition Met? | Date Met   | Action Taken          | Notes (Docket #, Report, etc.) |
|------|----------------|------------|-----------------------|--------------------------------|
| 2018 | Yes            | 06/01/2019 | Included with ACR     | UE-171091                      |
| 2019 | Yes            | 06/01/2020 | Included with ACR/BCR | UE-171091                      |

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## Item 8.c. – Administrative Costs

**Item Description** – Conservation-related administrative costs must be included in portfolio-level analysis.

| Year | Condition Met? | Date Met   | Action Taken          | Notes (Docket #, Report, etc.) |
|------|----------------|------------|-----------------------|--------------------------------|
| 2018 | Yes            | 06/01/2019 | Included with ACR     | UE-171091                      |
| 2019 | Yes            | 06/01/2020 | Included with ACR/BCR | UE-171091                      |

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## Item 8.d – New Cost-effectiveness Test Methodologies

**Item Description** – Avista will participate in any efforts to evaluate new cost-effectiveness test methodologies, as requested by the Commission.

| Year      | Condition Met? | Date Met | Action Taken       | Notes (Docket #, Report, etc.)                       |
|-----------|----------------|----------|--------------------|--|
| 2018-2019 | Yes            | multiple | SWAG participation | UE-171091 2018 Statewide Advisory Group Report Final |

## Budget, Savings, Cost Recovery, and Additional Commitments

| Docket #                  | Paragraph #   | Item # | Item Label  |
|---------------------------|---------------|--------|---|
| DOCKET UE-171091 Order 01 | Appendix A 4  | 4.a    | <a href="#">Annual Budgets and Energy Savings</a>                                     |
| DOCKET UE-171091 Order 01 | Appendix A 9  | 9.a    | <a href="#">Scope of Expenditures</a>   |
| DOCKET UE-171091 Order 01 | Appendix A 9  | 9.b    | <a href="#">Recovery for Each Customer Class</a>                                      |
| DOCKET UE-171091 Order 01 | Appendix A 9  | 9.c    | <a href="#">Recovery of Distribution &amp; Production Efficiency Initiative Costs</a> |
| DOCKET UE-171091 Order 01 | Appendix A 9  | 9.d    | <a href="#">Cost Recovery Tariff</a>  |
| DOCKET UE-171091 Order 01 | Appendix A 10 | 10.a   | <a href="#">Efficiency at electric power production facilities</a>                    |
| DOCKET UE-171091 Order 01 | Appendix A 10 | 10.b   | <a href="#">Avoid Double-Counting of Efficiency Savings</a>                           |

### Item 4.a – Annual Budgets and Energy Savings

**Item Description** – Avista must provide proposed budget in detailed format with summary page indicating proposed budget and savings levels for each electric conservation program and subsequent supporting spreadsheets providing further detail for each program and line item shown in summary sheet.

| Year | Condition Met? | Date Met  | Action Taken           | Notes (Docket #, Report, etc.) |
|------|----------------|-----------|------------------------|--------------------------------|
| 2018 | Yes            | 11/1/2017 | Filed with BCP and ACP | UE-171091                      |
| 2019 | Yes            | 11/1/2018 | Filed with ACP         | UE-171091                      |

### Item 9.a – Scope of Expenditures

**Item Description** – 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 as approved by the Commission; for example, for net metering administration costs, small-scale renewable programs and demand response pilots.

| Year      | Condition Met? | Date Met   | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|------------|--------------|--------------------------------|
| 2018-2019 | Yes            | 12/31/2019 | None         | None                           |

### Item 9.b – Recovery for Each Customer Class

**Item Description** – Rate spread and rate design must match Avista's underlying base volumetric rates.

| Year      | Condition Met? | Date Met   | Action Taken | Notes (Docket #, Report, etc.) |
|-----------|----------------|------------|--------------|--------------------------------|
| 2018-2019 | Yes            | 01/01/2018 | NA           | NA                             |

### Item 9.c – Recovery of Distribution & Production Efficiency Initiative Costs

**Item Description** – Recovery of costs associated with distribution and production efficiency initiative are not funded through the Electric 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 & may be requested through a general rate case, a deferred accounting petition or other allowed mechanism.

| Year      | Condition Met? | Date Met | Action Taken | Notes (Docket #, Report, etc.)           |
|-----------|----------------|----------|--------------|--|
| 2018-2019 | Yes            | NA       | NA           | Costs are included in general rate cases |

### Item 9.d – Cost Recovery Tariff

**Item Description** – Avista must file revisions to cost recovery tariff (Schedule 91) by June 1 each year, with requested effective date of August 1 of that same year. If Avista files its cost recovery tariff early, a Draft Annual Report with completed savings evaluations shall accompany the filing.

| Year | Condition Met? | Date Met  | Action Taken                    | Notes (Docket #, Report, etc.) |
|------|----------------|-----------|---------------------------------|--------------------------------|
| 2018 | Yes            | 5/31/2018 | Filed revision to DSM schedules | UE-180490 Effective 9/1/18     |
| 2019 | Yes            | 5/21/2019 | Filed revision to DSM schedules | UE-190406 Effective 8/1/19     |

### Item 10.a – Efficiency at Electric Power Production Facilities

**Item Description** – Avista will continue to review the feasibility of pursuing cost-effective conservation in the form of reduction in electric power consumption resulting from increases in the efficiency of energy use at electric power production facilities it owns in whole or in part. Avista's Annual Report will 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.

| Year | Condition Met? | Date Met   | Action Taken       | Notes (Docket #, Report, etc.)            |
|------|----------------|------------|--------------------|---|
| 2018 | Yes            | 06/01/2019 | Included in report | No production efficiency projects in 2018 |
| 2019 | Yes            | 06/01/2020 | Included in report | No production efficiency projects in 2019 |

### Item 10.b – Avoid Double-Counting of Efficiency Savings

**Item Description** – To avoid double-accounting of efficiency savings achieved at electric power production facilities owned in whole or in part by Avista, the Company will develop a protocol for how savings will be claimed, with advice and review provided by the Advisory Group. If a protocol is established, Avista will consult with the Advisory Group prior to modifying it.

| Year      | Condition Met? | Date Met | Action Taken   | Notes (Docket #, Report, etc.) |
|-----------|----------------|----------|----------------|--------------------------------|
| 2018-2019 | Yes            | 6-1-2019 | Created policy | Presented to AG                |