

Avista 2021 Clean Energy Implementation Plan List of Conditions

Interim & Specific Targets

1. Once the Commission has adopted final “use” rules in Docket UE-210183, in its Clean Energy Implementation Plan (CEIP) docket, if different than Table 2.1 on page 2-3 in the CEIP, Avista shall update its CEIP to reflect the percentage of retail sales of electricity supplied by non-emitting resources and renewable resources in 2020 within 30 days.
2. Avista will apply Non-Energy Impacts (NEIs) and Customer Benefit Indicators (CBIs) to all resource and program selections in determining its Washington resource strategy, in its 2023 Integrated Resource Plan (IRP) Progress Report and will incorporate any guidance given by the Commission on how to best utilize CBIs in CEIP planning and evaluation. Avista agrees to engage and consult with its applicable advisory groups (IRP Technical Advisory Committee (TAC) and Energy Efficiency Advisory Group (EEAG)) regarding an appropriate methodology for including NEIs and CBIs in its resource selection.
3. Regarding transparency of resource acquisitions, Avista will provide an update at its next IRP TAC meeting following the acquisition, of any material demand-side resource acquisition or utility scale resource acquisition¹ with a term longer than 2 years.
4. While inclusion in the CEIP could factor into a prudence determination, Avista agrees not to rely solely on the 2021 CEIP to justify prudence of utility scale renewable resource acquisitions made on or after January 1, 2022. While the CEIP may include specific actions Avista may take to comply with CETA’s clean energy targets, prudence determinations of utility scale renewable resource acquisitions will be made through the general rate case process.
5. In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include descriptions of quantitative (i.e., cost based) and qualitative (e.g., equity considerations) analyses that support interim targets to comply with the Clean Energy Transformation Act’s (CETA) 2030 and 2045 clean energy standards.
6. In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost solution that complies with CETA.
7. Avista commits to the following minimum Interim Renewable Energy Targets for the 2022-2025 CEIP implementation period:

Year	Interim Target
2022	40%
2023	47.5%

¹ Material utility scale resource acquisition are resources larger than 5 MW.

2024	55%
2025	62.5%

The ramp rate of the interim targets during this four-year implementation period shall not set a precedent for future CEIPs.

8. Avista in its IRP resource selection model for the 2023 IRP Progress Report will give the model the option to meet CETA goals with a choice between an Idaho allocated existing renewable resource at market price (limited to Kettle Falls, Palouse Wind, Rattle Snake Flats Chelan PUD purchase contracts 2 & 3) or acquiring a new 100% allocated Washington renewable resource for primary compliance. Further, the model will have the option to acquire new 100% allocated resource, market REC, or Idaho allocated REC (at market prices) to meet alternative compliance.

Baseline Conditions

9. Avista agrees to update and expand its Vulnerable Populations areas within its 2023 Biennial CEIP Update taking into account the additional criteria developed by the EAG and Energy Assistance Advisory Group (EAAG) and to ensure updates are in line with the definition of Vulnerable Populations outlined in RCW 19.405.020(40). Additional work is needed to develop a consistent methodology and data source identification. This additional work is primarily related to identifying a consistent data source(s) to evaluate each characteristic and then overlaying it onto a map.

Specific Actions

10. By December 1, 2022, in collaboration with its EAG and EAAG and per WAC 480-100-640(5)(a) and (c), Avista agrees to identify at least one specific action that will serve a designated subset of Named Communities, to be funded by the Named Communities Investment Fund, and to identify and track all CBIs relevant to this specific action.² The location identified for the specific action will be at the granularity of the designated Named Communities subset.

Demand Response

11. Avista will share and present the results, analysis, and conclusions of its pricing pilots with its EEAG, EAAG, and IRP TAC following the completion of the third-party evaluator's review of the pilots. If Avista develops pricing programs based on the results of its pricing pilots, it will work with its advisory groups to develop program targets.
12. When the Department of Commerce adopts a permanent standard for grid-enabled water heaters in WAC 194-24-180, Avista will develop a pilot demand response program. Avista

² Named Communities are all Highly impacted communities and Vulnerable Populations as defined in statute and commission rule. Vulnerable Populations here refers to those populations that are so designated within the most recent commission approved CEIP.

will work with its EEAG on the pilot program implementation timing and how to incorporate results into its planning efforts.

Distributed Energy Resources & Distribution Planning

13. Avista will initiate its Distribution Planning Advisory Group (DPAG) no later than the end of 2022, and it must invite all existing advisory groups to participate in the new group. Avista acknowledges that stakeholders have limited resources and will consult between existing advisory groups and stakeholders regarding streamlining.
14. Avista will include a Distributed Energy Resources (DERs) potential assessment for each distribution feeder no later than its 2025 electric IRP. Avista will develop a scope of work for this project no later than the end of 2022, including input from the IRP TAC, EEAG, and DPAG. The assessment will include a low-income DER potential assessment. Avista will document its DER potential assessment work in the Company's 2023 IRP Progress Report in the form of a project plan, including project schedule, interim milestones, and explanations of how these efforts address WAC 480-100-620(3)(b)(iii) and (iv).
15. Avista agrees to evaluate the need for a targeted DER Request for Proposals (RFP) if a need is demonstrated as part of its DPAG process.

Energy Efficiency

16. Avista will update its energy efficiency (EE) target no later than the 2023 Biennial CEIP Update, when the next Biennial Conservation Plan is due on November 1, 2023, based on continued discussion of its residential EE savings target and programs with its EEAG. Discussion will include program design elements which could promote more participation and additional uses of the Named Communities Investment Fund, if approved.
17. As part of its CBI Participation in Company Programs, Avista agrees to track the number of residential appliance and equipment³ rebates provided to customers residing in Named Communities and the number of residential rebates provided to customers residing in rental units and commits to work to expand data availability during this CEIP period. Avista agrees to discuss programs to increase the number of participating households in Named Communities with its EEAG and move forward with feasible programs, if identified.

Customer Benefit Indicators

18. Avista agrees that the CBI – Number of Households with a High Energy Burden (>6%), will be separately tracked for all Avista electric customers, known low income (KLI) customers and Named Communities. KLI customers are defined as those who have received energy assistance during the prior two years.

³ Appliances for the purposes of this metric include electric equipment measures Avista provides rebates for: furnaces, water heaters, thermostats, washers, dryers, refrigerators, and freezers.

19. Avista agrees that for its CBI – Availability of Methods/Modes of Outreach and Communications, an additional metric will be identified to track increased availability of translation services by October 1, 2022. Once identified, a baseline for the metric will be established and the metric will be reported in the 2023 Biennial CEIP Update.
20. Avista agrees that for the CBI – Outdoor Air Quality, it will adopt a metric related to decreased wood use for home heating in its 2023 Biennial CEIP Update. The data included in this metric may include the data from the Company’s wood stove replacement program offered in partnership with the Spokane Clean Air Agency, as well as data from other sources. Avista will work with its EEAG and other appropriate advisory groups to identify and evaluate additional wood stove usage metrics to be proposed in the 2023 Biennial CEIP Update, if applicable.
21. Avista agrees that the CBI – Energy Availability will include a metric related to the frequency of customer outages for all customers, Vulnerable Populations, and Highly Impacted Communities.⁴
22. Avista agrees to add the following CBI and metrics related to Energy Security:

CBI: Residential Arrearages and Disconnections for Nonpayment

Metrics:

- (1) Number and percentage of residential electric disconnections for nonpayment by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations, Highly Impacted Communities, and for all customers in total). If residential disconnections are not required to be reported quarterly to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, Avista will report residential disconnections as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 2 a)⁵, in Docket U-200281, on a quarterly basis through the end of this CEIP implementation period (December 31, 2025).⁶
- (2) Residential arrearages as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 8 a-c)⁷ in Docket U-200281. If residential arrearages are not required to be reported to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, Avista will track the following residential electric data by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations, Highly Impacted Communities, and for all

⁴ Avista will measure the frequency of outages using the IEEE index Customers Experiencing Multiple Interruptions (CEMI) “0” as this is more specific to customer outages than a system level metric.

⁵ U-200281, Order 04, Appendix A UTC Staff Third Revised Term Sheet, issued on July 2, 2021. Disconnection data for Section J, Part 2 is reported quarterly by zip code.

⁶ Data will be reported in this CEIP docket (UE-210628) on a quarterly basis, filed within 30 days following the end of each quarter. For Q4 2025, the data will be filed by January 31, 2026. As with all CBIs and metrics, as required by Commission rule, this CBI and metrics will be reported on in the Biennial CEIP Update and the four-year compliance report.

⁷ Arrearage data for Section J, Part 2 is reported quarterly by zip code.

- customers in total)⁸ and report the data to the Commission on a quarterly basis through the end of this CEIP implementation period (December 31, 2025)⁹:
- a. The number of customers with past-due balances (arrearages); and,
 - b. The amount of past-due balances that are 30+, 60+, and 90+ days past due, and the total amount of arrearages.
23. Avista must formally present and discuss any Joint Advocate or other stakeholder proposed CBI that was not included in the Company's filed CEIP and the final Commission approved CEIP with conditions, to its advisory groups, customers, and other interested stakeholders at a CEIP Public Participation Meeting(s) and at a separate joint advisory group meeting(s), to include the EEAG, EAAG, and EAG. Following these discussions and careful consideration of the feedback received, Avista will propose an updated set of CBIs and associated metrics in its 2023 Biennial CEIP Update.
24. Avista must engage collaboratively with its advisory groups (EAG, EEAG, EAAG) to create a metric for Indoor Air Quality and submit formal metric for evaluation no later than in its 2023 Biennial CEIP Update.
25. Avista agrees that in its 2023 Biennial CEIP Update and future CEIPs and CEIP updates, CBIs will be categorized by statutory benefit area.
26. For the CBI – Named Community Clean Energy Avista agrees to eliminate the current metric on “percent non-emitting renewable energy located in named communities,” and instead measure the following in Named Communities: (1) total MWh of distributed energy resources 5 MW and under; (2) total MWs of energy storage resources 5 MW and under; and, (3) number (i.e., sites, projects, and/or households) of distributed renewable generation resources and energy storage resources.

Public Participation & Equity Advisory Group

27. Avista's EAG shall not be responsible for the designation of Highly Impacted Communities and the Company's advisory groups should be facilitated such that this designation is not under consideration.
28. Avista will include a publicly available and regularly updated list of its EAG members and their organization or community affiliations on its website and in future Biennial CEIP Updates and CEIPs.
29. Avista agrees that all future EAG meetings will be fully open to the public.
30. On or before October 1, 2022, Avista must file with the Commission:

⁸ For electric customers that also have natural gas service, this data will include their total arrearages as the Company is unable to separate their electric and natural gas specific arrearages.

⁹ Data will be reported in this CEIP docket (UE-210628) on a quarterly basis, filed within 30 days following the end of each quarter. For Q4 2025, the data will be filed by January 31, 2026.

- a. A progress report on what actions have been taken since October 2021 to reduce barriers to public participation (e.g., steps taken to reduce barriers including but not limited to non-English speaking customers).
 - b. An update to the Company's customer engagement plan¹⁰ it will implement during the 2022-2025 timeframe, and provide a progress report of this plan in the 2023 Biennial CEIP Update.
31. On or before October 1, 2022, Avista agrees to provide in its CEIP docket a report on the changes regarding the EAG Equity Lens Sessions discussed and made with the EAG in March 2022, the facilitator, and the Company.

Incremental Cost of Compliance

32. Avista will participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.

Integrated Resource Plan

33. Avista agrees to model a scenario in the 2025 Electric IRP meeting the minimum level of primary compliance requirements beginning in 2030 that will create the glide path to 2045. If the results of this modeling differ from the Company's PRS and Clean Energy Action Plan, it must explain why.
34. For its 2023 IRP Progress Report, Avista commits to reevaluate its resource need given acquisitions the Company has made since its 2021 IRP (e.g., Chelan PUD hydro slice contracts) and include those proposed changes in its 2023 Biennial CEIP Update.
35. Avista recognizes that not all CBIs will be relevant to resource selection (for example, some CBIs pertain to program implementation). For its 2023 IRP Progress Report, and future IRPs and progress reports, Avista should discuss each CBI and where the CBI is not relevant to resource selection, explain why.
36. For its 2023 IRP Progress Report, Avista will:
- a. At the September 28, 2022 Electric IRP TAC meeting, present draft supply side resource cost assumptions, including DERs. The Company commits to revising said cost assumptions if TAC stakeholder feedback warrants changes. Avista will update its 2023 Electric IRP Work Plan (UE-200301) to reflect the date of this TAC meeting.
 - b. Use the Qualifying Capacity Credit (QCC) for renewable and storage resources from the Western Power Pool's Western Regional Adequacy Program (WRAP), if available, or explain why the WRAP's QCCs are inappropriate for use.

¹⁰ See AVA CEIP at pp. 6-9 & 6-10, UE-210628, October 1, 2021.

- c. Update its load forecast to include the baseline zero emission vehicle (ZEV) scenario from its Transportation Electrification Plan.¹¹

Cost Recovery

37. In order to provide a means of recovery of prudently incurred costs associated with implementing this CEIP and associated conditions, the Company will file a separate accounting petition to address deferred accounting for such costs until they are reviewed and deemed prudent for recovery or not by the Commission.

Summary of Conditions with Due Date, if Applicable

For all conditions with a due date of “upon approval of CEIP,” Avista will commit to reporting the current results or conclusions of such data tracking by its 2023 Biennial CEIP Update. For all conditions with a due date labeled “upon approval of CEIP” that are not related to data tracking, Avista will provide a brief statement in its 2023 Biennial CEIP Update describing how it has fulfilled the condition since the approval of the CEIP.

Condition	Due date
1	Within 30 days of CEIP approval, if necessary
2	2023 IRP Progress Report
3	IRP TAC Meeting in August 2022
4	N/A
5	2023 Biennial CEIP Update
6	2023 Biennial CEIP Update
7	N/A (already specified in rule)
8	2023 IRP Progress Report Update (June 1, 2023)
9	2023 Biennial CEIP Update
10	December 1, 2022
11	To be determined
12	To be determined
13	December 31, 2022
14	2023IRP Progress Report/2025 Electric IRP
15	To be determined
16	2023 Biennial CEIP Update
17	Upon approval of CEIP
18	Upon approval of CEIP
19	October 1, 2022/2023 Biennial CEIP Update
20	2023 Biennial CEIP Update
21	Upon approval of CEIP
22	Upon approval of CEIP
23	2023 Biennial CEIP Update
24	2023 Biennial CEIP Update
25	2023 Biennial CEIP Update
26	Upon approval of CEIP

¹¹ Pursuant to RCW 19.280.030(1)(m)(i) and (ii), Avista will include additional ZEV scenarios in its 2025 Electric IRP.

27	N/A
28	Upon approval of CEIP
29	Upon approval of CEIP
30	October 1, 2022
31	October 1, 2022
32	N/A
33	2025 Electric IRP
34	2023 IRP Progress Report
35	2023 IRP Progress Report
36	September 2022/2023 IRP Progress Report
37	N/A