

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 97
RENEWABLE GENERATION INCENTIVES
WASHINGTON

AVAILABLE:

Residential-Scale and Commercial-Scale Projects – Customers may apply for generation incentives as allowed by WAC 458-20-273 (Renewable energy system cost recovery) with the Washington University extension energy program (“Program Administrator”). Qualifying systems include solar energy systems, wind generators, and anaerobic digesters that process manure from livestock into biogas and dried manure using microorganisms in a closed oxygen free container. Availability of this program is determined by the Program Administrator under the provisions of RCW 82.16.110 through 82.16.150. The Company will follow the Program Administrator’s guidance on which Customers to pay, and the amount, each year.

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Community Solar Projects – Generation incentives are available to customers that participate in a community solar project. The Company or community solar project administrator, on behalf of the community solar participants, may apply for an incentive cost recovery incentive with the Program Administrator. Availability of this program is determined by the Program Administrator under the provisions of RCW 82.16.110 through 82.16.150. The Company will follow the Program Administrator’s guidance on which Customers to pay, and the amount, each year.

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Shared Commercial Solar Projects - Generation incentives are available to commercial customers that participate in a shared commercial solar project. The Company or administrator of a shared commercial solar project, on behalf of the shared commercial solar project participants, may apply for an incentive cost recovery incentive with the Program Administrator. Availability of this program is determined by the Program Administrator under the provisions of RCW 82.16.110 through 82.16.150. The Company will follow the Program Administrator’s guidance on which Customers to pay, and the amount, each year.

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PARTICIPATION:

Customers must apply for interconnection with the Company and receive certification of their renewable energy system through the Program Administrator. Upon approval of completion of installation of a qualifying renewable energy system and meeting interconnection standards, the customer’s generation will be interconnected and measured by the Company. Customers interconnected prior to the effective date of this tariff must apply for participation in the program to Avista in addition to the state certification to ensure proper measurement.

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Customer that elected to participate in the Company’s Spokane Valley, WA (located off Barker Road) community solar array had the option to purchase interest in the generation output from one or more solar panels. The upfront payment by the customer of \$1,400 per solar panel is sufficient to cover one-time upfront costs as well as ongoing costs that will be incurred through the life of the program. Avista’s current community solar program is fully subscribed. Participants entered into agreements to participate in the program through 2020.

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(K) Material has been transferred to Third Revision Sheet 97(A).
(M) Material has been transferred from First Revision Sheet 97(B).

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By Kelly Norwood,

V.P., State & Federal Regulation

AVISTA CORPORATION
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SCHEDULE 97 - Continued

CUSTOMER PAYMENTS FOR SYSTEMS CERTIFIED PRIOR TO SEPTEMBER 30, 2017:
 Generation incentive payments will be based on a fiscal year of July 1st of one year through June 30th of the following year. Incentive payments will be made to eligible customers, as determined by the Program Administrator.

Participants in the renewable energy investment cost recovery program will continue to receive payments for electricity produced through June 30, 2020, at the same rates paid to participants for electricity produced between July 1, 2015, and June 30, 2016.

The following table describes the computation of the incentive payment for systems certified prior to September 30, 2017, using the appropriate base rate and then multiplying it by the applicable economic development factors to determine the incentive payment rate. The incentive payment rate is then multiplied by the gross kilowatt-hours generated for the year. The actual incentive payment received must be computed using the renewable energy system's actual measured gross electric kilowatt-hours generated.

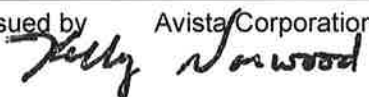
Annual Investment Payment Calculation Table for Non-Community Projects Certified Prior to September 30, 2017

Customer-generated power Applicable rates	Base rate (0.15) multiplied by applicable factor equals incentive payment rate
Solar modules manufactured in Washington state Factor: 2.4 (two and four-tenths)	\$0.36
Solar or wind generating equipment with an inverter manufactured in Washington state Factor: 1.2 (one and two-tenths)	\$0.18
Anaerobic digester or other solar equipment or wind generator equipped with blades manufactured in Washington state Factor: 1.0 (one)	\$0.15
All other electricity produced by wind Factor: 0.8 (eight-tenths)	\$0.12
Both solar modules and inverters manufactured in Washington State. Factor: (2.4 + 1.2) = 3.6	\$0.54
Wind generator equipment with both blades and inverter manufactured in Washington State. Factor: (1.0 + 1.2) = 2.2	\$0.33

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SCHEDULE 97 – Continued

Payments to customers participating in the Company’s Spokane Valley community solar project will be made monthly and will be equal to: a) the value of the energy produced by the community solar project (4.9 cents* per kWh), plus b) the Washington State production incentive under WAC 458-20-273 of \$1.08** per kWh. Payments will be in the form of a bill credit on the customers’ bills.

*Value of energy produced by the community solar project was calculated using an average of Avista’s five-year (2015 - 2019) published Schedule 62 Small Power Production rates.

**Per the following table, the production incentive was calculated using the appropriate base rate and then multiplying it by the applicable economic development factors to determine the incentive payment rate for solar modules and inverters manufactured in Washington State. The actual incentive payment received must be computed using the renewable energy system’s actual measured gross electric kilowatt-hours generated.

Annual Incentive Payment Calculation Table for Community Solar Projects Certified Prior to September 30, 2017

Customer-generated power applicable factors	Base rate (0.30) multiplied by applicable factor equals incentive payment rate
Solar modules or solar stirling converters manufactured in Washington state Factor: 2.4 (two and four-tenths)	\$0.72
Solar equipment with an inverter manufactured in Washington state Factor: 1.2 (one and two-tenths)	\$0.36
Other solar equipment Factor: 1.0 (one)	\$0.30
Both solar modules and inverters manufactured in Washington state. Factor: (2.4 + 1.2) = 3.6	\$1.08

The determination of manufacturing as it relates to economic development factors will be included in the Department of Revenue’s analysis for certification. The Department of Revenue defines manufacturing in WAC 458-20-136.

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SCHEDULE 97 - Continued

In order for customers to continue to receive incentive payments as described in this section, a customer or community solar project administrator, who has by September 30, 2017, submitted a complete certification to the Department of Revenue, must apply to the Program Administrator by April 30, 2018, for a re-certification authorizing the Company to annually remit the incentive payments for each kilowatt-hour generated by the renewable energy system through June 30, 2020.

CUSTOMER PAYMENTS FOR SYSTEMS CERTIFIED AFTER SEPTEMBER 30, 2017:

Generation incentive payments will be based on a fiscal year of July 1st of one year through June 30th of the following year. Incentive payments will be made to eligible customers, as determined by the Program Administrator. The following table describes the computation of the incentive payment for systems certified after September 30, 2017. The made in Washington bonus is added to the applicable base rate as determined by the Program Administrator. The total incentive payment rate is then multiplied by the gross kilowatt-hours generated. The actual incentive payment received must be computed using the renewable energy system's actual measured gross electric kilowatt-hours generated.

Annual Investment Payment Calculation Table

Fiscal Year of System Certification	Base Rate – Residential-Scale	Base Rate – Commercial-Scale	Base Rate – Community Solar	Base Rate – Shared Commercial Solar	Made in Washington Bonus
2018	\$0.16	\$0.06	\$0.16	\$0.06	\$0.05
2019	\$0.14	\$0.04	\$0.14	\$0.04	\$0.04
2020	\$0.12	\$0.02	\$0.12	\$0.02	\$0.03
2021	\$0.10	\$0.02	\$0.10	\$0.02	\$0.02

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