Avista Corp. 1411 East Mission P.O. Box 3727 Spokane. Washington 99220-0500 Telephone 509-489-0500 Toll Free 800-727-9170

November 1, 2019

AVISTA

Via UTC Web Portal

Mark L. Johnson Executive Director and Secretary Washington Utilities & Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

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Re: Avista Utilities Tariff WN U-29 Revisions, Schedule 190 – Natural Gas Efficiency Programs

Dear Mr. Johnson:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities' ("Avista" or "the Company"), filing of its proposed revisions to the following electric tariff sheets, WN U-29:

| Sixth Revision Sheet 190A | Canceling | Fifth Revision Sheet 190A |
|----------------------------|-----------|----------------------------------|
| Fourth Revision Sheet 190B | Canceling | Third Revision Sheet 190B |

The purpose of these requested tariff revisions is to remove the \$3.00 per therm incentive level and 70% incremental cost incentive cap currently in place for residential energy efficiency measures. The Company believes removing this restrictive payback methodology will help to further develop cost-effective energy efficiency programs by allowing the opportunity to set incentive levels that achieve the highest throughput at the lowest cost, therefore leading to an improved portfolio performance.

This proposed change was presented to the Advisory Group on May 17, 2019, with the consensus being that as long as cost-effectiveness is still maintained there are no objections to eliminating the restrictive tariff language. The Company believes, and the Advisory Group agreed, that though the tariff allows for considerable flexibility in how programs are designed

and delivered, there remains the occasional need for modifications to help meet current and future market conditions and opportunities. This cost-effective management of energy efficiency programs will allow Avista to better align with other utilities and to continue to adaptively manage its programs to maximize energy savings. Avista will, of course, continue to use the \$3.00 per therm incentive level and 70% incremental cost incentive cap as a default for incentive setting within its Standard Operating Procedures.

This filing is being made concurrently with the Company's 2020-2021 Biennial Conservation Plan (BCP), which includes these proposed tariff revisions within Appendix B. Avista respectfully requests that these proposed tariff revisions become effective January 1, 2020.

If you have any questions regarding this information, please contact Anna Scarlett, Director of Energy Efficiency at 509-495-2557 or myself at 509-495-4975.

Sincerely,

/s/Línda Gervaís

Linda Gervais Senior Manager, Regulatory Policy & Strategy <u>linda.gervais@avistacorp.com</u>

Cc: Avista Advisory Group