

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 190 - continued

4. FUNDING AND NONMONETARY ASSISTANCE

4.1 Funding

The Company shall offer incentives for projects based upon the incremental capital cost associated with the energy efficiency of the project. Energy savings are calculated using the current energy rates.

The Company shall pay an incentive up to a maximum of the incremental measure cost. The Company shall make adjustments to the percent of incremental cost paid to attempt to obtain the greatest energy savings at the lowest cost.

Low income measures that have a Total Resource Cost (TRC) of 1.0 or higher are incentivized at 100% of the project cost. For measures that have a TRC of less than 1, the project is incentivized at an amount equal to the present value of avoided cost.

Incentives for efficiency measures within the following categories shall not exceed 100% of the project cost:

- 4.1.1** Energy efficiency programs delivered by community action agencies contracted by the Company to serve Low Income or vulnerable customer segments including agency administrative fees and health and human safety measures;
- 4.1.2** Low-cost natural gas efficiency measures with demonstrable energy savings (e.g. rooftop unit service);
- 4.1.3** Programs or services supporting or enhancing local, regional or national natural gas efficiency market transformation efforts.
- 4.1.4** Prescriptive programs are guided by the typical application of that measure in accordance with the previously defined incentive structure. Incentive levels for these programs are based on market conditions at the time of the program design and are not dependent on actual project cost relative to incentive caps. Incentives shall not exceed project costs.
- 4.1.5** Effective October 1, 2021, pending Commission approval, On-Bill Repayment (OBR) Program interest rate buydowns for qualifying natural gas efficiency measure financing as provided through the Company's partner lender.
- 4.1.6** Incentives for customers designated as part of a vulnerable population or highly impacted community pursuant to RCW 19.405.020. Funding is limited to 100% of the project costs for installation and use of energy efficiency equipment. Equipment or repairs related to the health and safety of the customer or community is also allowed under this section.

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By

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