

# 2023 Biennial Clean Energy Implementation Plan Update

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## **2 Executive Summary**

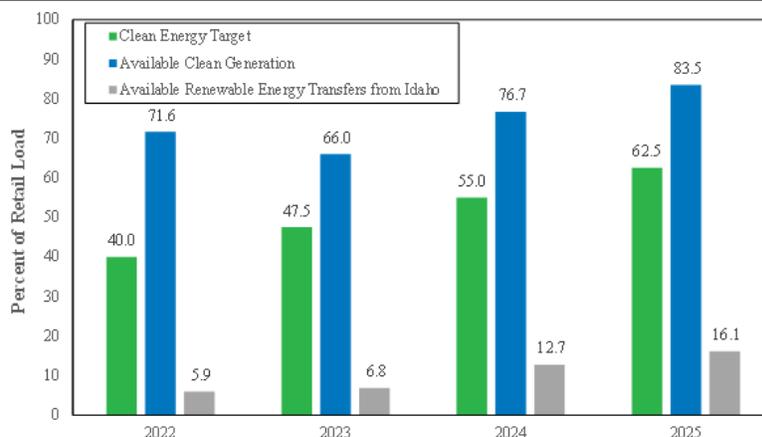
Avista’s 2023 Biennial Clean Energy Implementation Plan (CEIP) provides updates or progress made towards the Company’s 2021 CEIP targets and specific actions, Customer Benefit Indicators (CBIs), public participation efforts, Named Communities Investment Fund (NCIF) activities, and Avista’s 38 CEIP Conditions. The development of this Biennial CEIP was influenced by Avista’s advisory groups and public participation with an intended focus on equity. Avista anticipates this process to evolve over time, both throughout the remainder of the current implementation period and into the next CEIP. The focus on customer benefits and equity areas will result in a change in overall company culture as CBIs are incorporated into planning processes, budget development, and engagement with customers. Employee education and development continues to be a key component for this transition to fully ensure a focus on equity throughout Avista.

### **2.1 Interim Targets**

Avista’s Interim Renewable Energy Targets for the 2022-2025 implementation period, as approved by the Commission in Condition 7, are shown in Figure No. 2.1 below. This figure compares the approved targets to the qualifying renewable energy under control by the Company, with the green bar showing the approved targets, the blue bar reflecting the actual or expected qualifying generation allocated to Washington customers, and the gray bar representing the amount of clean energy that is transferrable from the Company’s Idaho jurisdiction. The Idaho share of clean generation is transferrable to Washington customers at market prices as qualifying renewable energy per the CEIP proposed method of transferability of qualifying resources. The amounts of expected generation above the approved target will be sold for the benefit of customers as specified energy sales or as unbundled Renewable Energy Credit (REC) sales.

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**Figure No. 2.1 – Interim Renewable Energy Targets and Renewable Energy Availability**



## 2.2 Specific Targets

Avista filed its 2023 Clean Energy Progress Report on June 29, 2023, outlining the specific resources used for compliance in meeting its 40% target for 2022. At this time, the Company does not propose any changes to its clean energy targets for the duration of the current CEIP implementation period, nor does it propose changing its demand response target. As listed in Table No. 2.1 below, Avista does propose reduced conservation targets based on its 2024-2025 Biennial Conservation Plan (BCP), which was filed concurrently with this Biennial CEIP.

The targets included in Avista’s 2024-2025 BCP were derived from the Company’s most recent Conservation Potential Assessment (CPA), initiated in 2022. It shows a significant decline in expected conservation potential as compared with the 2020 CPA, which informed the Company’s 2022-2023 BCP. The Company is not likely to meet the 2022-2023 BCP target, which was significantly higher than the 2020-2021 BCP target. The Company therefore considers the target derived from the 2022 CPA to be more reflective of realistically achievable conservation potential for the 2024-2025 BCP.

**Table No. 2.1 – Energy Efficiency Conservation Targets Comparison**

Year	2020 CPA Derived Target in MWh	2022 CPA Derived Target in MWh	Variance
2024	53,322	33,271.5	(20,051)
2025	53,322	33,271.5	(20,051)

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## **2.3 Customer Benefit Indicators**

Avista's CBIs were developed during the 2021 CEIP development with input from its Equity Advisory Group (EAG), as well other existing advisory groups and customers through CEIP Public Participation meetings. CBIs are an important component of the CEIP as they measure customer benefits and equitable distribution of benefits to Named Communities. Each CBI was carefully evaluated with an equity focus towards identified Named Communities. By taking this viewpoint, Avista's goal is to mitigate disparities in the benefits or reduction of burdens associated with its clean energy transition. The Biennial CEIP provides a 2021 baseline for all CBI metrics and a 2022 comparison. The Company proposes the following metrics for its Indoor Air Quality (IAQ) CBI as required in CEIP Condition 24:

- Ranking of IAQ factors – Ranking of poor air quality factors for ventilation improvements including Named Communities.
- Percent of weatherization efforts that result in ventilation improvements including Named Communities.

## **2.4 Specific Actions**

Avista included several specific actions in its CEIP involving renewable and non-emitting energy acquisitions, energy efficiency, and demand response. The Biennial CEIP includes an update on the specific actions specified in the Company's 2021 CEIP.

### **Renewable and Non-Emitting Acquisitions**

Through its 2020 and 2022 Request for Proposal (RFP) processes, Avista made several resource additions to meet both clean energy requirements as proposed in the 2021 CEIP and to meet future capacity and energy needs through the remaining decade. All energy resources acquired will be allocated to Washington's customers using the Production-Transmission (PT) ratio of 65.542 percent for energy, capacity, and environmental attributes. As proposed in the 2021 CEIP, all future renewable acquisitions of the non-Washington share of the resources could be transferred to meet CETA compliance targets at market prices, if necessary.

### **Clean Energy Targets**

Avista's 2022 CETA obligation was 2,275,197 MWh and was fulfilled with RECs and renewable generation from Avista-owned hydro, biomass, and solar generation, and from REC rights associated with wind and hydro purchased generation. WREGIS REC retirements totaled 2,111,822. The remaining 163,375 MWh has yet to be certified in WREGIS but comes from

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Avista’s contracted hydroelectric renewable energy resources. If Avista receives the associated RECs from these resources, they will be subsequently retired.

### **Demand Response and Energy Efficiency**

Avista, among other demand response and distribution resiliency actions, is implementing two separate Time-Of-Use (TOU) pilot programs, as well as a Peak Time Rebate (PTR) pilot program. Marketing and enrollment will begin in the second quarter of 2024 and be retained for a two-year pilot period. At the conclusion of the pilot period, Avista will engage a third-party to evaluate the results of the pilots and will then determine whether to move these pilots into the Company’s demand response portfolio. In addition, Avista is also implementing the Active Energy Management (AEM) pilot program, piloting the Connected Communities Project, and expanding the partnership with the Spokane Tribe of Indians to design a distribution resiliency solution. These resiliency efforts may enable future demand response opportunities. The Energy Efficiency team will continue to build on the success of CETA programs and initiatives piloted in 2022 and 2023 and will continue to develop solutions that extend the benefits of clean energy to Named Communities within Avista’s service territory.

### **Named Communities Investment Fund**

After approval of the NCIF in June 2022, Avista began investing in Named Communities through Company projects/programs or leveraging the fund as an incentive or grant to develop projects led by local customers or third parties, supported by Avista. These funds may help uneconomic projects become more cost-effective for Named Communities. The Company committed up to approximately one percent of Washington electric retail revenues or approximately \$5 million for the fund annually as shown in Table No. 2.2 below.

**Table No. 2.2 – Named Communities Investment Fund**

<b>NCIF Amount</b>	<b>NCIF Category</b>
40 percent or up to \$2 million	Energy Efficiency Supplement
20 percent or up to \$1 million	Distribution Resiliency
20 percent or up to \$1 million	Customer & Third-Party Grants & Incentives
10 percent or up to \$0.5 million	Outreach & Engagement
10 percent or up to \$0.5 million	Other Projects, Programs, or Initiatives

Throughout meetings held between the fourth quarter 2022 and the first quarter 2023, members of the EAG developed eight areas of project prioritization consideration. The group employed a results-based accountability review and prioritization process. The Company is actively working

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to implement the EAG’s proposed projects with precedence for the highest ranked projects as outlined in Table No. 2.3 below.

**Table No. 2.3 – EAG NCIF Prioritization Considerations**

Rank	EAG NCIF Prioritization Considerations
1	Focus efforts on improving energy efficiency (and EE awareness/education) for schools, community centers, and other places where Named Community members spend time.
1	Focus efforts on improving energy efficiency for Spokane Tribe partners.
2	Improve energy efficiency in multi-family and mobile home communities.
3	Increase tree canopy and shade in Named Communities (consider tradeoffs with solar).
3	Increase access to energy efficient products and appliances for Named Communities.
4	Increase awareness of and engagement in energy efficiency programs while also meeting whole-house needs through community-based partnerships and referrals to services.
5	Set aside funds to match for energy efficiency grant applications for community organizations and tribal partners (could have higher feasibility).
6	Focus efforts on improving energy efficiency for community members without stable housing (consider including with other initiatives).

In 2022, \$0.49 million in NCIF was spent towards projects supporting energy efficiency, customer and third-Party efforts, and outreach and engagement. As of the August 2023 financial close period, the NCIF has spent a total of \$0.46 million with projects supporting energy efficiency, outreach & engagement, and other projects or programs. The Company has an additional \$2.2 million in NCIF allocated for projects in the third quarter 2023 and into 2024.

### 2.5 Public Participation

Public participation continues to be an essential part of Avista’s CEIP development. Avista recognizes the importance of effective public participation for improving its decision-making processes and including the unique viewpoints and knowledge, which non-utility participants bring to the table. Public participation is vital to the equitable development of the CEIP and will continue to play a key role in developing future actions to implement the targets established in the CEIP. Avista is currently working on the following projects to enhance public engagement, among other activities: Multi-Language Strategy team, CEIP Newsletter, CEIP Public Comment form, and a Frequently Asked Questions and Answers (FAQ&A) page.

### 2.6 CEIP Conditions

In June 2022, Avista’s 2021 CEIP was approved with 38 Conditions. The Company is in compliance with all 38 conditions.

## 3 Background Summary

Washington’s Clean Energy Transformation Act (CETA) requires electric utilities to eliminate coal-fired electricity from its allocation of electricity to Washington retail electric customers by the end of 2025, use a carbon-neutral supply of electricity by 2030, and source 100 percent of their electricity from renewable or non-carbon-emitting sources by 2045. Each electric investor-owned utility is required to file a CEIP every four years, a Clean Energy Progress Report annually, and a Biennial CEIP update each odd-numbered year that the utility does not file a CEIP with the Washington Utilities and Transportation Commission (Commission). The CEIP describes the specific and interim targets to reach CETA’s goals, as well as specific actions which will be taken over the four-year implementation period. The Clean Energy Progress Report focuses on energy-related metrics, including energy conservation, greenhouse gas emissions, renewable energy credits, and sales and purchases, amongst others, over the previous annual period. The Biennial CEIP provides updates as a result of changes to conservation targets and/or the integrated resource plan, reporting on CBIs, and updates on CEIP conditions.

Avista filed its first CEIP for the 2022-2025 compliance period on October 1, 2021,<sup>1</sup> and it was conditionally approved by the Commission on June 16, 2022. Avista’s first Clean Energy Progress Report was filed on June 29, 2023. In accordance with WAC 480-100-640, Avista’s first Biennial CEIP provides updates and/or reporting on Interim and Specific Targets, CBIs, Specific Actions, the NCIF, the Public Participation Plan, and the Company’s 38 CEIP conditions. The Biennial CEIP reports on financial data through year-end 2022 and through the 2023 August financial close. Project updates include actions from 2022 and through August 2023, while CBI metrics provide a 2021 baseline compared with 2022 actuals.

## 4 CEIP Targets

### 4.1 Interim Targets

Avista’s Interim Renewable Energy Targets for the 2022-2025 implementation period, as approved by the Commission in **Condition 7** are shown in Figure No. 4.1 below. This figure compares the approved targets to the qualifying renewable energy under control of the Company with the green bar showing the approved targets, the blue bar reflects the

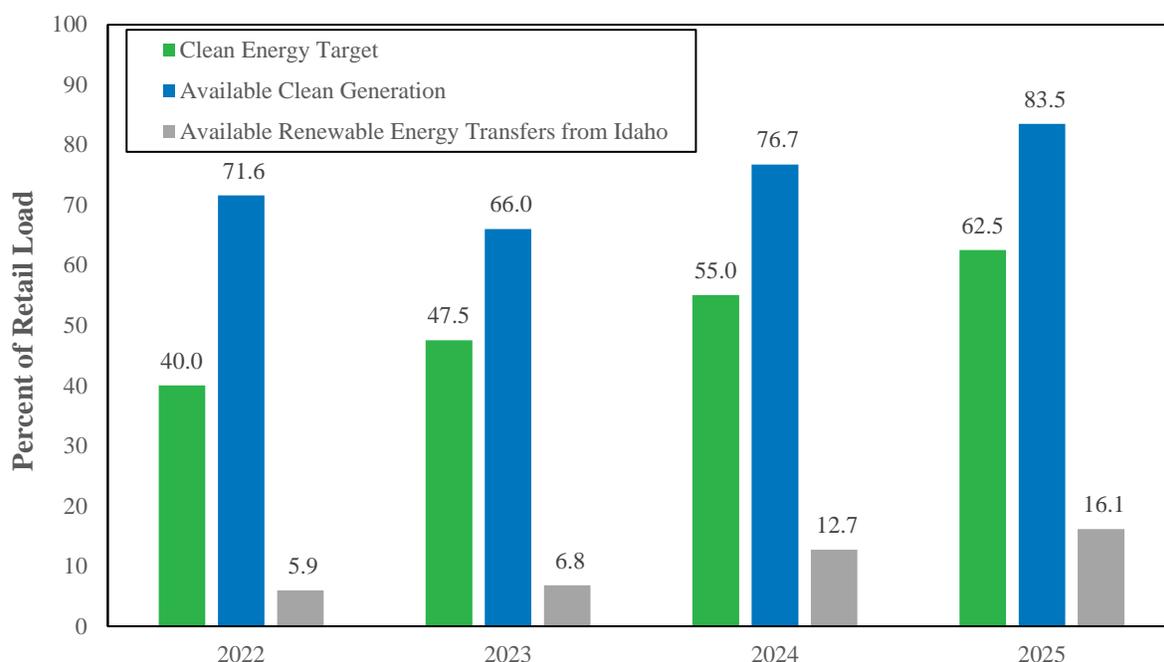
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<sup>1</sup> Docket UE-210628.

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actual or expected qualifying generation allocated to Washington customers, and the gray bar represents the amount of clean energy that is transferrable from the Company's Idaho jurisdiction. The Idaho share of clean generation is transferrable to Washington customers at market prices as qualifying renewable energy per the CEIP proposed method of transferability of qualifying resources. The amounts of expected generation above the approved target will be sold for the benefit of customers as specified energy sales or as unbundled REC sales. Further detail of Company controlled resources is in Table No. 6.2 below.

**Figure No. 4.1 – Interim Renewable Energy Targets and Renewable Energy Availability**



### 4.2 Specific Targets

Avista filed its 2023 Clean Energy Progress Report on June 29, 2023 outlining the specific resources used for compliance in meeting its 40% target for 2022. At this time, the Company does not propose any changes to the clean energy targets for the duration of the current CEIP implementation period, nor does it propose changing its demand response target. As listed in Table No. 4.2 below, Avista does propose reduced conservation targets based on its 2024-2025 Biennial Conservation Plan (BCP), which was filed concurrently with this Biennial CEIP.

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The targets included in Avista’s 2024-2025 BCP were derived from the Company’s most recent Conservation Potential Assessment (CPA), initiated in 2022. It shows a significant decline in expected conservation potential as compared with the 2020 CPA, which informed the Company’s 2022-2023 BCP. The Company is not likely to meet the 2022-2023 BCP target, which was significantly higher than the 2020-2021 BCP target. The Company therefore considers the target derived from the 2022 CPA to be more reflective of realistically achievable conservation potential for the 2024-2025 BCP.

**Table No. 4.2 – Energy Efficiency Conservation Targets Comparison**

<b>Year</b>	<b>2020 CPA Derived Target in MWh</b>	<b>2022 CPA Derived Target in MWh</b>	<b>Variance</b>
2024	53,322	33,271.5	(20,051)
2025	53,322	33,271.5	(20,051)

Every two years, Avista leverages a third-party to conduct a ten-year CPA, pursuant to RCW 19.285.040(1) and WAC 480-109-120(1). This assessment must consider all conservation resources that are cost-effective and available at the time the CPA is conducted, including a refresh of any prior assumptions regarding codes and standards in order to incorporate the best available projection of expected savings based on any forecasted changes in such standards. As a result, year-to-year conservation variance is expected as the anticipated codes and standards are implemented, and actual savings are realized.

For example, during the 2020 CPA process, the Energy Independence and Security Act (EISA) lighting standard backstop was not yet in effect. This secondary EISA rule, which requires any light bulb sold after 2019 to meet a 45 lumens-per-watt standard (thereby dramatically increasing residential lighting efficiency), caused projected lighting savings within the 2020 CPA to be much higher than in 2022. Increasing the overall efficiency of light bulbs changed the energy savings baseline, thus savings that were projected to be high in 2020 were reduced in the 2022 CPA with the new EISA lighting standard in effect.

Another factor contributing to the 2022 CPA savings potential decrease – more specifically, the largest driver of the difference in potential from the 2020 to 2022 CPAs –

was the implementation of the 2021 Washington State Energy Code, which, at the time of the 2022 CPA, was anticipated to be in effect in 2023. While the 2022 CPA assumed a 30% increase in residential electric load over the 10-year conservation period, most of the load is expected to be new construction and therefore subject to the energy code that is, or will be, in effect at the time of construction – meaning higher efficiency builds with less potential for efficiency improvements or savings. This change in code, coupled with a projected decrease of 7% in commercial/ industrial load, as well as the significant reduction in lighting savings due to the EISA lighting standard backstop, resulted in a significantly lower target in the 2022 CPA than in the 2020 CPA.

## **5 Customer Benefits**

### **5.1 Customer Benefit Indicator (CBI) Methodology**

CBIs are an important component of the CEIP as they measure customer benefits and equitable distribution of benefits to Named Communities. Each CBI was carefully evaluated with an equity focus towards identified Named Communities. By taking this viewpoint, Avista’s goal is to mitigate disparities in the benefits or reduction of burdens associated with its clean energy transition. Whenever possible, a curated dataset was created containing all the necessary data attributes for Washington residential electric customers who received service from 2021 forward. This dataset aggregates usage, payments, assistance amounts received, and days of service into a single row for each active customer at a specific location quarterly.

Additionally, separate tables were curated to obtain the monthly disconnect and arrears data for Avista’s Washington residential electric customers during the reporting period. The data was further updated with spatial attributes, utilizing a spatial intersection for each customer meter against the Geographic Information System (GIS) map of Named Communities utilized in its 2021 CEIP.

To account for customer specific data, several other datasets were identified that informed specific CBIs such as diversity, energy availability, greenhouse gas emissions, outdoor air quality, and indoor air quality. Some of these data sources were already part of the

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Company’s corporate data portfolio, while others were obtained from external sources. See Attachment A for CBI metric details and figures.

### **5.2 2021 CBI Baseline Compared to 2022 Actuals**

Avista’s CBIs were developed during the 2021 CEIP development with input from its EAG, as well as its existing advisory groups and customers through CEIP Public Participation meetings. Each CBI measures progress towards meeting the equitable distribution of customer benefits as required by CETA. Table No. 5.1 represents Avista’s CBIs by statutory benefit area with a 2021 baseline compared to the 2022 results.

**Table No. 5.1 – Customer Benefit Indicators**  
**2021 Baseline Compared with 2022 Results**

Statutory Benefit Area(s)	CBI	CBI Metrics	2021 Baseline	2022
Affordability	Participation in Company Programs	Participation in weatherization programs and energy assistance programs - ALL	21,835	29,636
		Participation in weatherization programs and energy assistance programs - Named Communities	14,246	17,922
		Saturation of energy assistance programs - ALL	26.4%	23.9%
		Saturation of energy assistance programs - Named Communities	26.5%	24%
		Residential appliance and equipment rebates provided to customers residing in Named Communities	2,712	2,605
		Residential appliance and equipment rebates provided to customers residing in rental units (Condition #17)	683	629
	Number of households with a High Energy Burden (>6%)	Number of households - All	42,498	50,466
		Number of households - KLI (Condition #18)	8,398	8,169
		Number of households - Named Communities	24,228	28,512
		Percent of households - All	15.1%	17.8%
		Percent of households - KLI (Condition #18)	36.5%	33.3%
		Percent of households - Named Communities	19.5%	22.7%
		Average excess burden per household - ALL	\$554.36	\$621.14
		Average excess burden per household - KLI (Condition #18)	\$193.76	\$248.43

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		Average excess burden per household - Named Communities	\$496.68	\$554.16
Accessibility	Availability of Methods/Modes of Outreach and Communication	Number of outreach contacts	4,704	5,646
		Number of marketing impressions	68,154,059	42,395,723
		Number of translation services provided in Energy Access and Energy Efficiency identified channels. (Condition #19)	8	12
		Number of unique languages translated in Energy Access and Energy Efficiency identified channels (Condition #19)	0	9
	Transportation Electrification	Number of trips provided by Community Based Organizations (CBOs) for individuals utilizing electric transportation	444	896
		Number of annual passenger miles provided by CBOs for individuals utilizing electric transportation	13,837	21,961
		Number of public charging stations located in Named Communities	61	172
	Named Community Clean Energy	Total MWh of distributed energy resources 5 MW and under (Condition #26)	8,577 MWh	8,753 MWh
		Total of MWh of energy storage resources under 5 MW (Condition #26)	0 MWh	0 MWh
		Number of sites/projects of distributed renewable energy resources and energy storage resources (Condition #26)	768	812
	Investments in Named Communities	Incremental spending each year In Named Communities	Not tracked until 2022	\$486,657
		Number of customers and/or CBOs served	Not tracked until 2022	145
		Quantification of energy/non-energy benefits from investments (if applicable)	Not applicable for 2021/2022. Currently developing methodology for metric	
Energy Resiliency	Energy Availability	Average outage duration - ALL	132 mins	164 mins
		Average outage duration - in Named Communities	153 mins	190 mins
		Planning Reserve Margin (Resource Adequacy) - Summer	29%	26%
		Planning Reserve Margin (Resource Adequacy) - Winter	30%	21%
		Frequency of customer outages - CEMIO in Named Communities (Condition #21)	40.42%	27.81%
		Frequency of customer outages - CEMIO in ALL (Condition #21)	46.56%	33.62%

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Energy Security	Energy Generation Location	Percent of generation located in Washington or connected to Avista transmission	83.28%	82.59%
Environmental	Outdoor Air Quality	Weighted average days exceeding healthy levels	9.82	5.97
		Avista plant air emissions (Mercury – metric tons)	0.0072 MT	0.0056 MT
		Avista plant air emissions (NOx – metric tons)	417.9 MT	416.9 MT
		Avista plant air emissions (SO <sub>2</sub> – metric tons)	0.2 MT	0.2 MT
		Avista plant air emissions (VOC – metric tons)	25.72 MT	25.76 MT
		Decreased wood use for home heating (Condition #20) *Covers range of 2021-2023 program years	8,003 pounds estimated emissions reduced	
	Greenhouse Gas Emissions	Regional GHG emissions in metric tons	11.1 MT	11.4 MT
		Avista GHG Emissions in metric tons	1.75 MT	1.8 MT
Public Health	Employee Diversity	Employee diversity equal to communities served by 2035	33.5%	34.1%
	Supplier Diversity	Supplier Diversity at 11 percent by 2035	9.4%	9.5%
	Indoor Air Quality	Pending Approval		
Affordability/Energy Security	Residential Arrearages and Disconnections for Nonpayment	Number of residential electric disconnections for non-payment by month for Census Tracts (Condition #22)	Attachment A, Disconnects by CT 2021 Tab	Attachment A, Disconnects by CT 2022 Tab
		Number of residential electric disconnections for non-payment by month for KLI (Condition #22)	0	Attachment A, Disconnects NonPayment KLI 2022 Tab
		Number of residential electric disconnections for non-payment by month for Vulnerable Populations (Condition #22)	Attachment A, Disconnects NonPayment NC 2021 Tab	Attachment A, Disconnects NonPayment NC 2022 Tab
		Number of residential electric disconnections for non-payment by month for Highly Impacted Communities (Condition #22)	Attachment A, Disconnects NonPayment NC 2021 Tab	Attachment A, Disconnects NonPayment NC 2022 Tab
		Number of residential electric disconnections for non-payment by month for All Customers (Condition #22)	Attachment A, Disconnects NonPayment All 2021 Tab	Attachment A, Disconnects NonPayment All 2022 Tab
		Percent of residential electric disconnections for non-payment by month for Census Tracts (Condition #22)	Attachment A, % Disconnects NonPayment 2021 Tab	Attachment A, % Disconnects NonPayment 2022 Tab
		Percent of residential electric disconnections for non-payment by month for KLI (Condition #22)	0	Attachment A, % Discon NonPayment KLI 2022 Tab

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		Percent of residential electric disconnections for non-payment by month for Vulnerable Populations (Condition #22)	Attachment A, % Discon NonPayment NC 2021 Tab	See Attachment A, % Discon NonPayment NC 2022 Tab
		Percent of residential electric disconnections for non-payment by month for Highly Impacted Communities (Condition #22)	Attachment A, % Discon NonPayment NC 2021 Tab	Attachment A, % Discon NonPayment NC 2022 Tab
		Percent of residential electric disconnections for non-payment by month for All Customers (Condition #22)	Attachment A, % Discon NonPayment All 2021 Tab	Attachment A, % Discon NonPayment All 2022 Tab
		Number of Residential arrearages by month for Census Tracts (Condition #22)	Attachment A, Arrearages by CT 2021 Tab	Attachment A, Arrearages by CT 2022 Tab
		Number of Residential arrearages by month for KLI (Condition #22)	Attachment A, Arrearages for KLI 2021 Tab	Attachment A, Arrearages for KLI 2022 Tab
		Number of Residential arrearages by month for Vulnerable Populations (Condition #22)	Attachment A, Arrearages for NC 2021 Tab	Attachment A, Arrearages for NC 2022 Tab
		Number of Residential arrearages by month for Highly Impacted Communities (Condition #22)	Attachment A, Arrearages for NC 2021 Tab	Attachment A, Arrearages for NC 2022 Tab
		Number of Residential arrearages by month for All Customers (Condition #22)	Attachment A, Arrearages All Customers 2021 Tab	Attachment A, Arrearages All Customers 2022 Tab
		Number of past-due balances that are 30+, 60+, and 90+ days past due (Condition #22)	Attachment A, \$ Amount Past Due (30/60/90)* Days 2021  *3 separate tabs	Attachment A, \$ Amount Past Due (30/60/90)* Days 2022  *3 separate tabs
		Total amount of Arrearages Monthly Average (Condition #22)	\$7.79M	\$7.51M
Affordability	Condition 38	Number of Named Community Households with high energy burden from NC Census tract with highest median income	109	149
		Number of Named Community Households with high energy burden from NC Census tract with lowest median income	1,126	1,021
		Number of Named Community Households with high energy burden that have occupants over the age of 65	449	529
		Number of Named Community Households with high energy burden where home year built is < 1980	573	723

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		Number of Named Community Households with high energy burden that are homeowners	11,032	13,189
		Number of Named Community Households with high energy burden that are renters	7,122	9,282
		Number of Named Community Households with high energy burden that are low income	21,453	27,379
Energy Resiliency		Percent of Named Community Households with CEMIO from NC Census tract with highest median income	65.3%	80.8%
		Percent of Named Community Households with CEMIO from NC Census tract with lowest median income	0.5%	6.5%
		Percent of Named Community Households with CEMIO that have occupants over the age of 65	65.3%	34.2%
		Percent of Named Community Households with CEMIO where home year built is < 1980	54.6%	26.6%
		Percent of Named Community Households with CEMIO that are homeowners	48.6%	35.4%
		Percent of Named Community Households with CEMIO that are renters	46.9%	30.1%
		Percent of Named Community Households with CEMIO that are low income	46.9%	30.1%

## **6 Specific Actions**

Avista included several specific actions in its CEIP involving renewable and non-emitting energy acquisitions, energy efficiency, and demand response. The following commentary provides an update to the actions provided in the Company's 2021 CEIP and agreed upon conditions.

### **6.1 Renewable and Non-Emitting Resource Acquisition Plan Update**

Through its 2020 and 2022 Request for Proposal RFP processes, Avista made several resource additions to meet both clean energy requirements as proposed in the 2021 CEIP and to meet future capacity and energy needs through the remaining decade identified in its 2021 Integrated Resource Plan (IRP). All energy resources acquired will be allocated to

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Washington’s customers using the Production-Transmission (PT) ratio of 65.54<sup>2</sup> percent for energy, capacity, and environmental attributes. As proposed in the 2021 CEIP, all future renewable acquisitions of the non-Washington share of the resources could be transferred to meet CETA compliance targets at market prices, if necessary. Table No. 6.1 provides an update on each of the 2021 CEIP action items related to renewable and non-emitting resource acquisitions.

**Table No. 6.1 – Renewable and Non-Emitting Actions**

<b>2021 CEIP Reported Action</b>	<b>2023 Biennial CEIP Update</b>
In 2021, Avista completed the first step of its renewable resource strategy by acquiring a 5 percent share of Chelan Public Utility Districts Rocky Reach and Rock Island Dams beginning in 2024 for 10 years. Avista is negotiating with an additional preferred bidder from the 2020 renewable Request for Proposals process which may impact the timing and need for future resources if a deal is reached.	The preferred bidder was Chelan PUD to increase the share of Rocky Reach and Rock Island to 10 percent. This contract is in place between January 1, 2025, and December 31, 2045.
Secure approximately 48 aMW of renewable resources with similar capacity attributes as the Montana Wind proxy resource modeled in the 2021 IRP prior to January 1, 2026. Acquisition could be from Avista’s 2020 Renewable Acquisition Process or the upcoming 2022 All-Source RFP.	A majority of the 48 aMW energy requirement was met with the Chelan PUD contract discussed above. In addition, Avista reached a 30-year Power Purchase Agreement (PPA) with Next Era for approximately 98 MW or 42 aMW of energy from the Clearwater Wind project in Eastern Montana as part of the 2022 All-Source RFP. Avista also entered into an agreement with Columbia Basin Hydro to acquire hydroelectric generation from its canal system between 2022 and 2030. In total, the three renewable purchase power agreements should meet Avista’s CETA compliance, in addition to contributing toward the Company’s physical capacity and energy requirements for both of its jurisdictions (subject to final CETA “use” rules).
A 12 MW upgrade at Kettle Falls Generating Station (KFGS) in 2027 will be bid by the Company into the 2022 All-Source RFP. This need was identified in addition to the 48 aMW selection from the 2021 IRP and CEAP. This proposal would increase capacity of the station and the clean energy capability of the facility.	Avista selected Myno Carbon <sup>3</sup> in its 2022 All-Source RFP to increase KFGS’s capacity by a net of 11.2 MW. This project consisted of various upgrades including incremental steam from a planned carbon reduction facility (CRF) proposed by Myno. Myno Carbon proposed the development of a biochar facility using biomass fuel and inject the steam byproduct into the KFGS. Avista and Myno began negotiations in early 2023, however, the contract is not moving forward at this time. Avista will re-evaluate upgrade opportunities in the future.
Modernization of Post Falls hydro facility expected to be completed in 2027. This project will ensure Avista is able to meet the FERC license requirements to operate the facility.	Avista is currently evaluating options for the Post Falls facility. At this time, Avista does not expect changes to the facility to be complete prior to 2029. The project is to replace more than 100-year-old turbines and

<sup>2</sup> PT Ratio approved in the Company’s 2022 general rate case.

<sup>3</sup> Carbon Removal Services & Biochar Production – MYNO Carbon Corp.

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	generators with new equipment as the existing equipment is or may not be repairable.
Issue RFP to secure 100 MW (48 aMW) to meet clean energy resources requirements beginning in 2028. Montana wind is the proxy resource expected to supply this energy until an RFP is completed.	Avista’s 2022 RFP concluded the first quarter 2023 with the renewable acquisitions mentioned above. No additional RFPs are planned at this time.
Evaluate the need to purchase renewable energy and/or renewable energy attributes from the Idaho jurisdiction as needed.	Avista’s recent energy acquisitions, combined with the four-year compliance target levels will minimize the need to use renewable energy attributes from the Company’s Idaho jurisdiction, unless renewable energy production is less than expected or optimization of the renewable energy through the state’s Climate Commitment Act require additional renewable energy attributes to be transferred. Due to the complexities of Avista’s differing jurisdiction energy policies, Avista intends to engage in a future discussion on how it should allocate resources.
The final clean resource acquisition is an extension or acquisition of regional hydro capacity in 2031. Avista has a long history of purchasing regional hydro generation and anticipates this to continue.	The 2021 IRP and 2021 CEIP anticipated extensions or acquisition of regional hydro capacity. As indicated above, Avista acquired ten percent of Chelan PUD’s hydro capacity. Further, Avista will purchase hydro generation from Columbia Basin Hydro (CBH) from its irrigation generation facilities. This capacity phases in between 2023 and 2030. The total CBH capacity is 146.3 MW with expected energy deliveries of 61.8 aMW when all capacity is on-line.  Avista’s 2023 IRP does not include any additional regional hydro acquisitions, although is subject to future RFPs and/or regional PUD auctions as acquiring additional existing hydro energy could replace future “new build” renewable energy acquisition needs.
Avista does not specify any distributed energy resources within this plan as no resources were cost-effective when compared to utility scale alternatives. Avista may pursue these resource types as part of its Named Communities Investment Fund, discussed later in this section, and any resources acquired may reduce utility scale resources identified in this plan.	An update on the Named Community Investment Fund is within <a href="#">Section 7</a> .

### **6.2 CEIP Clean Energy Targets Update**

Table No. 6.2 below includes updated information on Avista’s clean energy targets and all jurisdictionally allocated resources available to meet the targets. The values shown in 2022 include actual qualifying produced energy as reported in the Company’s Clean Energy Progress Report (not the resources used for compliance). The 2023 estimates include actual sales and generation through June 2023 and the remaining months and years are forecasts using normal weather. Avista intends to use these resources for compliance, and when

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economic, will sell excess renewable energy to third parties through REC sales or bundled renewable energy sales in the wholesale market in order to lower customer costs.

Avista's 2022 CETA obligation was 2,275,197 MWh and was fulfilled with RECs and renewable generation from Avista-owned hydro, biomass, and solar generation, and from REC rights associated with wind and hydro purchased generation. WREGIS REC retirements totaled 2,111,822. The remaining 163,375 MWh has yet to be certified in WREGIS but comes from Avista's contracted hydroelectric renewable energy resources. If Avista receives the associated RECs from these resources, they will be subsequently retired.

Table No. 6.3 includes the available Idaho jurisdictionally allocated renewable energy Avista may use for compliance based on the proposal in the 2021 CEIP. This energy and renewable attributes could be transferred to the Washington jurisdiction at market prices. As discussed in the 2021 CEIP, Avista would use only clean energy resources from Idaho prior to 2030 where it was previously used for the Energy Independence Act compliance, or the qualifying resources were acquired after CETA was enacted into law in 2019.

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**Table No. 6.2 – Washington Share of Qualifying Generation  
as Compared to Renewable Energy Targets (MWh)**

	2022	2023	2024	2025	Total
<b>Retail Sales</b>	5,894,971	5,722,209	5,769,459	5,807,555	23,194,195
WA PURPA	-172,170	-199,149	-191,182	-190,585	-753,086
Voluntary Clean Energy	-34,809	-43,636	-47,931	-47,605	-173,981
<b>Retail Load</b>	5,687,992	5,479,424	5,530,346	5,569,365	22,267,128
Goal Percentage	40.0	47.5	55.0	62.5	51.2
<b>Interim Target</b>	2,275,197	2,602,727	3,041,691	3,480,853	11,400,467
<b>Washington Jurisdictional Share of Qualifying Renewable Energy</b>					
<b>Avista Owned Hydro</b>	2,579,385	2,240,706	2,568,687	2,591,250	9,980,027
Noxon Rapids	1,143,016	982,832	1,148,080	1,157,821	4,431,749
Cabinet Gorge	723,302	622,766	705,823	713,661	2,765,551
Long Lake	324,556	286,281	321,633	323,855	1,256,325
Little Falls	135,250	123,445	133,378	134,632	526,705
Post Falls	48,778	38,952	55,782	56,693	200,205
Upper Falls	42,065	43,556	42,546	42,447	170,614
Monroe Street	64,084	63,164	67,210	67,125	261,583
Nine Mile	98,335	79,711	94,235	95,015	367,296
<b>Hydro PPA</b>	846,585	685,119	837,328	1,089,393	3,458,425
Chelan County PUD	295,236	243,613	559,054	567,610	1,665,513
Douglas County PUD	318,524	252,743	66,334	67,310	704,912
Grant County PUD <sup>4</sup>	232,824	173,491	198,135	199,535	803,985
Columbia Basin Hydro	0	15,272	13,804	254,939	284,015
<b>Biomass</b>	200,537	204,164	221,148	210,243	836,093
Kettle Falls	200,537	204,164	221,148	210,243	836,093
<b>Wind PPA</b>	445,658	486,153	616,157	759,496	2,307,465
Palouse	207,035	207,297	207,898	207,876	830,106
Rattlesnake	238,623	278,856	311,810	310,932	1,140,221
Clearwater	0	0	96,449	240,688	337,138
<b>Solar<sup>5</sup></b>	323	403	347	347	1,421
Boulder Park	323	403	347	347	1,421
<b>Total Available</b>	<b>4,072,488</b>	<b>3,616,545</b>	<b>4,243,668</b>	<b>4,650,730</b>	<b>16,583,431</b>
<b>Renewable Energy Balance</b>	<b>1,797,291</b>	<b>1,013,818</b>	<b>1,201,977</b>	<b>1,169,876</b>	<b>5,182,963</b>

<sup>4</sup> Avista holds annual rights to Grant County’s Meaningful Priority, the amounts show in 2024 and 2025 assumes Avista exercises its right to the physical power.

<sup>5</sup> Avista also owes a small solar facility in Rathdrum, Idaho. The RECs are 100% prescribed to the My Clean Energy program and not available for CETA compliance at this time. Avista’s Adams-Neilson solar facility is included in the voluntary clean energy retail load reduction (Solar Select) until the program ends in 2027.

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**Table No. 6.3 – Clean Energy Available for Transfer  
from Idaho’s Jurisdictional Allocation (MWh)**

Resource	2022	2023	2024	2025	Total
<b>Hydro PPA</b>	<b>0</b>	<b>8,032</b>	<b>264,021</b>	<b>390,142</b>	<b>662,195</b>
Chelan County PUD <sup>6</sup>	0	0	256,761	256,060	512,821
Columbia Basin Hydro	0	8,032	7,260	134,082	149,374
<b>Biomass</b>	<b>104,974</b>	<b>107,377</b>	<b>115,763</b>	<b>110,054</b>	<b>438,168</b>
Kettle Falls	104,974	107,377	115,763	110,054	438,168
<b>Wind PPA</b>	<b>233,285</b>	<b>255,687</b>	<b>323,027</b>	<b>398,173</b>	<b>1,209,711</b>
Palouse	108,375	109,026	108,993	108,981	435,191
Rattlesnake	124,910	146,661	163,469	163,009	597,772
Clearwater	0	0	50,565	126,183	176,748
<b>Total Available</b>	<b>338,258</b>	<b>371,096</b>	<b>702,811</b>	<b>898,369</b>	<b>2,310,075</b>

### **6.3 Demand Response Update**

Avista will implement two separate TOU pilot programs,<sup>7</sup> as well as a Peak Time Rebate PTR pilot program. Marketing and enrollment will begin in the second quarter of 2024 and be retained for a two-year pilot period. Avista, with input from interested parties, prepared monitoring, and reporting plans to evaluate each pilot during the pilot period. At the conclusion of the pilot period, Avista will engage a third-party to evaluate the results of the pilots and will then determine whether to move these pilots into the Company’s demand response portfolio.

The goal of the pricing pilot is to determine if Avista should offer an opt-in TOU and/or a PTR program to all residential and/or general service customers as a permanent offering. The pilot will measure the value of TOU rates and PTRs for residential and general service customers and encompasses the following three objectives:

- **System cost minimization:** Reduce costs to serve customers by improving capacity utilization, encouraging economic conservation and peak sharing.
- **Customer choice:** Offer customers options to help them manage energy bills.
- **Equity and accessibility:** Design and offer rates and programs that consider needs and effects on low-income/Vulnerable Populations and highly impacted communities.

<sup>6</sup> Includes slices acquired after CETA’s passage (i.e., slice #2 and slice #3).

<sup>7</sup> Docket UE-230212.

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In addition to these pilot programs, Avista has committed to piloting a load-flexibility program in support of WAC 194-24-180, which is a new water heater standard requiring all electric tank style water heaters sold in Washington State to be equipped with a CTA-2045 communication interface. This commitment is referred to in Condition #12 of the CEIP. In order to meet this condition, Avista is partnering with Northwest Energy Efficiency Alliance (NEEA) and other utilities to pilot this technology in the region, which will provide economies of scale as well as broader learnings for all project sponsors. Avista expects this load-flexibility project to begin in 2024.

Avista is also implementing the AEM pilot program, piloting the Connected Communities Project, and expanding the partnership with the Spokane Tribe of Indians to design a distribution resiliency solution. These resiliency efforts may enable future demand response opportunities.

**Table No. 6.4 – Demand Response & Distribution Resiliency Actions**

<b>2021 CEIP Reported Action</b>	<b>2023 Biennial CEIP Update</b>
Time of Use Pilots	Avista’s pilot will begin in 2024. The tariff for this pilot was approved on June 1, 2023, in Docket UE-230212.
Peak Time Rebates	Avista’s pilot will begin in 2024. The tariff for this pilot was approved on June 1, 2023, in Docket UE-230212.
Large Industrial Customer Load Reduction	Avista and a large industrial customer implemented a demand reduction agreement through 2031. In 2022, load was reduced by 1,949.6 MWh over a total of 44 hours.
Active Energy Management pilot program	Avista reached the participation goal of 1.0 million square feet in the AEM pilot program with twelve commercial buildings. Energy savings measures and demand response opportunities continue to be identified and discussed with building owners and will continue through 2024.
Micro-Grid Design Partnership with Spokane Tribe of Indians (Wellpinit, WA)	In 2022, Avista partnered with the Spokane Tribe of Indians to design a distribution resiliency solution, also known as a microgrid, for critical emergency services buildings in Wellpinit, WA. In early 2023, Avista entered into a contract with the Washington State Department of Commerce Clean Energy Fund / Clean Energy Grid Modernization Program to design a grid resiliency solution for the Spokane Tribe. A use case has been identified and Avista is currently developing a design.
Connected Communities Project (Spokane, WA)	Avista’s pilot is planned to launch in 2024.

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## 6.4 Energy Efficiency Update

Avista has made significant progress in pursuing new methods for reaching customers in Named Communities and offering substantial assistance with customers' energy needs. These programs focus on lowering customers' energy burden, while also creating space for community input, advocacy, and ownership – respecting that customers best understand the needs of their own communities. Although Avista's Energy Efficiency program achieved only 28,154 MWh of energy savings in 2022 (or 22 percent of the 2022-2023 biennial target), the Company focused significant time and resources on developing innovative energy efficiency programs designed to help lower customers' energy burden while ensuring that community benefits, particularly for Named Communities, are recognized. More details on specific actions to serve members of Named Communities are listed in Table No. 6.5 below. The Energy Efficiency team will continue to build on the success of CETA programs and initiatives piloted in 2022 and 2023 and will continue to develop solutions that extend the benefits of clean energy to Named Communities within Avista's service territory. For more details on energy efficiency actions described in Table No. 6.5 please see the Company's Annual Electric and Natural Gas Conservation Reports included as appendices in Attachment B, Avista's 2023 Biennial Conservation Plan.<sup>8</sup>

**Table 6.5 – Energy Efficiency Actions**

2021 CEIP Reported Action	2023 Biennial CEIP Update
Low Income Programs	Avista continues to offer low-income programs through Community Action Partners. In 2022, Avista achieved 358,437 kWh in savings through low-income programs.
Health & Safety for Mobile Homes	Avista and Spokane Neighborhood Action Partners (SNAP) partnered to provide no-cost weatherization services to members of a north Spokane County resident-owned mobile home community. Bilingual outreach to all residents was conducted. In 2022, weatherization services and selective HVAC replacement were provided to 41 households. Two roofs were also repaired as part of the agency's health, safety, and repair allowance. More work in this community and in additional mobile home communities is underway for 2023.
Businesses & Organizations Serving Named Communities: Supporting Tribal Energy Needs	In 2023, the Spokane Tribe partnership expanded to look broadly at the Tribe's energy needs, providing energy audits and technical assistance. See Sections 7.2 and 7.4 for additional detail.

<sup>8</sup> Avista's BCP and ACP will be filed simultaneously with its Biennial CEIP, therefore docket numbers are not available

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Multifamily Direct Install	Avista achieved 558,895 kWh of savings through this program in 2022, installing 8,650 measures in multifamily buildings, where many are located in Named Communities.
Residential Prescriptive Programs	Avista achieved 1,073,409 kwh of savings through residential programs in 2022.
Multifamily Weatherization	Avista achieved 129,232 kWh of savings through multifamily weatherization measures in 2022. 108 weatherization measures were installed in homes.
On-Bill Repayment	In 2022, 74 customers utilized this program to obtain Energy-Smart loans, with 35,326 kWh of savings attributed to this program, net of other program savings. The program goal for 2023 is 100 additional energy smart loans.
Market Transformation	Avista achieved 5,133 MWh through its participation in the NEEA regional market transformation activities. Avista also explored participation in a regional market transformation effort to serve eastern Washington and North Idaho.
Always On Behavioral Program	The Always On pilot launched in 2022 with 75,000 customers randomly assigned to one of two treatment or one control group. The full program launched in August of 2023.
Site Specific Customer Projects	This project achieved 6,393,005 kWh savings through 48 projects in 2022.
Commercial Interior and Exterior Lighting Projects	Avista achieved 14,213,496 kWh savings in 2022 through 1,701 projects.
Commercial Prescriptive Programs	Avista achieved 294,183 kWh savings in 2022 through 31 projects
Active Energy Management	The pilot was initiated in 2022 and will operate through 2024. Six customers in WA with 13 buildings are participating in this pilot program. The goal is to achieve 4.8 million kwh of energy savings over the pilot term.

## **7 Named Communities Investment Fund**

### **7.1 NCIF Background**

As a specific action dedicated to the equitable distribution of energy and non-energy benefits and reduction in burdens to Named Communities, Avista proposed the NCIF in its 2021 CEIP. The Company committed up to approximately one percent of Washington electric retail revenues or approximately \$5 million for the fund annually as shown in Table No. 7.1 below.

**Table No. 7.1 – Named Communities Investment Fund**

<b>NCIF Amount</b>	<b>NCIF Category</b>
40 percent or up to \$2 million	Energy Efficiency Supplement
20 percent or up to \$1 million	Distribution Resiliency

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20 percent or up to \$1 million	Customer & Third-Party Grants & Incentives
10 percent or up to \$0.5 million	Outreach & Engagement
10 percent or up to \$0.5 million	Other Projects, Programs, or Initiatives

After approval of the NCIF in June 2022, Avista began investing in Named Communities through Company projects/programs or leveraging the fund as an incentive or grant to develop projects led by local customers or third parties, supported by Avista. These funds may help uneconomic projects become more cost-effective for Named Communities.

As shown in Table No. 7.1 above, the fund is divided into five categories. The \$2.0 million dedicated to supplement and support targeted energy efficiency efforts for Named Communities is governed by Avista’s Energy Efficiency department. The administration and governance include an internal advisory group with representation from the Energy Efficiency department, and other interested parties, to evaluate all proposed projects and programs. A prioritization matrix was developed in collaboration with Avista’s EAG to ensure an equity lens is provided for all proposed project decisions.

The remaining \$3.0 million is governed by Avista’s department of Community Vitality and Economic Growth; this community facing department focuses on supporting vulnerable customers and encouraging economic growth. Project evaluation and oversight includes Avista employees and its EAG.

Throughout meetings held between the fourth quarter 2022 and the first quarter 2023, members of the EAG developed eight areas of project prioritization consideration. The group employed a results-based accountability review and prioritization process. The Company is actively working to implement the EAG’s proposed projects with precedence for the highest ranked projects.

**Table No. 7.2 – EAG NCIF Prioritization Considerations**

Rank	EAG NCIF Prioritization Considerations
1	Focus efforts on improving energy efficiency (and EE awareness/education) for schools, community centers, and other places where Named Community members spend time.
1	Focus efforts on improving energy efficiency for Spokane Tribe partners.
2	Improve energy efficiency in multi-family and mobile home communities.
3	Increase tree canopy and shade in Named Communities (consider tradeoffs with solar).
3	Increase access to energy efficient products and appliances for Named Communities.
4	Increase awareness of and engagement in energy efficiency programs while also meeting whole-house needs through community-based partnerships and referrals to services.

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5	Set aside funds to match for energy efficiency grant applications for community organizations and tribal partners (could have higher feasibility).
6	Focus efforts on improving energy efficiency for community members without stable housing (consider including with other initiatives).

Avista will continue to engage and update the EAG on the progress of their identified NCIF projects listed in Table No. 7.2. The Company will also provide updates to other external advisory groups, and through public participation meetings on the spending, projects implemented, and the impact on Named Communities under the NCIF. Avista is enthusiastic about assisting and supporting Named Communities customers in the equitable benefit from the transition to clean energy by leveraging the NCIF.

On July 10, 2023, the Company launched an online application<sup>9</sup> process for Community Action Agencies (CAAs), third parties, and other non-profits to apply for NCIF funding, with an email to the Company's network of community partners and advisory groups. In early 2024, Avista plans to hold a virtual workshop for community partners to learn more about the purpose of the NCIF and the application process. As of August 2023, Avista has received nine applications from various CAAs including community centers, business associations, non-profits, and city governments agencies. Utilizing the EAG's equity matrix, Avista will internally review and select projects, and will present selected projects to the EAG with periodic updates.

### 7.2 NCIF Spend

As shown in Table No 7.3 below, the NCIF spent a total of \$0.49 million in 2022 with projects supporting Energy Efficiency, Customer & Third-Party efforts, and Outreach & Engagement. As of the August 2023 financial close period, the NCIF has spent a total of \$0.46 million with projects supporting Energy Efficiency, Outreach & Engagement and Other Projects or Programs. Table No. 7.3 does not include the estimated planned spend for the remainder of 2023 and into 2024 – please see Table No. 7.4 for planned project estimates.

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<sup>9</sup> The NCIF application can be found at [https://www.cybergrants.com/pls/cybergrants/quiz.display\\_question?x\\_gm\\_id=5440&x\\_quiz\\_id=11888](https://www.cybergrants.com/pls/cybergrants/quiz.display_question?x_gm_id=5440&x_quiz_id=11888)

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**Table No. 7.3 – NCIF Summary Spend for  
2022 Year End & Actuals thru August 2023**

Year	Energy Efficiency	Distribution Resiliency	Customer & Third-Party	Outreach & Engagement	Other Projects, Programs	Total
<b>Year End 2022</b>	\$441,574	\$0	\$5,200	\$39,883	\$0	<b>\$486,657</b>
<b>Thru 08/2023</b>	\$210,776	\$0	\$0	\$28,830	\$216,331	<b>\$455,937</b>

Table No. 7.4 describes the NCIF spend by project for 2022, actuals as of the August 2023 accounting period, and the combined planned costs for the remainder of 2023 and into 2024. The estimated planned costs of \$2.2 million represent projects Avista has awarded, with the intent to spend funds in the remainder of 2023 and into 2024 and beyond as approved.

**Table No. 7.4 – NCIF Detail Spend for  
2022 Year End, Actuals thru August 2023 & Estimated Planned Costs 2023-2024**

NCIF Area & Project	Year End 2022	Actuals thru 08/2023	Est. Planned Costs 2023 – 2024*
<b><i>Energy Efficiency</i></b>			
– Health & Safety for Manufactured Homes	\$411,826	\$130,996	\$145,000
– EE for Affordable Housing Complex	\$0	\$0	\$449,847
– EE for Homes in Malden, WA	\$0	\$48,688	\$0
– Lincoln County Fairgrounds Lighting Project	\$0	\$9,916	\$0
– Spokane Tribe Building Energy Audits	\$29,748	\$14,250	\$14,250
– EE for Spokane Tribal Administrative Building	\$0	\$0	\$18,720
– NCIF Online Application	\$0	\$6,926	\$7,075
– Martin Luther King, Jr. Community Center	\$0	\$0	\$57,590
<b><i>Energy Efficiency Subtotal</i></b>	<b>\$441,574</b>	<b>\$210,776</b>	<b>\$692,482</b>
<b><i>Distribution Resiliency</i></b>			
– Martin Luther King, Jr. Community Center	\$0	\$0	\$1,245,000
– Town of Malden	\$0	\$0	\$217,000
<b><i>Distribution Resiliency Subtotal</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,462,000</b>
<b><i>Customer &amp; Third-Party Grants / Incentives</i></b>			
– Kids Making Sense®	\$5,200	\$0	\$0
<b><i>Customer &amp; Third-Party Grants / Incentives Subtotal</i></b>	<b>\$5,200</b>	<b>\$0</b>	<b>\$0</b>
<b><i>Outreach &amp; Engagement</i></b>			
– Public Participation Partners (P3)	\$39,883	\$1,409	\$0
– Medical Battery Back Up Pilot Intern Labor	\$0	\$20,496	\$0
– NCIF Online Application		\$6,925	\$7,075
<b><i>Outreach &amp; Engagement Subtotal</i></b>	<b>\$39,883</b>	<b>\$28,830</b>	<b>\$7,075</b>
<b><i>Other Projects &amp; Programs</i></b>			
– Medical Battery Back Up Pilot (Condition #10)	\$0	\$216,331	\$0
– Christ Kitchen	\$0	\$0	\$25,000
<b><i>Other Projects &amp; Programs Subtotal</i></b>	<b>\$0</b>	<b>\$216,331</b>	<b>\$25,000</b>

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<i>NCIF Grand Total</i>	<i>\$486,657</i>	<i>\$455,937</i>	<i>\$2,186,557</i>
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\*Planned estimated costs are anticipated through the remainder of 2023 and into 2024 and beyond as approved.

## 7.3 NCIF Projects

The following NCIF activities (Section 7.4 to 7.8) have occurred during the initial CEIP reporting period and are in alignment with the EAG prioritized initiatives developed during meetings that took place at the end of 2022 and the beginning of 2023 (See Table No. 7.3). The prioritization provides the Company with guidance and governance for the selection of projects and program design. Projects and program design concepts are presented to the EAG for their awareness and/or input on an ongoing basis at their monthly meetings.

In addition to the EAG engagement for these funding opportunities, all energy efficiency projects and programs are assessed by Avista’s internal Energy Efficiency NCIF group for viability, ensuring unrepresented groups and/or communities are considered, and energy savings are achievable. This group is comprised primarily of representatives from the Energy Efficiency department. The group considers proposed energy efficiency applications for customer and community benefits for the recipient population and/or organization with weighting for energy savings and leveraging of existing energy efficiency programs.

## 7.4 Energy Efficiency Supplement

**Health & Safety for Manufactured Homes** – In partnership with SNAP, a Spokane County based CAA, the Company implemented an energy efficiency review of a resident-owned mobile home park. The mobile home co-op has a disproportionate number of low-income homes. Through the project, participants could receive heating and hot water equipment, added insulation, doors, windows, smoke and carbon monoxide detectors, and furnace servicing. In 2022, 15 homes were retrofitted with these electric energy efficiency measures and 4 homes were served through August of 2023. SNAP plans to conduct a similar program with residents in an additional manufactured home community starting in the third quarter 2023. The NCIF spent \$411,826 in 2022 on these projects and \$130,996 through August of 2023, with an additional \$145,000 planned for the remainder of 2023.

**Energy Efficiency for Affordable Housing Complex** – In addition to the mobile and manufactured home energy efficiency reviews, Avista has committed to improving the

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energy efficiency of one of SNAP's wholly owned affordable housing complexes. The project will make energy efficiency improvements for the complex that provides 50 affordable housing units. The work will commence in 2023 and conclude in early 2025. The NCIF anticipates spending \$449,847 on this project throughout the remainder of 2023 and into 2024.

**Energy Efficiency for Homes in Malden, WA** – The NCIF was utilized to make energy efficiency improvements in two homes of the fire-impacted community of Malden, WA. While other homes in the area received these improvements under the traditional weatherization program conducted by the local CAA – Community Action Center of Whitman County – the two homes served through this NCIF program enabled the expanded reach beyond the established qualifications to help these customers with energy efficiency improvements. As of August 2023, the Fund spent \$48,668 on this project.

**Lincoln County Fairgrounds Lighting Project** – In addition to an annual rodeo and county fair, this facility provides a space for other vital services and programs, such as Rural Resources' energy assistance outreach. In May 2023, the NCIF was used to pay for the lighting upgrades that were not covered by the company's lighting program and beyond what the oversight entity could contribute to the project. The cost savings estimates helped to alleviate the organization's financial burden and keep funding for continued community service and development. The NCIF spent \$9,916 on this project in 2023.

**Spokane Tribe Building Energy Audits** – In January 2023, a distribution circuit load analysis for the grid resiliency design project was conducted and identified high energy use and high peak-loading in the Spokane Tribal Administrative building, which serves as the headquarters for the Spokane Tribe. In January 2023, Avista was able to leverage NCIF funding to cover the costs of ASHRAE Levels I and II energy audits for the administrative building, which identified a significant number of opportunities for efficiency upgrades. The NCIF also covered costs for 10 additional energy audits of Tribal buildings in Wellpinit and were completed in August 2023. Avista will continue to engage with the Tribe to grow this energy partnership. The Fund spent \$29,748 in 2022 and \$14,250 as of August 2023 on energy audits, with an additional \$14,250 planned in 2023.

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**Energy Efficiency & Decarbonization for the Spokane Tribal Administrative Building** – Through the building energy audits conducted in January 2023, a significant number of efficiency upgrade opportunities for the Spokane Tribal Administrative building were identified. In March 2023, the Tribe leveraged the information provided in the audits to submit a grant application to the Washington Department of Commerce’s Clean Energy Fund 5 / Rural Clean Energy Innovation Program for the project scope identified in the audit, which includes replacement of all five rooftop HVAC units, a new building HVAC controls system, duct repair and air balancing, building envelope improvements including selected window replacement, and upgrades to selected lighting. Avista supported the Tribe’s grant application with technical support and project planning. The total cost of the project is expected to be \$1.1 million. On August 10, 2023, the Department of Commerce awarded the project \$991,000, with Avista’s NCIF contributing a planned estimate of \$18,720 in efficiency rebates in 2024 to support the grant’s required 10 percent match, with the balance of the match requirement provided by the Spokane Tribe. When the project is completed, the Tribe can expect to save approximately 340,000 kWh per year, while saving over \$30,000 in annual energy costs. The upgrades include replacement of aging HVAC equipment, which will include the decommissioning of outdated, high-emitting refrigerant. Carbon offsets through decommissioning this refrigerant are estimated to be 3,091 pounds of CO<sub>2</sub>.

### **7.5 Distribution Resiliency**

**Martin Luther King, Jr. Community Center (MLK)** – In March of 2023, Avista partnered with the MLK Center and the City of Spokane to submit a Washington Department of Commerce Solar Plus Storage grant application. The grant is designed to help develop neighborhood resilience centers to provide shelter and resources during climate and other emergencies. Total costs are estimated at \$3.5 million with energy efficiency improvements, a new roof, a solar array, and a battery storage system. In August 2023, the Department of Commerce awarded the project \$1.5 million, with a total NCIF estimated contribution of \$1.3 million to the effort across the third quarter 2023 and into 2024.

**Town of Malden** – During the third quarter 2023, Avista partnered with the Town of Malden to complete a scoping review for energy efficiency savings, and solar and

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geothermal feasibility to reduce monthly energy costs. Avista identified a 15-ton ground source heat pump system and a 60kW solar array were identified to support the Town Hall and the future Community Center. The costs are estimated at \$217,000 and are planned for the Fund throughout the remainder of 2023 and into 2024.

### **7.6 Customer & Third-Party Projects**

**Kids Making Sense®** – In May 2022, Avista partnered with the Spokane Regional Clean Air Agency to sponsor two, Kids Making Sense® (KMS) program kits for the fall 2022 academic year for student in 6-12 grade and located in NC schools. Each kit contained two PurpleAir sensors for indoor and outdoor installation, a hand-held particle sensor, smart phones, curriculum lab kit, access to the KMS data-visualization website, and access to an air quality scientist. Through this program students gain an understanding of air pollution, particle matter pollution, why particle matter is measured for regulatory purposes and encouraged to take personal action to reduce air pollution. In 2022, the NCIF spent \$5,200 on this project.

### **7.7 Outreach & Engagement**

**Public Participation Partners (P3)** – In the Spring of 2022, in addition to ongoing efforts, Avista recognized the need for a specialized public participation strategy, to reach customers and organizations in Named Communities. Avista sought specialized consulting services for its Washington service territory that provided an equitable approach to identifying and mitigating barriers to participation and obtaining valuable customer input. The Company pursued the expertise of P3 to focus on targeted outreach to underrepresented populations, including those with limited English proficiencies. In the first quarter 2023, P3 completed their work and delivered a public participation “playbook,” which aided in the creation of Avista’s 2023 Public Participation Plan filed on May 1, 2023.<sup>10</sup> In 2022, the NCIF spent \$39,883 and \$1,409 in 2023 on this effort.

**NCIF Online Application** – Avista contracted with Cybergrants, an existing third-party provider of online application services for the non-profit Avista Foundation, to develop the

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<sup>10</sup> Docket UE-210295.

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NCIF online application for community members and businesses. The application<sup>11</sup> went live July 10, 2023. The total project cost was \$28,000. As of August 2023, the NCIF Energy Efficiency Supplement has paid \$6,926 with an additional \$7,075 planned in 2023, while NCIF Outreach & Engagement has spent \$6,925 with an additional \$7,075 planned for 2023.

### **7.8 Other Projects, Programs & Initiatives**

**Medical Battery Back-Up Pilot** – To support distribution resiliency in Named Communities, a pilot to distribute a battery back-up system for customer’s medical equipment was implemented. The pilot was developed based on inputs from the Equity Advisory Group (EAAG) and EAG to meet the requirements outlined in Condition 10. For more detailed information pertaining to this pilot, see **Condition 10** below and Attachment D. For 2023, the NCIF contributed estimated total \$236,827 for this pilot, \$20,496 for intern labor (Outreach & Engagement) and \$166,845 for the batteries and \$49,486 for the air conditioning units (Other Projects, Programs & Initiatives).

**Christ Kitchen** – Avista partnered with Christ Kitchen, a Christ-centered non-denominational ministry providing employment, job training, discipleship and support for women living in poverty in the Spokane area, to sponsor a workforce development program. Through this sponsorship, Avista anticipates an impact to the CBI Reduction of Burden and will aid women seeking employment in the food service industry with a stabilizing support system to improve long-term outcomes. The Fund plans to contribute \$25,000 in 2023 for this sponsorship.

### **7.9 Inflation Reduction Act / Infrastructure Investment & Jobs Act**

Avista has pursued grants that it is eligible for through the Inflation Reduction Act (IRA) of 2022 and the Infrastructure Investment and Jobs Act (IIJA) of 2021. The Company prioritized grant funding opportunities that align to the following:

- **Priority 1:** Existing planned work where funding could offset costs, thereby reducing the cost of a project to customers, or;

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<sup>11</sup> The NCIF application can be found at:  
[https://www.cybergrants.com/pls/cybergrants/quiz.display\\_question?x\\_gm\\_id=5440&x\\_quiz\\_id=11888](https://www.cybergrants.com/pls/cybergrants/quiz.display_question?x_gm_id=5440&x_quiz_id=11888)

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- **Priority 2:** Work Avista would otherwise complete but does not currently have on its work plan because of cost or other resource constraints.

Avista has submitted concept papers, completed applications, and letters of intent. The concept papers received encouragement; completed applications were subsequently submitted. Unfortunately, Avista was notified that its applications were not approved for grant funding.

Additionally, the Company met with its EAAG in March 2023 to discuss how to potentially leverage these recent legislative movements in consideration of low-income interests. At this meeting the Company provided an explanation of the priorities defined above and potential direct and indirect opportunities defined below:

- **Direct:** Avista applies for the grant and benefits directly
- **Indirect:** Opportunities for customers, states, cities, etc., to get grants that also benefit (or impact) Avista and its customers.

With these categorizations in mind, Avista identified 14 IJA opportunities with benefits to low-income customers. Each specified IJA opportunity contains a Community Benefit Plan, detailing the benefits to Avista customers and communities, including plans for engaging with various communities or organizations regarding the given project/activity, as well as the ways the project or activity invests in job quality or workforce continuity; advances diversity, equity, inclusion, and accessibility; and, contributes to the Justice 40 Initiative's goal that 40 percent of the overall benefits of certain Federal investments flow to historically disadvantaged communities. Avista also provided key opportunities presented under the IRA, including the current or future availability of tax credits, grants or rebates related to electric vehicles, energy efficiency, wildfire, and utility clean generation.

The Company ultimately sought feedback on ways in which it might utilize the IRA and IJA to support and promote low-income programs, projects, or interests, and received the following guidance from its EAAG:

- Those without reliable internet access may not be able to fully glean the benefits from any opportunities pertaining to the digitized arena, such a utilization of devices like smart appliances that may be helpful to in offsetting costs.

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- Consider non-profit organizations as partners for federal grant opportunities to advance low-income objectives, they also have significant experience in applying for grants.
- Low-income customers may not be able to participate in peak hour programs, or other situations that smart grid enabled technology for discretionary load provides, due to their work hours or other obstacles.
- Ensure connectivity among the various requirements and opportunities to offset customer costs, such as Climate Commitment Act (CCA), CETA, as well as IRA and IIJA.

Avista has taken this feedback as essential guidance as it continues its work within the scope of IRA and IIJA efforts and will continue to provide updates on the Company's activities and collaborations in its annual LIRAP Report, as directed Final Order 10/04, Docket No. UE-220053 et.al.<sup>12</sup>

### **8 Public Participation**

Avista's most recent Public Participation Plan was filed May 1, 2023, which outlines ways in which Avista intends to mitigate public participation barriers and implement meaningful strategies to engage all customers including Named Communities, ensuring the equitable distribution of energy and non-energy benefits throughout the CEIP implementation period.

Public participation continues to be an essential part of Avista's CEIP development. Avista recognizes the importance of effective public participation for improving its decision-making processes and including the unique viewpoints and knowledge, which non-utility participants bring to the table. Public participation is vital to the equitable development of the CEIP and will continue to play a key role in developing future actions to implement the targets established in the CEIP and review proposed actions for meeting the requirements outlined in RCW 19.405.050(2).

Avista has made key advancements in the plan's implementation and will continue to make progress throughout the CEIP implementation period. Several key actions have taken place since filing in plan in May.

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<sup>12</sup> Docket No. UE-220053 et.al., Final Order 10/04, pg. 41.

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**Multi-Language Strategy** – Customers who do not speak English as their primary language may face barriers to participating in Company programs and public engagements events. In an effort to reach all its customers, Avista is developing a comprehensive multi-language strategy to improve various communication channels to empower customer choice and enhance customer experience. In August 2023, Avista convened an internal team with the goal to examine multi-language needs throughout the organization with actionable recommendations for implementation. This strategy aims to identify problem statements and evaluate multi-language customer needs in Avista’s service territories. The multi-language strategy team will deliver the following items: 1) create and agree on definitions; 2) identify requirements, analyze current processes, and establish success metrics; 3) implement process changes as needed and collaborate across business unit; and 4) develop a program-level roadmap that addresses the various channels of communication. Avista anticipates prioritizing and implementing projects for 2023-2025.

**CEIP Newsletter** – Avista acknowledges the need to connect with a broader customer audience while building credibility and strengthening trust with its customers. Avista is developing a newsletter that will provide relevant updates about the Company’s clean energy transition, as described in the 2021 CEIP. The Company is in the beginning stages of developing an online form where customers can enroll and subscribe to Avista’s CEIP newsletter. The enrollment form is expected to be available to customers by the second quarter of 2024.

**Public Comment Form** – Avista is developing a public comment form on its CEIP webpage. The form will allow customers, at their convenience, to voice their perspectives and ask questions of the Company regarding its transition to an even cleaner energy portfolio. Avista is in the beginning phase of development and anticipates completion by the second quarter of 2024.

**Frequently Asked Questions and Answers (FAQ&A)** – Customers who seek quick and easy ways to digest information appreciate FAQ&A forms. Avista is developing this form and will post it to the Company’s CEIP webpage by the end of year 2023. This communication tool allows the Company to address commonly asked questions, provide

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education of CETA requirements, and strengthens the accountability and trust amongst Avista and its customers.

**Public Participation Meetings** – Avista held three virtual public participation meetings to through October 2023 and will host a fourth meeting in the fourth quarter of 2023. Objectives of the meetings include educating customers on the progress Avista has made on its CEIP including, specific actions, CBIs, NCIF projects and initiatives, energy efficiency and energy assistance initiatives, and receiving real-time feedback from customers. All Washington electric customers received an email invitation to the meetings. The Company identified a lack of technology and internet access as potential barriers to customer participation. With this in mind, Avista included a dial-in-phone number for all public participation meetings. The meetings were advertised on the Company’s Clean Energy webpage and through the interactive voice recording when calling Avista’s customer service center. For all meetings, a promotional email is sent to all Washington electric customers and in an effort to reach additional customers for the second quarter meeting of 2023, automated phone calls were placed to customers who did not successfully receive the email invitation, encouraging participation in the public meetings.

The following topics were addressed during the 2023 public participation meetings:

- **First Quarter 2023:** An overview of Avista’s CEIP, 2023 low-income energy assistance legislative report, and the work completed by Public Participation Partners on behalf of Avista pertaining to its public participation strategy.
- **Second Quarter 2023:** An update on electric energy supply, and an overview of customer benefit indicators.
- **Third Quarter 2023:** The Biennial CEIP report.
- **Fourth Quarter 2023:** Agenda is in development.

**Equity Advisory Group** – Avista continues to collaborate with the EAG on numerous aspects of its CEIP, including public participation efforts. As of May 2023, Avista has posted the Zoom meeting link to its monthly equity lens sessions on the webpage. This additional information allows customers who are not primary EAG members to participate in the sessions. The function of the EAG is to review, consult, and advise Avista to ensure all customers are benefitting from the transition to clean energy through the equitable

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distribution of energy and nonenergy benefits and reduction of burdens and barriers in Named Communities.

In preparation for filing this Biennial CEIP, the Company sent a draft version to all advisory group members, including the EAG, Distribution Planning Advisory Group (DPAG), Energy Efficiency Advisory Group (EEAG), Energy Assistance Advisory Group (EAAG) and the Intergraded Resource Plan Technical Advisory Committee (IRP TAC) the week of September 25, 2023, with a deadline for comment by October 13, 2024. Components of Avista's Biennial CEIP were discussed during each of its public participation meetings held throughout 2023 and the Biennial Update itself was discussed during the September 14, 2023, Public Participation meeting. Customers and interested parties were asked for feedback during each of these sessions. A compilation of public commentary is available in Attachment E.

### **9 CEIP Conditions Summary Table**

In June 2022, Avista’s 2021 CEIP was approved with 38 Conditions. Table No. 9.1 represents a summary of each Condition with a corresponding update. Each Condition is hyperlinked to the corresponding [CEIP Conditions Detail in Section 10](#) for additional explanation (note some conditions may not have further explanation).

**Table No. 9.1 – 2021 CEIP Conditions Summary**

<b>2021 CEIP Condition</b>	<b>Description</b>	<b>2023 Biennial CEIP Update</b>
<a href="#">Condition 1</a>	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.	As of August 2023, the Commission has not adopted final “use” rules. Avista will comply with this condition when the “use” rules are adopted.
<a href="#">Condition 2</a>	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	Avista discussed this with IRP TAC and EEAG members on October 11, 2022.  The EAG was also consulted during meetings held on November 16 and 18, 2022. Members did not voice concerns pertaining to inequities in the Company’s approach.  Avista filed its 2023 IRP Progress Report on June 1, 2023 and included the

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	Efficiency Advisory Group (EEAG)) regarding an appropriate methodology for including NEIs and CBIs in its resource selection.	requirements of this condition. See Attachment C.
<b>Condition 3</b>	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 acquisition with a term longer than 2 years.	Avista’s 2023 Electric IRP process included updates regarding the RFP at the September 28, 2022, and the April 25, 2023, TAC meetings. <sup>13</sup>
<b>Condition 4</b>	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.	Avista acquired resources through its 2022 All Source RFP and these acquisitions will be included in Avista’s next general rate case.
<b>Condition 5</b>	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.	As a result of the 2023 IRP Progress Report, Avista did not make changes to the Interim Renewable Energy Targets as listed in its 2021 CEIP Condition 7, as the targets were negotiated and approved by the Commission. Avista did estimate the cost of the increased targets in Condition 7 as compared to the original CEIP targets. The new estimated cost of the additional RECs to be retired is now valued at \$4.8 million in 2023, \$11.2 million in 2024, and \$16.1 million in 2025.
<b>Condition 6</b>	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.	Avista is not proposing changes to any clean energy targets due to risk from those identified in the 2021 CEIP conditions in this Biennial CEIP update, therefore Avista is complying with this condition.
<b>Condition 7</b>	Avista commits to the following minimum Interim Renewable Energy Targets for the 2022-2025 CEIP implementation period: <b>Year    Interim Target</b> 2022    40% 2023    47.5% 2024    55% 2025    62.5%	Avista is complying with this condition. See the 2023 IRP Progress Report, Section 4, page 13 for additional information.
<b>Condition 8</b>	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	Avista’s 2023 Electric IRP included the requirements of Condition 8 as listed.

<sup>13</sup> All TAC materials presented during TAC meetings can be found at [www.myavista.com/about/us/integrated-resource-planning](http://www.myavista.com/about/us/integrated-resource-planning).

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	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.	
<b>Condition 9</b>	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 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.	Avista discussed Vulnerable Populations with the EAG in January 2023 and in July 2023 with the EAAG. Condition 9 provides additional details below.
<b>Condition 10</b>	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. The location identified for the specific action will be at the granularity of the designated Named Communities subset.	Avista, in partnership with its advisory group members, identified a specific action to benefit a subset of Named Communities. Condition 10 below discusses details about Avista's Medical Battery Back-Up pilot.
<b>Condition 11</b>	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.	In accordance with the requirements outlined in Final Order 10/04 of the Company's 2022 general rate case in Docket UE-220053 et.al., Avista's energy efficiency pricing pilots are expected to launch in the second quarter 2024 and conclude by the end of 2026. Avista intends to share information with its advisory groups in early 2027 to collect feedback regarding potential future programs and will provide updates in future CEIPs.
<b>Condition 12</b>	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 will work with its EEAG on the pilot program implementation timing and how to incorporate results into its planning efforts.	The Department of Commerce adopted the grid-enabled water heater standards effective January 1, 2023. Avista and other northwest utilities are working with NEEA to create a draft pilot program. Avista plans to collect EEAG feedback on the draft pilot in the fourth quarter 2023.

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<p><b>Condition 13</b></p>	<p>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.</p>	<p>Avista has an established its Distribution Planning Advisory Group as agreed to.</p>
<p><b>Condition 14</b></p>	<p>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).</p>	<p>Avista is in the process of conducting a DER potential study with consulting firm Applied Energy Group, Inc (AEG). The results of the study will be presented at future IRP TAC and DPAG meetings.</p>
<p><b>Condition 15</b></p>	<p>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.</p>	<p>As distribution planning and system needs are discussed within the DPAG, Avista will continue to keep this condition as a possible topic for future DPAG meetings. The DPAG meeting scheduled for the fourth quarter 2023 will include reviewing system needs identified in the 2023-2024 System Assessment. The feasibility of targeted DER mitigation alternatives will be considered.</p>
<p><b>Condition 16</b></p>	<p>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.</p>	<p>Avista filed its 2024-2025 BCP, as well as its 2024 Annual Conservation Plan (ACP) on November 1, 2023. Discussions with the EEAG took place in June 2023 and August 2023 around the target and program-level goals. Avista will also discuss proposed program design elements and potential NCIF opportunities with the EEAG in the fall 2023, with the intent to promote more participation in efficiency programs for members of Named Communities.</p>
<p><b>Condition 17</b></p>	<p>As part of its CBI Participation in Company Programs, Avista agrees to track the number of residential appliance and equipment 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</p>	<p>Avista is complying with this condition. This metric is available in the CBI section above.</p>

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	EEAG and move forward with feasible programs, if identified.	
<b>Condition 18</b>	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.	Avista is complying with this condition. This metric is available in the CBI section above.
<b>Condition 19</b>	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.	Avista is complying with this condition. This metric is available in the CBI section above.
<b>Condition 20</b>	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.	Avista is complying with this condition. This metric is available in the CBI section above.
<b>Condition 21</b>	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.	Avista is complying with this condition. This metric is available in the CBI section above.
<b>Condition 22</b>	Avista agrees to add the following CBI and metrics related to Energy Security: CBI: Residential Arrearages and Disconnections for Nonpayment Measurement 1. Arrearages and 2. Disconnections	Avista is compiling with this condition. This metric is available in the CBI section above.
<b>Condition 23</b>	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	During a joint advisory group meeting held June 2, 2023, which included the Company’s EAG, EEAG, and EAAG, Avista formally presented CBIs provided by the Joint Advocates that were not included in the Company’s 2021 CEIP or its conditions. In addition, on June 27, 2023, this was discussed at the public participation meeting, with invitations to all Washington electric customers and all advisory group members. It was determined that Avista’s CBIs are

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	of CBIs and associated metrics in its 2023 Biennial CEIP Update.	sufficient and additional Joint Advocate CBIs will not be incorporated at this time.
<b>Condition 24</b>	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.	Avista discussed the Indoor Air Quality metric with members of the EAG, EEAG and EAAG at the joint advisory group meeting on June 2, 2023. The Company’s proposed indoor air quality metric is discussed in further detail in the Condition 24 section below.
<b>Condition 25</b>	Avista agrees that in its 2023 Biennial CEIP Update and future CEIPs and CEIP updates, CBIs will be categorized by statutory benefit area.	Avista is complying with this condition. Avista understands the term “statutory benefit area” to represent the categories listed in WAC 480-100-610.
<b>Condition 26</b>	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.	Avista is complying with this condition. This metric is available in the CBI section above.
<b>Condition 27</b>	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.	Avista is complying with this condition.
<b>Condition 28</b>	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.	Avista is complying with this condition. Additional information can be found in the Condition 28 section below.
<b>Condition 29</b>	Avista agrees that all future EAG meetings will be fully open to the public.	Avista is complying with this condition. Additional information can be found in the Condition 29 section below.
<b>Condition 30</b>	On or before October 1, 2022, Avista must file with the Commission:  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 plan it will implement during the 2022-2025 timeframe and provide a progress report of this plan in the 2023 Biennial CEIP Update.	Avista is complying with this condition. Additional information is provided in the Condition 30 section below. For information on Avista’s Public Participation Plan, please see <a href="#">Section 8</a> .
<b>Condition 31</b>	On or before October 1, 2022, Avista agrees to provide in its CEIP docket a report on the changes regarding the EAG Equity Lens	Avista complied with this condition. Avista filed this update July 6, 2022, in Docket UE-210628.

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	Sessions discussed and made with the EAG in March 2022, the facilitator, and the Company.	
<b>Condition 32</b>	Avista will participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology.	Avista plans to participate in discussions or workshops regarding cost calculations and will incorporate updates to its methodology as necessary, however no meetings have been held as of the time of this filing.
<b>Condition 33</b>	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.	Avista will model this scenario with explanation in the 2025 Electric IRP.
<b>Condition 34</b>	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.	Avista is not proposing changes to resource acquisition for this Biennial CEIP update or from what is listed in its 2023 IRP Progress Report.
<b>Condition 35</b>	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.	Avista complied with this condition.  As listed in the 2023 IRP Progress Report: Section 11 outlines how each CBI is relevant or not to resource selection or studied within the resource planning process. For those CBIs with a relation to resource selection, a forecast of their impact on the plan is included.
<b>Condition 36</b>	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.  c. Update its load forecast to include the baseline zero emission vehicle (ZEV) scenario from its Transportation Electrification Plan.	Avista is complying with this condition. Additional information is provided in the Condition 36 section below.
<b>Condition 37</b>	In order to provide a means of recovery of prudently incurred costs associated with	Avista filed its CEIP deferred accounting petition on May 19, 2022, in Docket UE-

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	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.	220350, approved by way of Order 01 on July 28, 2022.
<b>Condition 38</b>	Avista must choose at least two of its current CBIs which it will track for at least five subsets of Named Communities, at a granularity to be determined by agreement with Staff, stakeholders, and the Company’s Equity Advisory Group. Avista will incorporate relevant updates in its 2023 Biennial CEIP update.	Avista is complying with this condition. This metric is available in the CBI section above.

### **10 CEIP Condition Detail**

#### **10.1 Condition 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.*

#### **Biennial Update:**

As of August 2023, the Commission has not adopted final “use” rules. Avista will comply with this condition once the “use” rules have been adopted.

#### **10.2 Condition 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.*

#### **Biennial Update:**

As addressed in the Company’s 2023 IRP Progress Report:<sup>14</sup> Avista discussed with the IRP TAC and EEAG on October 11, 2022, its approach to using both NEI and CBIs. The EAG was also consulted during meetings held on November 16th and 18th, 2022. Members did not voice inequity concerns regarding the Company’s approach. The TAC

<sup>14</sup> The 2023 IRP Progress Report can be found on the Commission’s website at <https://www.utc.wa.gov/casedocket/2020/200301/docsets>.

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recommendations did include integrating CBIs into the PRiSM model by measuring the CBI's impact from resource choices; Avista agrees with this recommendation. Further, information is included in its 2023 IRP Progress Report in Section 11, provided as Attachment C.

Regarding NEIs, Avista contracted with DNV, a global energy consultant, to conduct several non-energy impact studies, including a study to quantify supply-side NEIs and NEIs for energy efficiency programs. The impact of the supply-side NEI study was included in resource selection by a financial penalty or benefit within the resource optimization decision. This approach was also discussed with the TAC with no objections. Avista would like to broaden this methodology to additional resources and impacts. Avista plans to reach out to other utilities per Staff's suggestion in the 2023 IRP Progress Report comments to fund such studies.

Within the first NEI study for energy efficiency programs, each measure in Avista's efficiency portfolio was analyzed for relevant non-energy impacts, which were then quantified in a measure-level financial benefit for the program. Benefits were generally quantified as benefits to participants, to the utility, and to society. NEI values were quantified on a per-kWh basis, which was then incorporated into cost-effectiveness calculations for the program portfolio beginning in 2022. These impacts contributed to overall increases in cost-effectiveness ratios for the entire portfolio.

In 2023, Avista continued to engage with DNV to conduct additional NEI research. A second NEI study began in 2022 to address gaps in NEI values identified in the first study and concluded in early 2023. A third NEI study addressing non-energy benefits of low-GWP refrigerants is also currently underway, with final results expected by the end of 2023. These additional NEI values will be included in cost effectiveness analysis for the portfolio beginning in 2024.

### **10.3 Condition 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 acquisition with a term longer than 2 years.*

#### **Biennial Update:**

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Avista's 2023 Electric IRP process included updates regarding its 2022 RFP at the September 28, 2022, and the April 25, 2023, TAC meetings. Slides from these meetings, along with meeting recordings, are available on the Company website.<sup>15</sup> Although all resource selections were discussed in these meetings, Avista was not able to identify one resource (other than generically) at these meetings or within the IRP document as the contract was not complete until after the completion of these processes. The resource selection is the Clearwater Wind project in Eastern Montana developed by NextEra.

### **10.4 Condition 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.*

#### **Biennial Update:**

Avista acquired resources through its 2022 All Source RFP and these acquisitions will be included in Avista's next general rate case.

### **10.5 Condition 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.*

#### **Biennial Update:**

As a result of the 2023 IRP Progress Report, Avista did not make changes to the Interim Renewable Energy Targets as listed in its 2021 CEIP Condition #7. However, Avista is providing updated customer costs resulting from Condition #7 to show the impacts on customers due to higher clean energy targets. Since the CEIP was approved, the value of clean energy has increased due to the implementation of the CCA. The value of clean energy has also increased in two aspects, 1) The CCA created a market for clean energy specified sales into Washington, and 2) the price (value) of RECs has increased. Avista is providing two estimated opportunity cost scenarios related to the required increase in REC

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<sup>15</sup> <https://www.myavista.com/about-us/integrated-resource-planning>

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retirements associated with the higher Interim Renewable Energy Targets as agreed to in Condition #7 for 2023 through 2025 period.

To meet the agreed upon Interim Renewable Energy Targets, the Company anticipates retiring additional RECS in 2023, 2024 and 2025 to include 410,957, 553,035 and 974,639 respectively, above what was originally proposed in its 2021 CEIP. The results of the opportunity costs scenarios are outlined in Table No. 10.1 below and reflect how additional RECs could be monetized and their associated opportunity cost range.

The low value (Opportunity Cost of REC only) scenario represents the additional RECs valued at the price of unbundled wind and unbundled hydro REC market prices. This value ranges from \$2.1 million in 2023 to \$5.7 million in 2025. The higher value scenario (Opportunity Cost of REC/CCA Specified Sales) assumes additional clean energy specified sales could be made in Washington state, thus elevating the need to use CCA allowances to cover these wholesale sales. The resulting estimated opportunity cost is higher at \$4.8 million in 2023 and \$16.1 million in 2025. The value of a clean energy specified sale has higher value than an unbundled REC leading to the higher opportunity costs. These two opportunity costs scenarios represent a range of potential cost impacts because the certainty of how many no-cost CCA allowances will be allocated in the future is unclear in this hypothetical scenario. To help understand the impact to customer's affordability, Avista's 2024 electric revenue requirement is approximately \$601 million, therefore customers will pay between 0.6% and 1.9% premium to retire additional RECs than in Avista's original CEIP proposal.<sup>16</sup>

**Table No. 10.1 – Opportunity Cost of Condition #7**

Opportunity Costs	2023	20204	2025
Interim Renewable Energy Target	47.5%	55%	62.5%
Opportunity Cost of REC only	\$2,117,120	\$3,470,439	\$5,746,317
Opportunity Cost of REC/CCA Specified Sales	\$4,836,550	\$11,193,743	\$16,141,171

<sup>16</sup> Does not assume any sharing of costs for the CCA scenario through the Energy Recovery Mechanism.

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As the Company approaches the 2025 IRP and CEIPs, Avista will seek additional clarification from interested parties on the minimum CETA targets for the 2026 to 2029 and the 2031 to 2044 implementation periods and evaluate those minimums against its proposed targets.

### **10.6 Condition 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.*

#### **Biennial Update:**

Avista is not proposing changes to any clean energy targets from those identified in the 2021 CEIP conditions in this Biennial CEIP update due to risk. As described in the CEIP, Avista did issue an All-Source RFP, which resulted in resource acquisitions. The process' intent was to acquire energy, capacity, and qualifying renewable energy to meet resource needs for both Washington and Idaho customers through the end of the decade, with the basis of acquiring resources to meet resource deficits that begin in 2026. These acquisitions exceeded the 2021 CEIP target due to the RFP's acquisition horizon being beyond the 2021 CEIP horizon. Avista's RFP acquisition targets go beyond renewable energy targets for CETA compliance, including resource adequacy, and energy production risk for both Washington and Idaho jurisdictions.

Avista used the interim targets provided in Condition 7 from the CEIP and projected straight-line increasing targets to meet the 80% renewable energy requirement by 2030, along with its most recent load forecast to select resources from the RFP. Avista chose the top scoring resources from the resource options submitted<sup>17</sup> in the acquisition process. These resources were scored using both cost and risk metrics, with the RFP documents, bids, and scoring reviewed by a third-party evaluator in compliance with WAC 480-107-023. The final RFP resource selection satisfies all known physical and clean energy/capacity resource needs into the mid-2030's. All RFP documents including the Company's evaluation matrix, signed contracts, and a final RFP summary report can be

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<sup>17</sup> Columbia Basin Hydro's (CBH) PPA was added to the RFP process analysis due to the fact that CBH conducted an auction for its resource portfolio and Avista was the selected bidder. The project's costs and benefits were competitive against the All-Source RFP submittals.

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found on the Commission’s website.<sup>18</sup> It is important to note a renewable resource acquisition may also meet physical capacity and energy requirements beyond those requirements for clean energy driven by interim CETA targets.

In Avista’s next CEIP, it will further detail both quantitative and qualitative analysis if it deviates from the lowest reasonable cost solution that complies with CETA.

### 10.7 Condition 7

*Avista commits to the following minimum Interim Renewable Energy Targets for the 2022-2025 CEIP implementation period:*

<i>Year</i>	<i>Interim Target</i>
2022	40.0%
2023	47.5%
2024	55.0%
2025	62.5%

#### **Biennial Update:**

Avista is complying with this condition and used these interim targets for planning the 2023 IRP Progress Report (see Section 4, page 13 for additional information).

### 10.8 Condition 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 and 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.*

#### **Biennial Update:**

As listed in the 2023 IRP Progress Report, Avista included logic in the PRiSM model to choose how it solves to meet primary and alternative compliance requirements either by using Washington’s share of existing resources, committed resources, or by acquiring new resources for Washington customers only. The model also included the option to purchase

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<sup>18</sup> <https://www.utc.wa.gov/casedocket/2021/210832>. Note, some RFP information is confidential.

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renewable energy from its Idaho jurisdiction for both primary and alternative compliance as proposed in the CEIP.<sup>19</sup>

### 10.9 Condition 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.*

#### **Biennial Update:**

Avista’s 2021 CEIP definition of Vulnerable Populations was based on sensitivity and socioeconomic characteristics defined by the Washington Department of Health (DOH) in the Health Disparities map and required in RCW 19.405.020 (40). These characteristics included the following factors:

**Table No. 10.2 – Washington DOH Health Disparities Characteristics**

<b>Socioeconomic</b>	<b>Sensitivity</b>
Limited English	Populations with high rates of cardiovascular disease
No high school diploma	Populations with high percentage of low birth weight
People of color	
Population living in poverty	
Transportation expense	
Unaffordable housing	
Unemployment	

Those communities within Avista’s service territory that scored a 9 or higher and were not previously identified by the DOH as “highly impacted” were determined to be vulnerable.<sup>20</sup>

The table of characteristics provided in Appendix F represents characteristics identified by the EAG above and beyond the DOH Health Disparities map. The list captures characteristics in the EAG’s own terminology in order to provide an easy transition for future conversations. Pursuant to Condition #9, each of these additional characteristics were subsequently reviewed, evaluated, and discussed with the EAG to determine

<sup>19</sup> <https://www.myavista.com/-/media/myavista/content-documents/about-us/our-company/irp-documents/2023/01prism80expected-case030223prs.xlsm>

<sup>20</sup> This methodology was shared with the EAG and the public through Public Participation meetings with EAG breakout sessions in May and June of 2021 and January and June of 2022. Vulnerable population characteristics were discussed with the EAG during their January 2023 Equity Lens Session.

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applicability. Several factors were taken into consideration such as data availability and transparency, clear and understandable descriptions, accessible reporting and comparability, and the ability to map desired characteristics, among others. The original EAG characteristics list developed in Avista’s 2021 CEIP provided some unmappable characteristics including “certain neighborhoods”. In collaboration with its EAG, the Company was able to narrow these neighborhood characteristic to mappable locations (Peaceful Valley, Northeast Neighborhood, etc.). This work was discussed and finalized during the January and July 2023 EAG Equity Lens sessions.<sup>21</sup> Avista contracts with an independent consultant for EAG facilitation and expertise on equity discussions and evaluation approaches. The Company’s consultant facilitated these discussions, and additional Vulnerable Population characteristics were provided by the advisory group members, thus enhancing the Company’s original list of defining characteristics. A list of defining characteristics can be found in Attachment F.

Avista’s work in identifying vulnerable population characteristics is an ongoing process and will continue to evolve as additional data and reporting capabilities become available. The Company as a whole is committed to creating an environment that promotes fair access and equal opportunity for all individuals to benefit from their utility service. This effort extends beyond the CEIP to the capital planning processes, federal grant work, and IRP efforts. Understanding characteristics which have resulted in disproportional benefits or burdens is foundational to this effort. As such, identifying customers in Named Communities is actively being addressed. Details pertaining to Avista’s enhanced process for identifying customers in Named Communities will be included in its Equity in Capital Planning filing due no later than December 31, 2024.<sup>22</sup>

While Avista has outlined the characteristics that define Vulnerable Populations, geographically locating these customer data sets is very difficult, as the Company does not collect a majority of this data from its customers. Avista’s initial methodology for identifying Vulnerable Populations in its 2021 CEIP was based on the Washington State DOH Health Disparities map, focusing on census tracts scoring nine or higher for either

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<sup>21</sup> See <https://www.myavista.com/ceta> for meeting presentations and notes

<sup>22</sup> UE-220053 et al - Final Order 10 04.

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the socioeconomic or sensitive population indicators. Although census tract data is available for 2020, the DOH Health Disparities map has continued to use 2010 census tract data. In addition, the map only addresses Washington state and does not adequately address Avista’s desire to identify and serve Vulnerable Populations throughout its entire service territory.

For these reasons, Avista is in the process of expanding the criteria for vulnerable population identification. Specifically, how a “comprehensive understanding of the ways systemic and historical inequities are present and continue to operate”<sup>23</sup> and a “holistic picture of current conditions faced in those communities” can be identified.<sup>24</sup> This work includes:

- Identifying historical redlined census tract areas in Avista service territory.
- Overlaying the Justice40 disadvantaged communities onto Avista’s service territory.
- Overlaying the Justice40 disadvantaged communities into all states where Avista operates.
- Extending vulnerable population criteria to natural gas customers.
- Expanding Named Communities criteria to all jurisdictions.

The White House Climate and Economic Justice Screening Tool (CEJST)<sup>25</sup> appears to meet these qualifications. By overlaying the CEJST’s energy industry and climate change characteristics with the DOH Health Disparities map, a broader view of Vulnerable Populations will be available. The Company intends to use this methodology for identification of Vulnerable Populations in its 2025 CEIP. In addition to the information contained within the DOH Health Disparities map, Avista will be able to utilize the data contained within the CEJST Justice 40 map identified in Figure No. 10.1 below. Through the work with the Justice40 initiative, the Company’s Named Community map has been expanded to further identify root causes of inequities in areas such as jobs loss through the energy transition, access to health care, racial and ethnic segregation, and limited water and sanitation access. In order to directly correlate with the energy industry, the Company

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<sup>23</sup> UE-220053 et al - Final Order 10 04, p. 73.

<sup>24</sup> UE-220053 et al - Final Order 10 04, p. 73.

<sup>25</sup> <https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>

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will consider performance and process priorities and metrics as identified by the United States Department of Energy. The Company’s mapping tool has a feature which allows all Company users across business units to not only identify where Named Communities are located but also why they are considered to be in a Named Community (highly impacted, vulnerable, or disadvantaged). It is important to ensure all of these identified characteristics are discussed with Avista’s EAG (as well as other advisory groups) and the general public through public participation meetings. More specifically, intentional consideration will be given to the “disadvantaged” characteristics utilized in the Justice40 initiative to ensure they accurately reflect vulnerabilities identified by Avista’s EAG. The final approved list of vulnerable characteristics will be based on these discussions and included in the Company’s 2025 CEIP.

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**Figure No. 10.1 – CEJST Data**

<p><b>Climate Change (5)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Expected agricultural loss rate</li> <li>• Expected building loss rate</li> <li>• Expected population loss rate</li> <li>• Projected flood risk</li> <li>• Projected wildlife risk</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>	<p><b>Legacy Pollution (5)</b></p> <ul style="list-style-type: none"> <li>• Have at least one abandoned mine land, or;</li> <li>• Formerly used defense sites</li> </ul> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Proximity to hazardous waste facilities</li> <li>• Proximity to superfund sites</li> <li>• Priorities list</li> <li>• Proximity to risk management plan facilities</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>
<p><b>Energy (2)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• energy cost</li> <li>• PM2.5 in the air</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>	<p><b>Transportation (5)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Diesel particulate matter exposure</li> <li>• Transportation barrier</li> <li>• Traffic proximity and volume</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>
<p><b>Health (4)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Asthma</li> <li>• Diabetes</li> <li>• Heart disease</li> <li>• Low life expectancy</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>	<p><b>Water and Wastewater (2)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Underground storage tanks and releases</li> <li>• Wastewater discharge</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>
<p><b>Housing (5)</b></p> <ul style="list-style-type: none"> <li>• Experienced historic underinvestment (redlined) OR</li> </ul> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Housing cost</li> <li>• Lack of green space</li> <li>• Lack of indoor plumbing</li> <li>• Lead</li> </ul> <p>AND &gt;= 65<sup>th</sup> percentile for low-income</p>	<p><b>Workforce Development (4)</b></p> <p>&gt;=90<sup>th</sup> percentile for at least one of these:</p> <ul style="list-style-type: none"> <li>• Linguistic isolation</li> <li>• Low median income</li> <li>• Poverty</li> <li>• Unemployment</li> </ul> <p>AND &lt; 10% people older than 25 have a high school diploma</p>

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## 10.10 Condition 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. The*

<sup>26</sup> <https://www.energy.gov/diversity/justice40-initiative#:~:text=All%20Justice40%20covered%20programs%20are,benefits%20directed%20to%20disadvantaged%20communities.>

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*location identified for the specific action will be at the granularity of the designated Named Communities subset.*

### **Biennial Update:**

Avista discussed this condition with the EAG during the July, October, and November meetings in 2022, and at the January and July meetings in 2023. This condition was also discussed at the EAAG meeting in October 2022.

After evaluation of options, the advisory groups chose a battery backup with a cooling device for medical equipment pilot for a subset of Named Community members. Avista partnered with Aging & Long-Term Care of Eastern Washington (ALTCEW) to identify and engage 100 senior and/or long-term care customers with medical equipment for the pilot to equip these customers with battery back-up equipment that included a solar kit for outages and a portable air conditioner for extreme heat situations. ALTCEW screened and enrolled income qualified customers in Spokane and Stevens Counties from their client database.

This pilot will help serve Spokane and Stevens Counties' Named Communities that encompass low-income and minority communities who bear the greatest burden imposed by extreme heat due to a critical lack of resources and disproportionate exposure to harmful air pollution, exacerbating existing inequities between residents in both counties as the impacts of climate change become more apparent.

Participants received an in-home visit conducted by an intern team who provided an overview of the equipment and intended use, created a personal emergency plan, and referred customers support programs, including Avista's Customer Assistance Referral and Evaluation (CARES). During the in-home consultation, a preliminary survey was conducted to obtain baseline perception of the customer's satisfaction with equipment and consultation, and individual confidence that the education/resources would help them safely experience an outage and/or extreme heat event. Additional surveys will be conducted with participants at six- and twelve-months post consultation to gauge individual satisfaction and confidence.

The pilot began during the second quarter 2023 with the distribution of equipment and in-home consultation for 100 participants and completed in August 2023. Once planned

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surveys are complete, a final report will be available at the end of 2024. See Attachment D for an informational flier.

### **10.11 Condition 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.*

#### **Biennial Update:**

In accordance with the requirements outlined in final order 10/04 of the Company's 2022 general rate case in Dockets UE-220053 et.al., Avista's energy efficiency pricing pilots (TOU and PTR) are expected to launch in the second quarter 2024 and conclude by the end of 2026. Avista intends to share information with its advisory groups in 2027 to collect feedback regarding potential future programs and will provide updates in future CEIPs.

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

#### **Biennial Update:**

The Department of Commerce adopted the grid-enabled water heater standards effective January 1, 2023. Avista and other northwest utilities are working with NEEA to develop a suite of End-Use Load Flex "kickstart" projects, including 1) an end-use load flexibility workgroup and portfolio development effort; 2) an effort to influence equipment manufacturers to adopt open-source Universal Control Module smart controls in residential water heating and space conditioning equipment; and, 3) research and document considerations to prioritize products and projects for future investment in end-use flexible load market transformation programs. Avista plans to collect EEAG feedback on the draft pilot programs during the fourth quarter 2023.

### **10.13 Condition 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.*

#### **Biennial Update:**

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Pursuant to RCW 19.280.100(2)(e), Avista announced the formation of the DPAG on December 23, 2022, with an email to all members of the EAAG, EEAG, EAG, and both the Electric and Natural Gas IRP TACs.

Avista held its inaugural DPAG meeting on March 29, 2023, with an email invitation to the above-mentioned advisory group members. Meeting dates, times, agendas, online meeting invites, meeting recordings, and notes can be found on Avista's DPAG webpage.<sup>27</sup>

### **10.14 Condition 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).*

#### **Biennial Update:**

As listed in its 2023 IRP Progress Report, the potential assessment for this study was discussed at both the TAC and EEAG meetings in October 2022. The project plan and schedule are described in Section 5 and the proposed scope of work is in Appendix G of the IRP Progress Report. In May 2023, Avista signed an agreement with Applied Energy Group, Inc. (AEG), to conduct the study through the end of the second quarter 2024. The results of the study will be presented at future IRP TAC and DPAG meetings.

### **10.15 Condition 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.*

#### **Biennial Update:**

As distribution planning and system needs are discussed with the DPAG, Avista will continue to keep this condition as a possible topic for future DPAG meetings. The meeting scheduled for the fourth quarter 2023 will include reviewing system needs identified in the 2023-2024 System Assessment. The feasibility of targeted DER mitigation alternatives will be considered.

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<sup>27</sup> Information pertaining to the DPAG can be found on Avista's webpage at <https://www.myavista.com/about-us/integrated-resource-planning/distribution-planning-advisory-group>.

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### **10.16 Condition 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.*

#### **Biennial Update:**

Avista filed its 2024-2025 BCP (Attachment B), which includes the 2024 ACP, on November 1, 2023.<sup>28</sup> Discussions with the EEAG took place in June and in August 2023 regarding the target and program-level goals. The target included in Avista's 2024-2025 BCP of 66,543 MWh was derived from the Company's most recent CPA, initiated in 2022. It shows a significant decline in expected conservation potential as compared with the 2020 CPA, which informed the Company's 2022-2023 Biennial Conservation Plan target of 106,644 MWh.

Avista will also discuss proposed program design elements and potential NCIF opportunities with the EEAG in fall 2023, with the intent to promote more participation in efficiency programs for members of Named Communities. Some of the programs and potential programs to be discussed with the EEAG include electrification considerations for buildings in Named Communities; a possible workforce training initiative; an update on the deferred maintenance pilot for low-income customers, and a weatherization program for Named Communities.

### **10.17 Condition 17**

*As part of its CBI Participation in Company Programs, Avista agrees to track the number of residential appliance and equipment 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.*

#### **Biennial Update:**

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<sup>28</sup> Avista's BCP and ACP will be filed simultaneously with its Biennial CEIP, therefore docket numbers are not available.

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Residential appliance and equipment rebates are uniquely identified separately from weatherization rebates. Rebates are associated with accounts which in turn, are associated with specific addresses. Residential rebates for households identified as rental units were identified by matching the customer accounts to the third-party Acxiom demographic data and were aggregated for 2021 forward. Avista is in the process of identifying strategies to increase the number of participating households in Named Communities and will discuss potential programs with its EEAG in the Fall 2023.

### **10.18 Condition 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.*

#### **Biennial Update:**

Energy Burden is calculated as “Total annual spend on electric and gas services/Annual Household Income.” The metric is presented as a percentage and anything above six percent is considered a high burden. Incomes for each household were determined using the Income Model, which assigns each household an estimated income value based upon bill assistance thresholds and third-party demographic/census data. The results are normalized based on the number of days of service provided for each account. Actual energy spend is divided by the normalized income to calculate an annualized energy burden for each household. Filters are applied to separately identify populations for all electric households, Known Low-Income households (KLI) and Named Communities households.

### **10.19 Condition 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.*

#### **Biennial Update:**

Two specific metrics were added to the CBI specific to translation services. The first calculates the number of translation services provided in Energy Affordability and Energy Efficiency identified channels. The second identifies the number of unique languages translated in those channels. These metrics are informed by tracking the distinct languages

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preferred by customers in our service territory as identified in surveys and demographic data. The translations are curated in accordance with the geographic areas the communications will be delivered in order to best represent the languages preferred by customers. Broader outreach is translated in multiple languages in order to provide the greatest coverage.

### **10.20 Condition 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.*

#### **Biennial Update:**

Avista receives data from the Spokane Regional Clean Air Agency (SRCAA) quarterly identifying wood stove upgrades completed within Spokane County that were performed utilizing the SCRAA grant program. This quarterly data is mapped to Avista’s service territory and the total pounds of avoid PM<sub>2.5</sub> emissions is calculated.

The Company discussed the wood stove replacement program and proposed outdoor air quality metrics with its EEAG during its October 2021 and 2022 sessions, and with its EAG during its February 2022 Equity Lens session. The Department of Ecology joined the EAG’s session to present outdoor air quality monitoring availability options. No additional metrics were identified through these sessions. Avista anticipates continued conversations with its advisory groups and the public pertaining to all CBIs as it works to develop its 2025 CEIP.

### **10.21 Condition 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.*

#### **Biennial Update:**

Avista in collaboration with interested parties selected Customers Experiencing Multiple Interruptions (CEMI0) as the metric to meet this condition. CEMI is a standard measure of reliability established by the Institute of Electrical and Electronics Engineers (IEEE).

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Specifically, CEMIO is a count of customers experiencing more than zero outage incidents in a year. For this metric, customers are identified by census tract and the census tracts are characterized as being in a Named Community or not in a Named Community.

### **10.22 Condition 22**

*Avista agrees to add the following CBI and metrics related to Energy Security: CBI: Residential Arrearages and Disconnections for Nonpayment Measurement.*

*1. Arrearages and 2. Disconnections*

#### **Biennial Update:**

For this condition, Avista identified 14 unique metrics satisfying the request to calculate residential arrearages and disconnections for nonpayment by census tract, KLI, Named Communities, and for all populations. The metrics provide both total counts by category, as well as percentage of category calculations. For purposes of consistency in reporting across all CBIs, metrics for Vulnerable Populations and Highly Impacted Communities were combined into a single metric referencing Named Communities. Metric data can be found in the CBI section provided earlier in this document.

### **10.23 Condition 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.*

#### **Biennial Update:**

Avista held a Joint Advisory group meeting on June 2, 2023, with an invitation to all EEAG, EAAG, and EAG members. Those CBIs proposed by the Joint Advocates, but not adopted in the Company's 2021 CEIP or required by the Commission were discussed. The proposed IAQ metric and Avista's CEIP Condition 38 – metrics reporting granularity for Named Communities – were also discussed. The Company provided a thorough review of its current CBIs and Performance Based Ratemaking (PBR) metrics in comparison to the proposed Joint Advocate CBIs. It was determined that Avista's CBIs and PBR metrics are sufficient and additional Joint Advocate CBIs were not incorporated at that time. A full list of Avista's 2023 CBIs and corresponding metrics (sans the data) are included in

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Attachment G and the details discussed during the Joint Advisory group meeting can be found in Attachment H.

In addition to the Joint Advisory group meeting, Avista also held two CEIP Public Participation meetings on June 27 at noon and 6 pm where CBIs and the proposed IAQ metrics were discussed with the public.

### **10.24 Condition 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.*

#### **Biennial Update:**

Avista discussed the IAQ metric with members of the EAG, EEAG and EAAG at the Joint Advisory group meeting June 2, 2023 and received no objections to the proposed metrics. Please see Attachment H for details discussed during the Joint Advisory group meeting.

Avista proposes applying a new CBI to energy efficiency programs to help identify, measure, and apply metrics to the low-income weatherization program and energy efficiency programs.

The proposed CBI metrics are part of a Health and Safety NEI used to assess economic, health, and environmental burdens. The health and safety metrics include HVAC mechanical ventilation, natural ventilation, air infiltration, indoor air pollution contributors, and overall health and safety total home assessments.

Based on the Washington Department of Commerce and ASHREA's 62.2 standard for low-income weatherization programs metrics, Avista proposes to expand the use of the NEI related to health and home safety:

- Ranking of causes of IAQ (within & outside Named Communities).
- Percentage of weatherization IAQ measures (within & outside Named Communities).

If approved, Avista will immediately start tracking data for these metrics and will provide data in its 2025 CEIP.

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### 10.25 Condition 25

*Avista agrees that in its 2023 Biennial CEIP Update and future CEIPs and CEIP updates, CBIs will be categorized by statutory benefit area.*

#### **Biennial Update:**

Avista agreed to categorize the CBIs by statutory benefit area. See [Section 5](#), Table No. 5.1.

### 10.26 Condition 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.*

#### **Biennial Update:**

For the metric “Total MWh of distributed energy resources 5 MW and under in Named Communities,” Avista identified all of the residential and commercial distributed generation within Named Communities as well as the small generation PURPA contracted resources less than 5 MW located in Named Communities. The data for this metric can be found in the CBI section above.

For the metric “Total MWs of energy storage resources 5 MW and under in Named Communities”, Avista endeavored to identify residential and commercial storage resources less than 5 MW, as well as any small generation PURPA contracted resources with storage. At this time there are no qualifying resources located in Named Communities.

For the metric “Number of distributed renewable generation resources and energy storage resources located in Named Communities,” Avista summed the unique residential, commercial, and small generation PURPA contracted resources with renewable generation or energy storage located in Named Communities. The data for this metric can be found in the CBI section above.

### 10.27 Condition 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.*

#### **Biennial Update:**

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Avista uses the definition of Highly Impacted Communities as stated in WAC 480-100-605 and is not relying on its EAG to define or update the definition of Highly Impacted Communities. This was an oversight on the original 2021 CEIP filing and has been corrected.

### **10.28 Condition 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.*

#### **Biennial Update:**

A list of EAG members is posted on Avista's Clean Energy<sup>29</sup> webpage under the Equity Advisory Group section and is available in Attachment I.

### **10.29 Condition 29**

*Avista agrees that all future EAG meetings will be fully open to the public.*

#### **Biennial Update:**

Avista posts meeting dates, times, agendas, and the Zoom meeting link on its Clean Energy<sup>30</sup> webpage at least three days prior to the meeting date.

### **10.30 Condition 30**

*On or before October 1, 2022, Avista must file with the Commission:*  
*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 plan it will implement during the 2022-2025 timeframe and provide a progress report of this plan in the 2023 Biennial CEIP Update.*

#### **Biennial Update:**

In regard to part "a," Avista filed a progress report on September 30, 2022, in CEIP Docket UE-210628.

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<sup>29</sup> The EAG member list can be found on the Clean Energy Future webpage under the **Equity Advisory Group** section at <https://www.myavista.com/about-us/washingtons-clean-energy-future>.

<sup>30</sup> The EAG meeting details can be found on the Clean Energy Future webpage under the **Equity Advisory Group Meetings** section at <https://www.myavista.com/about-us/washingtons-clean-energy-future>.

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In regard to part “b,” Avista filed a timeline of proposed activities March 1, 2023, in CEIP Docket UE-210628. Avista also filed its CEIP Public Participation Plan provided by P3 on April 14, 2023.

In addition, Avista filed its 2023 Public Participation Plan May 1, 2023, in its Public Participation Docket UE-210295. For an update on Avista’s Public Participation Plan, please see [Section 8](#).

### **10.31 Condition 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.*

#### **Biennial Update:**

Avista filed an EAG Equity Lens update on July 6, 2022, in Docket UE-210628.

### **10.32 Condition 32**

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

#### **Biennial Update:**

Avista plans to participate in discussions or workshops regarding cost calculations and will incorporate into Avista’s methodology as necessary, however, no meetings have been held as of time of this filing.

### **10.33 Condition 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.*

#### **Biennial Update:**

Avista will model this scenario with explanation in the 2025 Electric IRP.

### **10.34 Condition 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.*

#### **Biennial Update:**

As listed in the 2023 IRP Progress Report, Avista has included within its resource energy need all long-term resources currently under contract including the Chelan PUD slice

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agreements and the Columbia Basin Hydro agreement. Further, it includes a planned upgrades to its Post Falls facility, as well as the extension of the existing Lancaster PPA.

### **10.35 Condition 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.*

#### **Biennial Update:**

As listed in the 2023 IRP Progress Report, Section 11 outlines how each CBI is relevant or not to resource selection or studied within the resource planning process. For those CBIs with a relation to resource selection, a forecast of its impacts on the plan are included.

### **10.36 Condition 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.*

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

#### **Biennial Update:**

As listed in the 2023 IRP Progress Report, in regard to “a”, Avista presented and provided TAC members with complete supply resource assumptions at its September 2022 TAC meeting. The resource assumptions are discussed in Section 6 of the 2023 IRP Progress Report, along with associated technical documentation in Appendix F.

In regard to “b”, Avista also uses QCC values where applicable from the WRAP, these are discussed in Section 3 for existing resources, Section 5 for DERs, and Section 6 for utility scale resources in its 2023 IRP Progress report.

In regard to “c”, Section 2 of Avista's 2023 IRP Progress Report discusses the associated loads including using the Transportation Electrification Plan.

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### 10.37 Condition 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.*

#### **Biennial Update:**

Avista filed its CEIP deferred accounting petition on May 19, 2022, in Docket UE-220350, approved by way of Order 01 on July 28, 2022.

### 10.38 Condition 38

*Avista must choose at least two of its current CBIs which it will track for at least five subsets of named communities, at a granularity to be determined by agreement with Staff, stakeholders, and the Company's Equity Advisory Group. Avista will incorporate relevant updates in its 2023 Biennial CEIP update.*

#### **Biennial Update:**

Avista discussed this condition during its April 2023 EAG meetings and the Joint Advisory group meeting on June 2, 2023. Please see Attachment H for details discussed during the Joint Advisory group meeting. Avista selected “*Number of Named Community Households with High Energy Burden*” and “*Percent of Named Community Households with CEMIO*” as the two CBIs to further summarize with additional categorical or geographical attributes. The following attributes selected were:

- Named Community census tract with highest median household income
- Named Community census tract with lowest median household income
- Households with occupants over the age of 65
- Home year built prior to 1980
- Households that are identified as homeowners
- Households that are identified as renters

Attributes were selected based on significance as discussed with the EAG and on the ability to obtain meaningful data. Household incomes were calculated using the Income Model, which assigns each household an estimated income value based on upon bill assistance thresholds, third-party demographics and census tract median income data for each household within the census tract. The Income Model checks for potential customer income attributes and compares them with third-party financial data from Acxiom. The categorical attributes were obtained by matching Avista households with third-party

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demographic data obtained from Acxiom. Condition 38 metrics are available in Section 5, Table 5.1.

## **11 Attachments**

Attachment A – CBI Metrics & Figures

Attachment B – 2023 Biennial Conservation Plan

Attachment C – 2023 IRP Progress Report

Attachment D – Medical Battery Backup Pilot Informational Document

Attachment E – Biennial CEIP Public Comments

Attachment F – Vulnerable Populations Characteristics

Attachment G – 2023 CBIs

Attachment H – Joint Advocate Advisory Group Meeting Presentation June 2, 2023

Attachment I – EAG Member List