

AVISTA CORPORATION  
 dba Avista Utilities

SCHEDULE 90 continued

50% of the total cost of the installation and must be consistent with the simple payback levels in section 4.1 below. This market transformation effort supports renewable energy measures in the residential and small commercial segments.

(N)

Market transformation ventures will be considered eligible for funding to the extent that they improve the adoption of electric efficiency measures that are not fully accepted in the marketplace. These market transformation efforts may include efforts funded through regional alliances or other similar opportunities.

**4. FUNDING AND NONMONETARY ASSISTANCE**

**4.1 Funding**

The incentive to be provided by the Company for electric or fuel-conversion efficiency measure(s) is based upon the simple payback of the measure prior to the application of an incentive, as calculated by Company staff and based upon standardized measure cost(s). These incentive tiers apply to measures with energy savings lasting 10 years or longer that meet or exceed the higher of the current energy code or industry practice that are applicable to the project. Simple payback is defined as the incremental capital cost associated with the energy efficiency of the project divided by the energy savings per year. Energy savings are calculated using the current energy rates. Fuel-conversion incentives are available only for conversion to natural gas with an end-use efficiency of 44% or greater. The incentives shall be as follows:

(N)

(N)

Measures	Simple Pay-Back Period	Incentive Level (cents per first year kWh saved) <i>(Minimum measure life of 10 years)</i>
Electric Efficiency	1 to under 2 years	8 cents
	2 to under 4 years	12 cents
	4 to under 6 years	16 cents
	6 to under 8 years	20 cents
	6 to under 13 years*	20 cents
	Over 8 years **	0 cents
	Over 13 years	0 cents
Fuel-Conversion	1 to under 2 years	1 cents
	2 to under 4 years	3 cents
	4 to under 6 years	5 cents
	6 to under 13 years	7 cents
	Over 13 years	0 cents

(D)

(N)

(N)

(N)(D)

(N)(D)

(N)

(N)

\* Applicable to non-lighting measures.  
 \*\* Applicable to lighting measures.

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 By Kelly Norwood, Vice President, State and Federal Regulation

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