



Avista Corp.

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May 30, 2025

Jeff Killip
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: **Avista Utilities Schedule 91 – Electric Service Energy Efficiency Rate Adjustment**

Dear Mr. Killip:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities' (Avista or the Company), proposed revisions to the following electric tariff sheets, WN U-28:

Eighth Revision Sheet 91A Canceling Seventh Revision Sheet 91A

WAC 480-109-130 provides that "Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances...no later than June 1st of each year with a requested effective date at least sixty days after the filing." The Company's energy efficiency tariff rider mechanism is designed to match future revenue with budgeted expenditures; to ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous period's actual expenditures and collections. As such, the primary purpose of this filing is to comply with the above requirement of WAC 480-109-130, requesting an increase in the rates collected through Schedule 91 to more adequately match the costs of the Company's current and projected electric energy efficiency expenditures.

Avista's electric Schedule 91 funds the Company's Energy Efficiency Program (Program), described within the Company's Schedule 90, "Electric Energy Efficiency Programs." All

Schedule 91 revenue is applied only to the provision of electric efficiency service, including programs offered by the Company directly, through designated contractors, or as part of regional electric programs, as well as 3rd party evaluation, measurement and verification (EM&V) contracts and potential assessment studies. The Company's programs are based on providing a financial incentive, or "rebate," for cost-effective efficiency measures, in addition to midstream approaches that provide benefits to the distributors themselves. Programs that offer weatherization measures, outreach and education, market transformation via the Northwest Energy Efficiency Alliance (NEEA), and various pilots, behavioral programs, and workforce development offerings are also included in Avista's electric portfolio.¹

As of April 30, 2025, the Schedule 91 (electric) energy efficiency tariff rider balance was approximately \$18.5 million underfunded. According to actual tariff rider balances and a forecast of expected revenues and expenditures through July 2027,² the current rates being collected through Avista's tariff rider are insufficient to fund both the ongoing Energy Efficiency Program operations, as well as to recover previous expenditures. The primary driver for this underfunding is the continued success of programs implemented within the 2022-2023 biennium in an effort to achieve the large conservation targets for the biennium.³ As provided in its 2024 Schedule 91 rate adjustment request,⁴ Avista launched several programs in 2022 and 2023 as part of its strategy to adaptively manage its portfolio in pursuit of maximum cost-effective energy savings opportunities. These offerings have continued to prove popular options for both residential and small commercial businesses, with steady to increasing participation occurring since the inception of these programs. While the tariff is no longer encountering a trend of becoming increasingly underfunded, as was the case in last year's request, the overall projected program costs are set to outpace tariff collections based on the current rate set for energy efficiency cost recovery.

Therefore, the Company is proposing to increase rates collected in Schedule 91 by approximately \$7.7 million annually, to bring the forecasted tariff balance close to \$0 by July 31, 2027. The Company will continue to track the progress of this balance and, should the proposed

¹ For more information regarding Avista's Energy Efficiency Program, including all annual and biennial conservation planning and reporting documents, please see [How Avista Stays Efficient \(myavista.com\)](https://myavista.com).

² See attached workpapers.

³ See Dockets UE-210826/UG-210827 for Avista's prior Biennial Conservation Plan (BCP).

⁴ See Docket No. UE-240416.

increase in the tariff rider rate either fail to clear an underfunded balance, or lead to an overfunded balance at the end of the next twelve month period, Avista will request a revision to clear that balance in a subsequent filing.

Avista respectfully requests the Commission approve the proposed increase in rates and charges in Schedule 91, effective August 1, 2025, in order for the Company to maintain an appropriate level and sufficient funding for its energy efficiency programs. The estimated annual revenue change associated with this filing is an increase of approximately \$7.7 million. The proposed rate increase will have an average monthly bill impact to residential electric customers (using 945 kWhs) of \$1.41 to their bill, or 1.2%, bringing the average bill from \$120.86 to \$122.27.

The Company provided the proposed tariff rider balance rate change to its Advisory Group on Tuesday, May 13, 2025, and received no additional comments.

The Company has provided in this filing a copy of its customer notice which will be included as a bill insert in the June cycle. Attached are the Company's workpapers supporting this proposal.

If you have any questions regarding this filing, please contact Kim Boynton, Manager, Energy Efficiency Analytics, at (509) 495-4744.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Affairs Manager
Avista Utilities