MINUTES - Citizens' Climate Lobby – Palouse April 18, 2024, 5:30-7:00 pm

Community Congregational Church, 525 NE Campus Ave, Pullman and via Zoom

Present: Mac Cantrell, David Muise, Liz Heilman, Alyx Herring, Trish Hartzell, Tina Hilding, Tom Benemann, Michele Drake, Kathy Dawes, Paul Spencer, Kynan Witters Hicks, Steve Flint, Marilyn Von Seggern, Nancy Nydegger, Kent Keller, Mary DuPree, Don Manuel Jose, Rich Wesson, Mark Hume, Dave Kaya, Leonard Garrison, Shannon Scott, Simon Smith, Judy Meuth, Meghan Pinch, Paul Kimmell, Bill Voxman

Introductions

Welcomes to guests Michele Drake, Meghan Pinch, and Paul Kimmell of Avista.

Avista Utilities Discussion

"Slide" (#) references in these notes are to numbers on the *lower left* of appended images provided by our guests. Their titles are given on slide 1.

Avista is an investor-owned gas and electric utility headquartered in Spokane, operating in and variously regulated by 4 states. Its "legacy hydro" on tributaries of the Columbia is a primary reason for its low electricity rates, and its electricity supply mix is mostly renewable (slides 7-11).

With partners, Avista has invested extensively in both wind and solar/photovoltaic projects (17-20). Both wind and solar renewable sources have seasonal variability (15,21). Paul explained how their generation resource mix interacts with demand to drive balancing of sources to meet daily and seasonal fluctuations in demand (14-21).

Our guests dwelt on their conception of future challenges, which is "Solving the (new) resource puzzle" (22) by supporting a pathway to decarbonization with equitable provision of and access to power generated by an increasing portfolio of renewables supported by a better grid, unfolding over the next 20 years (23-25). Avista is working on reducing conventional and using more "renewable" natural gas (RNG) sources, but Paul emphasized that affordability remains an important priority in customer service which also prioritizes energy efficiency programs and electric transportation (27-29).

Our guests particularly (re)emphasized these parts of the path forward:

- Goals: carbon-neutral by end 2027 and 100% clean by 2045 (24)
- Reduction in total demand i.e. "load reduction"
- Natural-gas transition (reduce overall consumption, and consume more RNG)
- Building out the Western Energy Imbalance Market (grid cooperation with utility partners across the West; 30-31)
- Array of programs: research with federal and regional partners; direct support to customers including loans, on-site consulting, and a "clean buildings accelerator" (31-42).

In limited time remaining at the end of the presentation, the Palouse-CCL "BEE team" asked questions:

- Q: What is Avista doing about the really big technical challenges?

 A: The really tough nut to crack is developing enough storage of renewable power to meet time-of-use.
- Q: Are there connections to the Inflation Reduction Act?
 A: Avista is working with an IRA-funded commission in the Dept of Commerce in Washington. Idaho is less fertile ground for collaborations to take advantage of federal programs.

Our guests prepared a handout addressed specifically to us, posing and answering questions they thought we would be interested in. There was no time for discussion of this material, but it is appended following the slides.

Finally, our guests invited us and the public to

- an Avista presentation on "The Future of Energy" at the SEL Event Center, Wednesday May 8th, 4:30-7:30 (43).
- Discussion of the Harvest Hills wind energy project on the Palouse, April 29th, 9:30 AM, 310 N. Main, Colfax.

Reminders and notes (Judy, Margaret, others)

- "Common Ground" screening ("More Announcements" below)
- Please review and consider the "Communication Skills Exercise" outlined below:
 - Heart, then hands, then heads.
- Review tabling arrangements for Earth Day (below), Simon coordinating
- Kathy Dawes and Bill Voxman reported briefly on listening sessions/discussions of climate issues in Bovill, ID. Bill will work on arranging similar discussions in other rural towns.
- Palouse CCL and the Moscow Climate Action Working Group (CAWG) has a "Saving Green" series of 750-word pieces appearing on one Saturday each month in the <u>Moscow-Pullman Daily News</u>. We encourage folks to submit ideas to Mary. Independent of this, we continue to submit letters to the editor concerning our priority topics.
- Marilyn Von Seggern reported that a partnership has been arranged via WSU Center for Community Engagement with a Communications course for next fall. Students will work with CCL on voter awareness on environmental issues.

ADJOURN - TAKE SOME PIZZA!

Next meeting is May 16, 5:30-7 at Moscow's 1912 Center Fiske Room

More Announcements

- The Future of Energy (see just above) Avista's President and CEO Heather Rosentrater speaking on how the evolving energy landscape in our region will affect inland NW businesses and industry. May 8, 5:30 pm (4:30 reception), SEL Event Center, 1825 Schweitzer Drive, Pullman.
- **CCL-P social gathering**: Every 2nd Thursday of the month, 5-7:30 pm, Trailside Taproom, 505 SE Riverview, Pullman
- CCL International Conference & Lobby Day! June 8 11 in DC https://community.citizensclimate.org/bulletin/2101/447
- Common Ground Screening April 22, 7:00 PM, Kenworthy Theatre, 508 South Main Street, Moscow. Free. The film reveals how practices have made our current farm system hazardous in a number of ways. The film profiles a growing movement of white, black, and indigenous farmers who are using alternative "regenerative" models of agriculture that could balance the climate, save our health, and stabilize America's economy. Presented by the Moscow Food Co-op as a benefit for the Palouse Land Trust.
- Bob Inglis of RepublicEN at Pullman Rotary June 19, Noon.

Letters from community leaders to Members of Congress

Get a support letter from a community leader who is a trusted messenger. This letter(s) will be handed to the member of Congress during the CCL June Lobby Day.

Tabling for Earth Day – Simon and Judy

Post photos and videos of Earth Month activities. Snap an action photo or record a video at Earth Month events, post it to a favorite social media platform, and include the hashtag #TalkAboutClimate and tag @citizensclimate. Send photos and videos to Giselle and Margaret for posting, too!

- 4/19: Inland North Waste earth day event, East City Park, Moscow 4-7 pm. Trish, Bill V.
- 4/20: WA State Republican Convention in Spokane. Simon
- 4/20: Pizza for the Planet, Ruby St. Park, 12 pm 4 pm pizza boxes to biochar + prizes. Marilyn, Kynan
- 4/21: Adam Savage presentation at WSU Beasley Coliseum-tabling 12-3 pm. Azdren, Bill E.

- 4/22: UI Earth Jam at SUB—11 am -1 pm. Leonard, Bill V.
- 5/18: Pullman 3 Forks River and Arts Festival 10 am 5 pm

Election year activities

- Conversations on climate Judy Communication Exercise at end of this Agenda (also above)
- Collaboration with WSU class Marilyn (also above)
- Tabling Simon
- Voter registration
- Environmental Voter Project https://community.citizensclimate.org/resources/item/19/448
- No on I-2117 https://cleanprosperouswa.salsalabs.org/capwa-newsletter-1-16-24?wvpId=12cd958d-d726-4700-ae93-ff9f8950189b
- Town halls
- Letters to the Editor and Op-eds (also above)
- Social media
- Sign waving

Ongoing Palouse CCL Initiatives and Actions

- Carbon Pricing and Cash-back Simon Smith and Margaret Davis (leads)
- Building Electrification and Efficiency Mac Cantrell and Mary DuPree (leads)
- **Healthy Forests** Trish Hartzell (lead)
- Presentations—Simon Smith
- Pullman City Azdren Coma
- Moscow City Mary DuPree
- Member of Congress liaisons Mac Cantrell (Crapo), Judy Meuth (McMorris Rodgers)
- Tabling Simon Smith
- Outreach to rural communities Bill Voxman and Kathy Dawes
- Publications Judy Meuth, Pete Haug (print); Website Joe Pallen; Facebook—Margaret Davis
- Social Media Giselle Zuniga

Continuing Individual Actions

- Watch the monthly national call and guest speaker 3rd Saturday of the month on CCL Community
- Log actions on CCL's Action Tracker: ttps://community.citizensclimate.org/actions/home
- Send photos and info about CCL and our activities to Margaret Davis and Gisell Zuninga

COMMUNICATION SKILLS EXERCISE

Think *heart, head, hands* when you open a climate conversation with people you meet in April. Dr. Hayhoe recommends connecting how you feel (heart) with what you know (head) and what you can do (hands).

Start a climate conversation with heart, head and hands:

<u>You</u>: Hey there! Nice to meet you. It's great to be outside at the big festival today. I'm here with a group having climate conversations with attendees and if you're free for a moment, I'd love to find out more about how you're feeling about our climate and air pollution? (**Heart**)

<u>Table visitor</u>: Thanks, nice to meet you too. I guess I'd say I feel worried about car and bus exhaust because it's unhealthy for my family.

You: Thanks for sharing—I'd love to hear more of your thoughts on that.

<u>Table visitor:</u> Thanks for asking, I guess the biggest thing is that we live right by an interstate, so we're constantly having to keep the windows shut and the filters running so that my kids—who both deal with asthma—don't have to deal with bad air quality.

<u>You</u>: I hear that, I really value clean air too and I worry that climate pollution is making things less safe for our kids and grandkids. What are your thoughts on climate change?

Table visitor: I'm a bit worried, but I don't think that there's much I can do to help.

<u>You</u>: That makes sense, it's hard to know where to start. One thing I do is pay attention to our changing weather. As you think about it, have you seen any climate impacts around here or elsewhere? **(Head)**

<u>Table visitor</u>: Yeah, I have. I've noticed the warmer, longer summers, and my brother's farm is in trouble.

You: Oh no, that's terrible to hear - what's going on with your brother's farm?

<u>Table visitor:</u> It's really sad. He's been dealing with ongoing water shortages and his orchard trees aren't able to grow the fruit and nuts he depends on for his job.

<u>You</u>: I'm really sorry to hear that, how incredibly hard. Drought and heat waves get my attention too. What have you seen in the news about climate solutions?

<u>Table visitor</u>: Something about energy credits, but I don't know what that is. I can't keep up.

<u>You</u>: I get that. It can feel like a lot! The volunteering I do makes me feel hopeful about the future. Would you like to hear about it? **(Hands)**

Table visitor: Sure.

<u>You</u>: Our elected officials have the keys to climate solutions, but we clearly need them to do more. So I volunteer with Citizens' Climate Lobby, we're a non-partisan non-profit organization with over 400 chapters. We let our elected officials know that their constituents want them to take stronger action on climate change. It's actually really fun.

Table visitor: That sounds interesting. How can I get involved?

Additional Resources: Climate Conversations and Becoming Effective Climate Communicators

Log your conversations on climate: <a href="https://community.citizensclimate.org/climate-conversations?utm_medium=email&utm_source=action-sheet&utm_campaign=cap-apr-2024&utm_content=as+1&c_src=cap-apr-2024&c_src2=action-sheet_as+1

Contact info. https://cclpalouse.org

judymeuth@gmail.com, maryhdupree@gmail.com, macantr18@gmail.com, gisell.zuniga003@gmail.com Simon Smith simonofworldthree@gmail.com, Pete Haug peterlaoshi@gmail.com, jpallen@roadrunner.com, hartzell@uidaho.edu, azdren@gmail.com, Bill V. wvoxman@uidaho.edu, kynan.w.h@gmail.com, Margaret Davis maddvm101@gmail.com, Bill E. mongolengels@yahoo.com

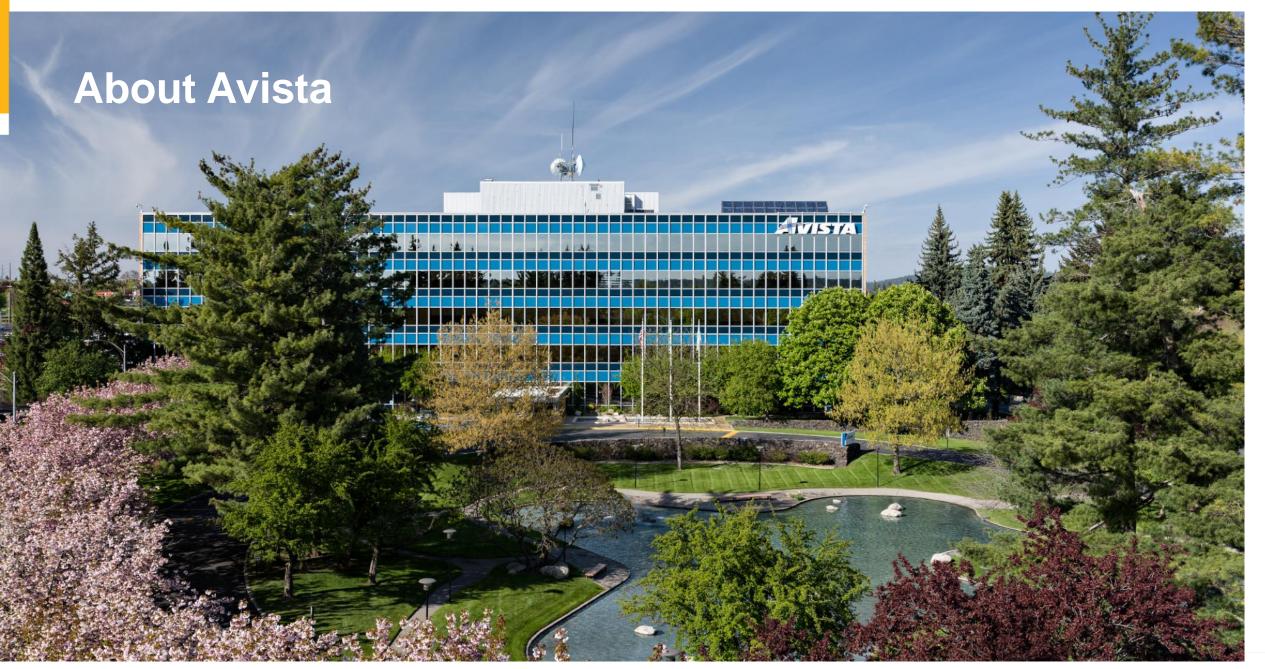


Powering Our Future

Meghan Pinch, Energy Efficiency Manager

Michele Drake, Energy Efficiency Program Manager

Paul Kimmell, Business & Public Affairs





Avista at a glance

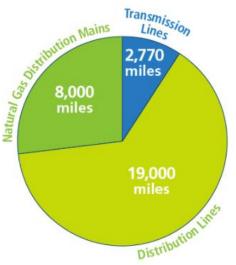
- Incorporated in the territory of Washington in 1889 – 135 Years Old!
- Primarily a regulated electric and natural gas utility
- Operating Revenue \$1.4 billion
- Shareholder Equity \$2.2 billion
- At the end of 2021, employed1,800 people at Avista Utilities and 65 in our subsidiary businesses (including Alaska Electric Light & Power)
- Generation portfolio is 60% renewable





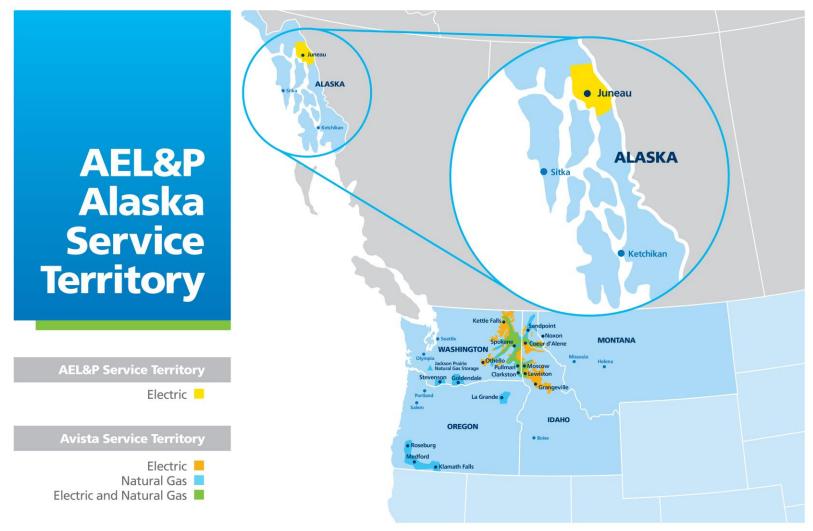








AEL&P





By the Numbers

states	4
square miles	30,000
population	1,700,000
electric customers	406,000
natural gas customers	372,000
employees	1,800



By the Numbers

2,775 miles

transmission lines

19,200 miles

distribution lines

8,000 miles

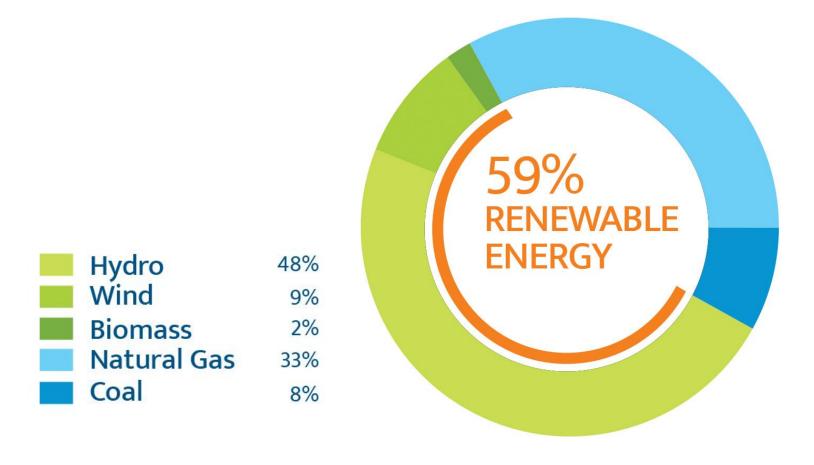
natural gas distribution mains



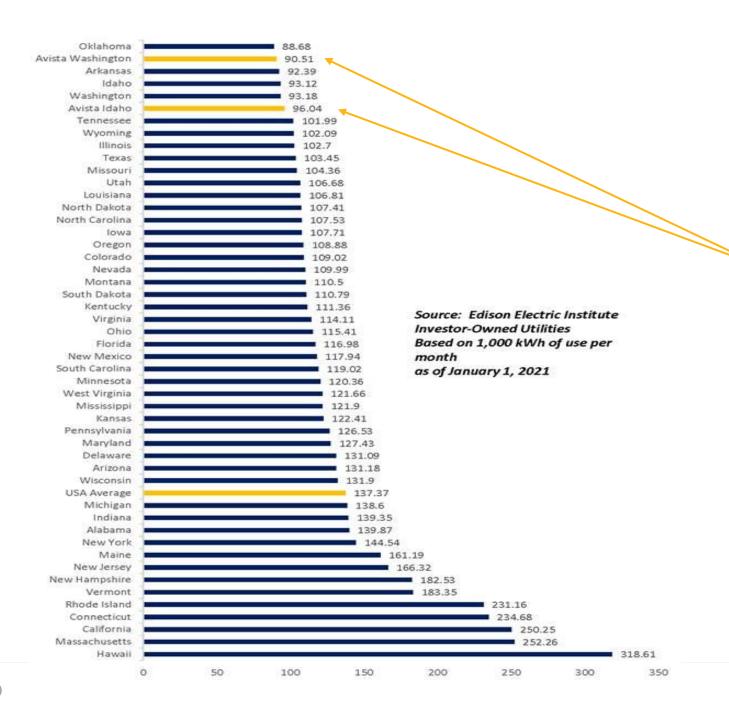
Supply Mix

ELECTRICITY GENERATION RESOURCE MIX

As of Dec. 31, 2022 - Excludes AEL&P



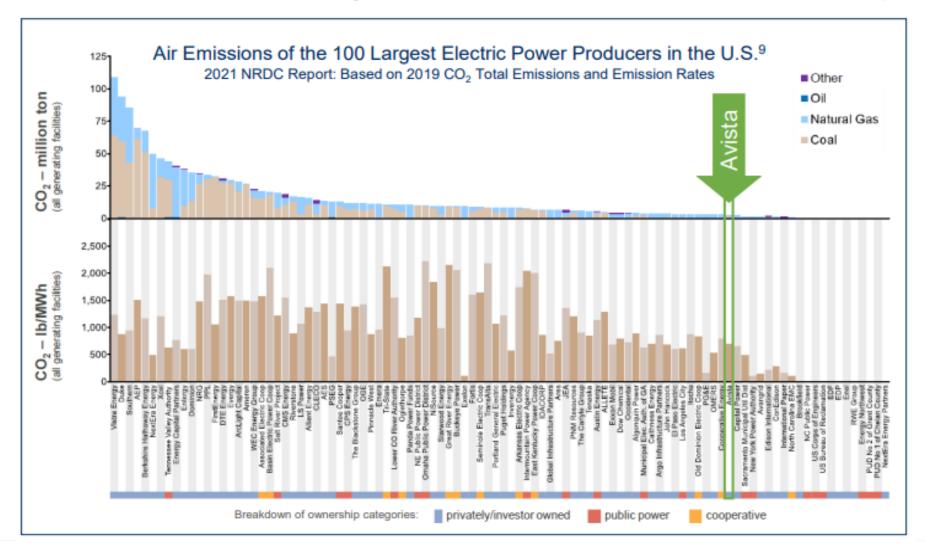




Avista Rates are Among the Lowest in the Country



Avista Greenhouse Gas Emissions - Among the Lowest in the Country





With a 135 year history of innovation



1903 Longest transmission line in the world

1910 Automatic control for electric range

1911 Automatic electric water heater

1915 Largest dam in the world with largest generator

1977 Established Itron

1983 First bio-mass plant in the world

1995 Established Ecova (sold to GDF Suez)

1996 Established Reli-On fuel cell company (sold to Plug Power)

2001 Developed the first GIS based OMS

2009-2013 Three ARRA smart grid grants

2015 Largest vanadium flow battery in north America and Europe

2015 Largest community solar in WA state

2016 EVSE Pilot Launched

2018 Largest commercial solar in WA state







STRENGTHENING COMMUNITIES

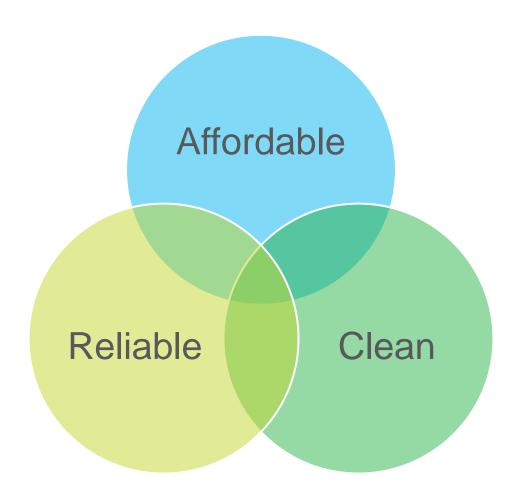


Our purpose goes beyond providing the energy that powers the daily lives of our customers.

We're here to improve the quality of life and to enhance the strength, health, and vitality of the communities we serve, and the communities we call home.



Resource Planning - The Utility Generation Balancing Act

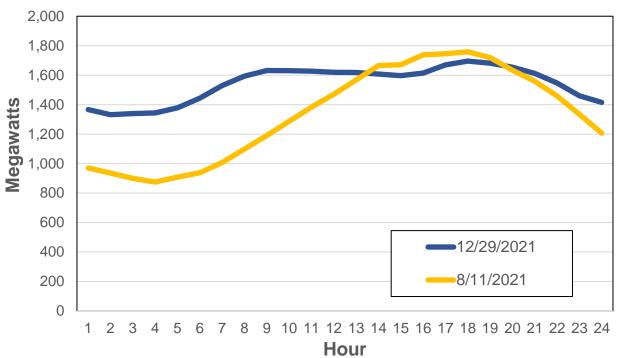




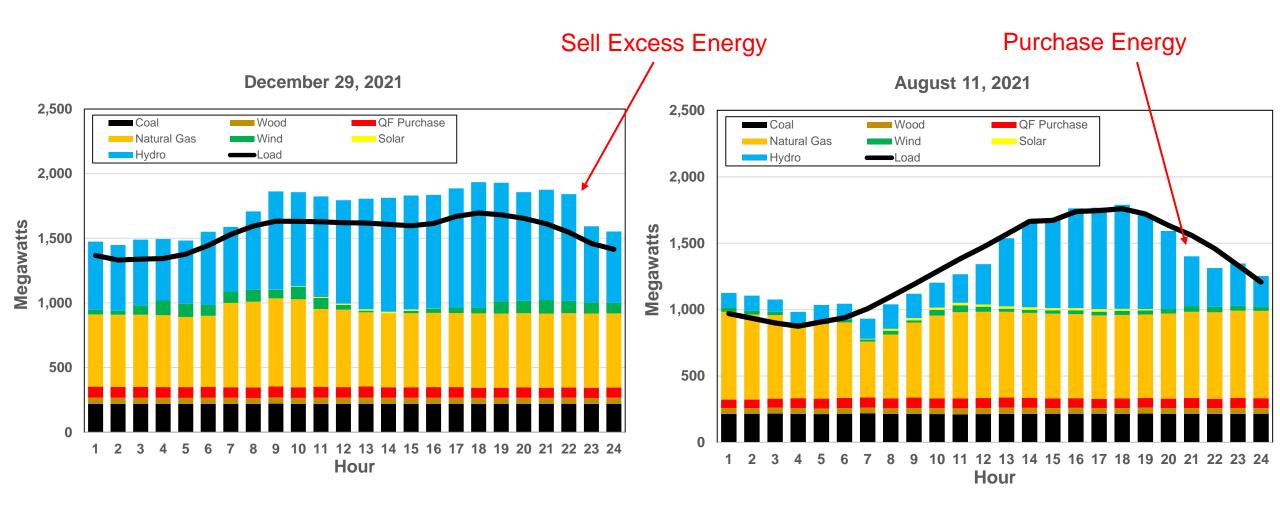
Meeting Customer Load

- Utilities must plan to meet future demand to ensure real time operational reliability
- Generation must always equal load
- Summer and winter load profiles are extremely different
- A diverse resource portfolio is required to meet seasonality differences between both loads and resources

Summer vs Winter Load Profile



Balancing the Day











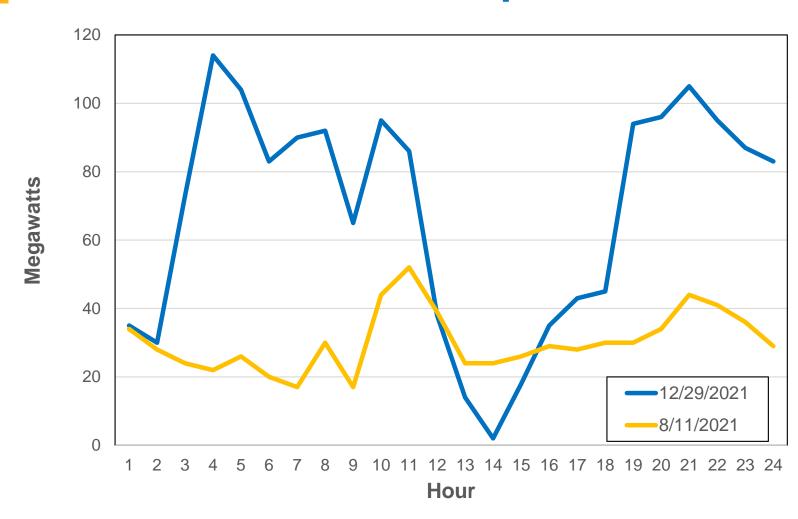
Rattlesnake Flat Wind Farm

Adams County, WA

https://vimeo.com/491390697



Wind Generation is Sporadic



Avista Wind Facts

Total wind production was 89.5 aMW in 2021 or **36%** capacity factor

13% of hours had less than 5 MW of generation



Solar



Adams Nielsen Solar Project

Adams County, WA

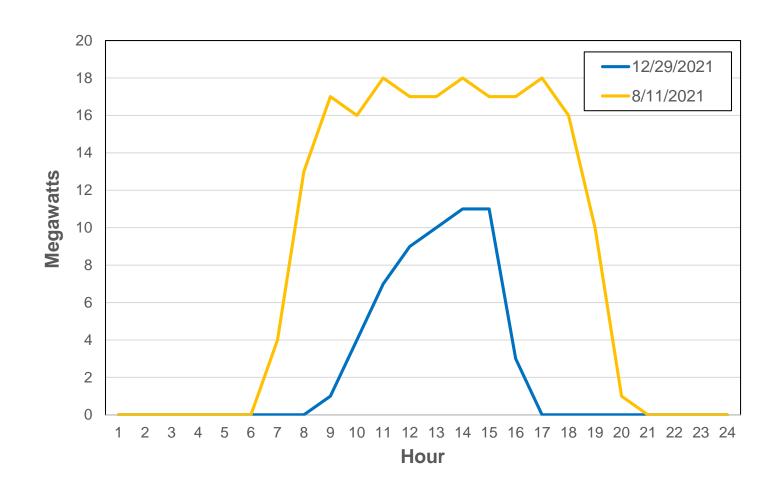
Solar Select TM

https://vimeo.com/303859194/f84af89f20





Solar Production is Seasonal



Avista Solar Facts

Total solar production was 4.9 aMW in 2021 or **26%** capacity factor

August generated **4,842 MWh**December generated **907 MWh**



Solving The (New) Resource Puzzle





Our Future: A more dynamic power grid

Technology, economic forces, customer / community expectations, and public policy are shaping the power grid of the future.

Along with developing strategies to meet future energy needs, we recognize that a changing climate potentially threatens every aspect of our society.

Support a pathway to decarbonization and a clean, reliable, affordable, and equitable energy future.



Avista's Clean Electric Goals

- Avista's goal is to serve our customers with 100 percent clean electricity by 2045 and to have a carbon-neutral supply of electricity by the end of 2027
- We will maintain focus on reliability and affordability
- Natural gas is an important part of a clean energy future
- Technologies and associated costs need to emerge and mature in order for us to achieve our stated goals
- It's not just about generation









Parts of our forward path

Load reduction of 187 aMW due to Energy Efficiency by 2045

2021-2030

Coal out, contracted NG out

Add new wind

Add pumped hydro

Add upgrades of existing gen

Incorporate demand response

2031-2040

Additional renewable upgrades

Additional demand response

New storage

Retire some NG

2041-2045

Significant new storage needed

Other?



Providing Cleaner Natural Gas

- We are committed to **reducing greenhouse gas emissions** in our natural gas business too. Our aspirational goal is to reduce natural gas emissions by 30% by 2030 to be carbon neutral by 2045
- Achieving reductions requires an "all-of-the-above" approach:
 - •Natural gas supply and distribution opportunities like renewable natural gas and hydrogen
 - Upstream strategies like targeted sourcing with suppliers
 - •Engagement with customers to increase energy efficiency, demand response, and voluntary programs
- Just like our clean electricity goals, reducing greenhouse gas emissions in our natural gas system will require advances in technology and reductions in the cost of those technologies
- Affordability will guide our decisions



Does Avista have a natural gas environmental strategy and vision?

Our strategy for carbon reduction for our natural gas business has identified several pathways to get us there. The three prime strategy components are:

- Diversify/transition from fossil fuel natural gas to RNG, hydrogen and other renewable biofuels, including fuels created through carbon capture technologies;
- 2. Reduce consumption and emissions via conservation, energy efficiency and new technologies;
- 3. Invest in carbon offsets as necessary. We are in the process of building a place on the Avenue where you can access more information on our natural gas environmental strategy, as well as other useful facts and updates on natural gas initiatives, including RNG.



What are the most important priorities for Avista and our customers in helping to address climate challenges?

Each of us can contribute to reducing carbon emissions and reversing climate change.

Avista continues to assist our customers in many of these efforts: supporting efficient appliance choices, helping people optimize building efficiency, supporting transportation electrification, offering new choices for clean energy, and continuing to provide a clean and reliable mix of energy sources.

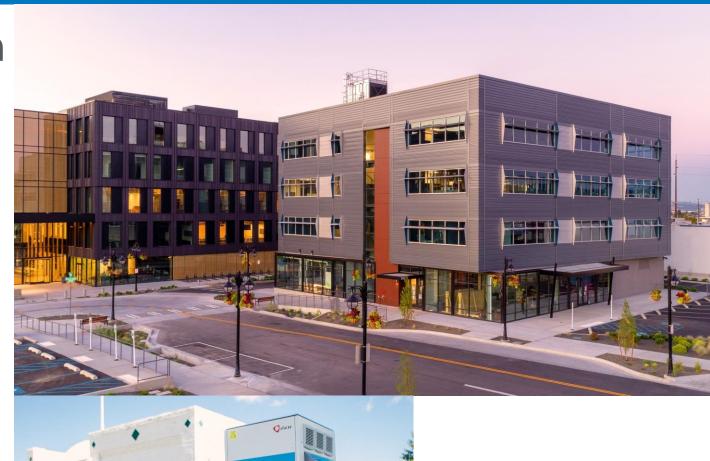
To meet the challenges of climate change, we will need technological improvements in areas including energy storage and clean energy production.

Avista is investing in these kinds of innovations, and we support others' doing so as well, particularly the federal government as a key clean energy research and development sponsor.

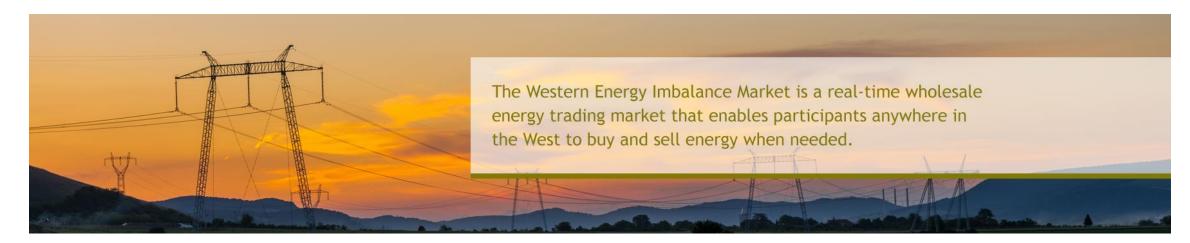


Serving our Customers into the Future

- Additional clean generation
- "Controllable" generation and storage
- Ongoing energy efficiency programs and Clean Buildings Accelerator
- New ways to partner with customers and communities
- Electric transportation







Western Energy Imbalance Market

Allows participants to buy and sell power close to the time electricity is consumed, and gives system operators real-time visibility across neighboring grids. The result improves balancing supply and demand at a lower cost.

Reduced costs for participants by lowering the amount of costly reserves utilities need to carry, and more efficient use of the regional transmission system.

Reduced carbon emission and more efficient use and integration of renewable energy. For instance, when one utility area has excess hydroelectric, solar or wind power, the ISO can deliver it to customers in California or to another participant. Likewise, when the ISO has excess solar energy, it can help meet demand outside of California that otherwise would be met by more expensive – and less clean – energy resources.

Enhanced reliability by increasing operational visibility across electricity grids, and improving the ability to manage transmission line congestion across the region's high-voltage transmission system.





The ISO's Western Energy Imbalance Market (WEIM) is a real-time energy market, the first of its kind in the western United States.

The WEIM's advanced market system automatically finds low-cost energy to serve real-time consumer demand across the west. Since its launch in 2014, the WEIM has enhanced grid reliability and generated cost savings for its participants. Besides its economic advantages, the WEIM improves the integration of renewable energy, which leads to a cleaner, greener grid.

https://www.westerneim.com



Community Resilience Centerswith Mobile Batteries

Avista recently submitted a concept paper to the Department of Energy for a grant to utilize mobile battery systems.

The battery systems proposed will normally be located where the distribution system is congested, helping improve system resilience to extreme conditions such as heat waves and cold snaps.

During extended power outages, the batteries could be driven to partner communities to provide backup power to critical services.







INLAND NORTHWEST CENTER FOR ENERGY AND DECARBONIZATION



What is INTENT?

INTENT is one of 44 NSF Engines Development Awards announced in May. The award funds a two-year planning grant designed to formalize our grid decarbonization interests and collaboration in the Inland Northwest.

INTENT is building a diverse regional coalition of researchers, tribal nations, institutions, labs, companies, and civil society to translate R&D into scalable solutions that engage people in the process of creating solutions with equitable economic and societal impacts.



Partners

- Avista Utilities
- Washington State University Subawardee
- University of Idaho Sub awardee
- Open Energy Solutions
- Spokane Workforce Council
- Nez Perce Tribe
- McKinstry
- E8 Angels
- Idaho National Lab
- Kore Power
- Okanogan PUD
- Carbon Quest
- Avista Edge

- Urbanova Grant Awardee
- Pacific Northwest National Lab
- Edo Energy
- POWER Engineers, Inc.
- Spokane Tribe of Indians
- Itron
- Gonzaga University
- Schweitzer Engineering Labs
- Ignite Northwest
- NimiiPuu Energy
- Grant County PUD
- Lee & Hayes
- Avista Development
- WA CleanTech Alliance





> Culture of innovation

A nimble organization that engages in useinspired R&D that adapts to changing societal and economic needs.



> Inclusion at all levels

Diversity, equity, inclusion, and accessibility, or DEIA, are intentionally and meaningfully embedded at all levels in leadership, R&D, and workforce development activities.



Comprehensive workforce development

Workforce development initiatives to train and educate technicians, researchers, practitioners, and entrepreneurs to meet regional workforce needs.



Why we are here...

"We can only maximize our competitiveness as a region and a nation when we fully address existing inequities. INTENT will drive transformative energy initiatives that accelerate the equitable decarbonization of the grid, preserve scarce natural resources and improve jobs and economic mobility for the people of the Inland Northwest."





Electric Transportation Programs & Support



- Charging programs for fleet, multi-unit housing, workplace, and public use
- ✓ Rural access charging
 - ✓ ACL2 in every rural town in our service territory
 - ✓ DC fast charging sited every 40-50 miles along all major travel corridors
- ✓ Fleet analysis and support
 - √ Government fleets
 - √ School Busses
 - √ Private business fleets
- ✓ Community Based Organizations
 - ✓ Support in acquiring an electric fleet vehicle and charging infrastructure
 - Competitive bid process, once a year



Direct Install Lighting for Small Businesses

All Avista commercial customers on rate schedules 11 or 12 are eligible.

Customers receive:

- ✓ An on-site visit by one of our lighting partners to identify potential lighting upgrades.
- ✓ A detailed report of LED lamps, fixtures, and controls upgrade recommendations
- ✓ Up to 100% off project costs on your professionally installed lighting equipment
- Only our vetted and trained lighting contractors are eligible to perform installations and are eligible to offer these enhanced lighting incentives
- Contractors may go door to door to market the program or they may receive leads from the customer online signup form
- Avista pays incentives toward the Contractor invoice directly to help reduce customers' up-front cost of an upgrade resulting in little to no out-of-pocket cost

Customers can sign up online to participate: https://www.myavista.com/energy-savings/energy-saving-programs-services-for-your-business/business-lighting-installation



Business Partner Program

Rural business owners save money and energy with Avista.

MIKE STORMO (Ietz)
GARRY ROSMAN (Ietz)
GO-OWNERS, LUXURY LIVING LLC
LORRI KIRSTEIN (middle)
SMALL BUSINESS PARTNER
PROGRAM MANAGER,



Business Partner Program (BPP) is an outreach effort designed to target Avista's small business customers in WA and ID, by bringing awareness of programs and services that can assist customers, in managing their energy bill.

Highlighting:

Energy Efficiency Rebates

Direct Install Lighting

Trade Ally Bid Assistance

EV Charging Stations (WA only)

Loan Program (WA only)



Energy Smart Loans (WA and OR only)

As long as a project meets minimum energy-efficiency standards, the Energy-Smart Loan program can help finance it. Some equipment may even qualify for Avista rebates.

- Customers will work directly with PSCCU for the approval process and on bill repayment.
- All questions can be answered by PSCCU at (800) 273-1550 or askus@psccu.org.
- Once funded, the loan will payment be added to the customer's Avista bill.

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Loan amount	\$1,000-\$30,000 for residential customers \$5,000-\$75,000 for small business customers	
Interest rate	Up to 7.5% APR*	
Term	Up to 15 years	
Example:	\$15,000 loan at 7.50% APR 180 payments \$139.05 per month	



Clean Buildings Accelerator

PROGRAM OVERVIEW

Avista offers a FREE specialized pilot program to help building owners meet Clean Buildings requirements while supporting energy savings.

- 4-month program ("sprint") including monthly workshops, tailored coaching and virtual energy scans
- Quarterly support workshops for program graduates to address evolving needs

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CLEAN BUILDINGS LAW REQUIREMENTS

Designated Energy Manager

ESPM Benchmarking and Reporting

Develop & Execute Energy Management Plan (EMP)

Develop Operations and Maintenance Program

Determine & Comply with EUIt

PROGRAM DELIVERY AREAS

Energy Manager tools and guidance

Hands-on ESPM Bootcamp and Support

Energy Management Plan Practicum with Templates

O&M Program Tools and Ongoing Elevation Seminars

Guided EUIt assistance using ESPM





Please join us!

Wednesday, May 8th

SEL Event Center

4:30 - 7 PM

As we build solutions to navigate this clean energy transition over the next several years, decades, and beyond – our touchstone will always be our customers and communities.

It's our responsibility, our challenge, and our privilege.





Citizens Climate Lobby of the Palouse April 18, 2024

To what extent is renewable energy in Avista's interest, and what challenges does renewable energy pose for the company? Is there a way that citizen groups like CCL can help you achieve your renewable energy goals?

Renewable energy is required by state law in Washington, and we believe that our Company goals align very closely. Some of the renewable energy buildout challenges include:

- 1. Cost effectiveness at high levels of renewable penetration. State law has 2% per year cost cap, but can we stay within this cost cap with high levels of renewables?
- 2. Bringing additional renewable energy on to the Avista system is not the problem it's serving 100% of load with renewables, this requires substantial amounts of energy storage to align generation with demand. This is where we may have challenges with the 2% cost cap and creates the risk of reliability, if we don't have extreme long duration storage, we can't maintain reliability.
- Our priorities have to be in balance: Reliability Affordability Clean Equitable. These will continue to drive our resource generation portfolio mix and how we provide energy to our customers.

Avista was the first utility in the state to have its Clean Energy Implementation Plan (CEIP) approved. This plan explains in detail Avista's plan to comply with the Clean Energy Transformation Act, a new law that requires electric utilities to source 100 percent of their electricity from renewable or non-carbon-emitting sources by 2045. This aligns with Avista's own clean energy goals.

The law also requires utilities to ensure that the benefits of this transition are distributed equitably. There are also provisions to ensure affordability and reliability for all our customers as we undergo this energy transformation.

Avista is taking a unique approach to compliance with this act by leveraging funding to create a Named Communities Investment Fund (NCIF). The NCIF is an opportunity for organizations and/or interested entities to apply for funding for projects, programs, and initiatives that directly benefit WA electric customers who reside in Named Communities- those communities that have historically been excluded from benefits afforded by the transition to clean energy. The fund has up to \$5 million available annually for these projects.

Avista will give priority consideration to applications submitted by non-profit (501(c)(3)) organizations that serve Avista's electric customers residing within Named Communities.

Applications can be submitted online at https://www.cybergrants.com/avista/ceta_quiz. At a minimum, successful applications must benefit populations located within Named Communities and positively impact the Customer Benefit Indicators.

We would welcome the CCL's assistance in advertising this opportunity with qualified community groups. Interested parties can also participate in our Public Participation meetings, the next one is coming up on May 14. More details at: https://www.myavista.com/about-us/washingtons-clean-energy-future

What is Avista doing to advance building electrification? Is it promoting gas in new developments?

When it comes to gas or electric fuel, Avista is supportive of customer choice in either case, and doesn't promote either fuel specifically. The new Washington State building code, which went into effect in mid-March, is significantly more restrictive of natural gas options than previous building codes have been.

From a regulatory standpoint, Avista has historically been prohibited from incentivizing fuel switching from one fuel to another. We have recently been in discussions with our regulators about the possibility of offering incentives for some fuel-switching projects, in specific circumstances; however, those discussions are ongoing, and we are awaiting regulatory guidance on what is permissible.

How, in addition to the website, does Avista inform customers about government incentives for transitioning to electrification and increasing efficiency?

Avista has a large portfolio of energy efficiency programs available to customers for residential and commercial savings opportunities for both gas and electric. You can visit myavista.com for a list, but here are few we'd like to highlight (see slides)

Business Partner Program
Small Business Lighting Direct-install Program
On Bill Repayment program

We are looking forward to sharing information about government incentives for efficiency and electrification opportunities as they become available. These programs are still being designed by the Washington State Department of Commerce.

Can you explain Avista's approach to demand charges?

For large customers on specific rate schedules, Avista does utilize a demand charge in its rate design. If there are specific questions on a specific rate schedule, Avista can provide more details. Avista does not currently have any demand response programs; however, we will be launching two "time of use" pilot rate structures in June of 2024; one for residential customers, and one for small commercial customers. We will also offer a peak time rebate pilot program beginning in June of 2024.

The permitting of electric transmission projects is a major barrier to increasing our energy supply and resilience. What types of gridenhancing technologies is Avista using, or planning for—for example reconductoring? How does Avista view the Big Wires Act* and similar legislation now before Congress?

Grid-enhancing technologies: Avista considers project alternatives which optimize the use of existing infrastructure and right of ways. Reconductoring existing transmission lines is one of our common practices and will continue to be a cost-effective alternative in some locations on our transmission system.

When new transmission lines need to be constructed, we evaluate if existing right of ways can be used with consideration to common modes of failure having two or more transmission lines next to each other.

Avista is actively exploring both Federal and state grant opportunities to not only build resiliency and grid-hardening but improve transmission capacities and efficiencies. We are exploring the use of devices to optimize the flow of energy on transmission lines. Either with more traditional series connected capacitors or reactors or with new technology which uses power electronics to control power flow.

In some situations, building new substations to connect existing transmission lines can improve how the system performs without building new transmission. The new substation would need to be in an ideal location to connect the transmission lines.

Does Avista have a natural gas environmental strategy and vision?

Our strategy for carbon reduction for our natural gas business has identified several pathways to get us there. The three prime strategy components are:

- 1. Diversify/transition from fossil fuel natural gas to RNG, hydrogen and other renewable biofuels, including fuels created through carbon capture technologies;
- 2. Reduce consumption and emissions via conservation, energy efficiency and new technologies;
- 3. Invest in carbon offsets as necessary. We are in the process of building a place on the Avenue where you can access more information on our natural gas environmental strategy, as well as other useful facts and updates on natural gas initiatives, including RNG.

What are the most important priorities for Avista and our customers in helping to address climate challenges?

Each of us can contribute to reducing carbon emissions and reversing climate change. Avista continues to assist our customers in many of these efforts: supporting efficient appliance choices, helping people optimize building efficiency, supporting transportation electrification, offering new choices for clean energy, and continuing to provide a clean and reliable mix of energy sources.

To meet the challenges of climate change, we will need technological improvements in areas including energy storage and clean energy production.

Avista is investing in these kinds of innovations, and we support others' doing so as well, particularly the federal government as a key clean energy research and development sponsor.