



**RECEIVED**  
**2019 June 18 PM 4:48**  
**IDAHO PUBLIC**  
**UTILITIES COMMISSION**

**Avista Corp.**  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

June 18, 2019

Diane Hanian, Secretary  
Idaho Public Utilities Commission  
W. 472 Washington Street  
Boise, Idaho 83720

Re: Avista Utilities Proposed Tariff Revision Schedule 190 – Natural Gas Efficiency Programs

Dear Ms. Hanian:

Enclosed for electronic filing with the Commission is Avista Corporation's, dba Avista Utilities ("Avista" or "the Company"), request for approval of its proposed revisions to the following natural gas service tariff sheets, I.P.U.C. No. 27:

**Sixth Revision Sheet 190A**                      Canceling                      **Fifth Revision Sheet 190A**

The purpose of this filing is to revise Avista's Schedule 190—Natural Gas Efficiency Programs—to remove the \$3.00 per therm incentive level and 70% incremental cost incentive cap for residential energy efficiency measures. The Company believes removing this restrictive flat payback methodology will help to further develop cost effective energy efficiency programs by allowing the opportunity to set incentive levels that achieve the highest throughput at the lowest cost, therefore leading to improved portfolio performance.

Avista practices active management and continuous process improvement when delivering energy efficiency programs. Through the evaluation team's on-going activities and through internal active management, Avista recognizes program successes and challenges throughout the year and practices continuous process improvement to strive for the delivery of successful and cost-effective energy efficiency programs. As part of this effort, the proposed tariff changes to

remove the \$3.00 per therm, and to remove the 70% incremental cost incentive cap were proposed and discussed with Avista's Energy Assistance Advisory Group on May 17, 2019, with support received from all participants. The Company believes, and the Advisory Group agreed, that though the tariff allows for considerable flexibility in how programs are designed and delivered, there remains the occasional need for modifications to help meet current and future market conditions and opportunities. This cost-effective management of energy efficiency programs will allow Avista to better align with other utilities and to continue to adaptively manage its programs to maximize energy savings.

Avista remains committed to continuing to deliver responsible and cost-effective energy efficiency programs to our customers.

Avista respectfully requests that these changes to natural tariff Schedule 190, to remove the \$3.00 per therm and to remove the 70% incremental cost incentive cap, become effective August 1, 2019. Please direct any questions on this matter to Dan Johnson, Director, Energy Efficiency at (509) 495-2807 or myself at (509) 495-4975.

Sincerely,

*/s/Linda Gervais/*

Linda Gervais  
Manager, Regulatory Policy & Strategy  
509-495-4975  
Avista Utilities  
[linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)

Enclosures

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 190 – continued  
NATURAL GAS EFFICIENCY PROGRAMS - IDAHO

**4. FUNDING AND NONMONETARY ASSISTANCE**

**4.1 Funding**

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

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

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

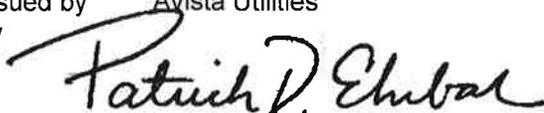
Incentives for efficiency measures within the following categories shall not exceed 100% of the project cost:

- 4.1.1 Energy efficiency programs delivered by community action agencies contracted by the Company to serve Low Income or vulnerable customer segments including agency administrative fees and health and human safety measures;
- 4.1.2 Low-cost natural gas efficiency measures with demonstrable energy savings (e.g. rooftop unit service);

Issued June 18, 2019

Effective August 1, 2019

Issued by Avista Utilities  
By



Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION  
 d/b/a Avista Utilities

SCHEDULE 190 – continued  
 NATURAL GAS EFFICIENCY PROGRAMS - IDAHO

**4. FUNDING AND NONMONETARY ASSISTANCE**

**4.1 Funding**

~~The incentives specified below are provided by the Company to promote the best use of natural gas resources. Incentives are 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 at the current energy rates lasting that meet or exceed current manufacturing and energy codes and/or industry standard practices that are applicable to the project. Simple payback is defined as the capital cost of the project divided by the energy savings at the current energy rates per year. Capital cost included in the calculation is the portion associated with the energy saving portion of the project only. The incentives for qualifying projects as detailed in Section 1 (Availability) shall be as follows:~~

<b>Measures</b>	<b>Simple Pay-Back Period</b>	<b>Incentive Level (dollars/first year therm saved)</b>
Natural Gas Efficiency	Under 15 years *	3.00
	Over 15 years	0.00

~~All projects will be capped at 70% of incremental project cost based upon the above tiers. Incentives for efficiency measures within the following categories shall not exceed 100% of the project cost:~~

- 4.1.1 Energy efficiency programs delivered by community action agencies contracted by the Company to serve Low Income or vulnerable customer segments including agency administrative fees and health and human safety measures;
- 4.1.2 Low-cost natural gas efficiency measures with demonstrable energy savings (e.g. rooftop unit service);

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

~~\*\*Residential weatherization measures that are eligible for both electric and natural gas incentives (e.g. windows and insulation) are to be incentivized at the higher of the electric and natural gas incentive levels, rather than the \$3.00/therm, as long as cost-effectiveness criteria is met.~~

Issued November 26, 2018

Effective January 1, 2019

Issued by Avista Corporation  
 By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 190 – continued  
NATURAL GAS EFFICIENCY PROGRAMS - IDAHO

**4. FUNDING AND NONMONETARY ASSISTANCE**

**4.1 Funding**

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

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

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

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

- 4.1.1 Energy efficiency programs delivered by community action agencies contracted by the Company to serve Low Income or vulnerable customer segments including agency administrative fees and health and human safety measures;
- 4.1.2 Low-cost natural gas efficiency measures with demonstrable energy savings (e.g. rooftop unit service);

Issued November 26, 2018

Effective January 1, 2019

Issued by Avista Corporation  
By

Patrick Ehrbar, Director of Regulatory Affairs