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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



November 27, 2023

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A
Boise, Idaho 83714

RE: AVU-E-23-15 – Power Purchase Agreement between Avista Corporation and Clearwater Paper Corporation

Included for filing with the Commission is the electronic copy of Avista Corporation and Clearwater Paper Corporation's Amendment No. 2 to the Power Purchase and Sale Agreement.

Should you have any questions regarding this filing, please do not hesitate to call Michael Andrea at (509) 495-2564. Thank you in advance for your assistance.

Sincerely,

/s/ Paul Kimball

Paul Kimball
Mgr. of Compliance & Discovery

Enclosures

D.M.

AMENDMENT NO. 2

This Amendment No. 2 ("Amendment No. 2") dated November 24, 2023 to the Power Purchase and Sale Agreement ("Agreement"), is entered into by and between Avista Corporation ("Avista") and Clearwater Paper Corporation ("Clearwater"). Avista and Clearwater are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, in 2018, the Parties entered into the Agreement and the Agreement was filed with the Commission for approval on November 29, 2018;

WHEREAS, the Commission approved the Agreement in Order No. 34252, issued on February 27, 2019;

WHEREAS, upon issuance of Commission Order No. 34252, the Agreement became effective on February 27, 2019, and was to expire by its terms on December 31, 2023;

WHEREAS, on October 2, 2023, the Parties entered into Amendment No. 1 to amend the Agreement to extend the Term for three additional years such that the Agreement will expire by its terms on December 31, 2026; and

WHEREAS, it has come to the Parties' attention that Paragraph 2 of Amendment No. 1 included incorrect references to Amendment No. 1 to the REC Agreement that is Exhibit F to the Agreement and, therefore, the Parties are entering into this Amendment No. 2 to (i) correct those references and (ii) update Exhibit F to the Agreement with the Revised Exhibit F that includes Amendment Nos. 1 and 2 to the REC Agreement. This Amendment No. 2 updates and corrects the definition of "REC Agreement".

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. The definition of "REC Agreement" in Section 1(w) of the Agreement is deleted and replaced in its entirety to state:

1(w) "**REC Agreement**" means the Transaction Confirmation between Avista and MSCG originally dated October 19, 2018, as amended, under which Avista is to sell and MSCG is to buy the RECs generated by the Project bundled with energy, as such Transaction may be amended with Clearwater's consent from time to time, such consent shall not be unreasonably withheld, conditioned, or delayed.

2. Exhibit F to the Agreement is deleted in its entirety and replaced with Revised Exhibit F attached hereto as Attachment A. For the avoidance of doubt, the Revised Exhibit F attached hereto as Attachment A includes (i) the original REC Agreement, (ii) Amendment No. 1 to the REC Agreement, and (iii) Amendment No. 2 to the REC Agreement.

AMENDMENT NO. 2 TO POWER PURCHASE AND SALE AGREEMENT BETWEEN AVISTA CORPORATION AND CLEARWATER PAPER CORPORATION

3. Paragraph 2 of Amendment No. 1 is deleted in its entirety and in its place the first sentence of Section 5(a) of the Agreement is amended to state:

5(a) Clearwater acknowledges that Avista has entered into the REC Agreement, as amended, attached hereto as Revised Exhibit F.

4. Except as expressly amended by the provisions set forth in this Amendment No. 2, all of the terms and conditions of the Agreement shall remain in full force and effect following execution of this Amendment No. 2 and each Party confirms, ratifies and approves the Agreement as amended. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Agreement. As of the effective date of Amendment No. 2, this Amendment No. 2 is hereby incorporated in and made part of the Agreement.

5. This Amendment No. 2 may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first set forth above.

AVISTA CORPORATION

CLEARWATER PAPER CORPORATION

By: Scott Kinney Digitally signed by Scott Kinney
Date: 2023.11.27 08:46:22
-08'00'

By: 

Printed Name: Scott Kinney

Printed Name: Jamie McDonald

Title: V.P. Energy Resources

Title: Vice President of Procurement



ATTACHMENT A

To Amendment No. 2 to Power Purchase Agreement

Revised Exhibit F



Avista Corporation

Avista Corporation	Morgan Stanley Capital Group
Contract ID:	Contract ID:
Deal Maker: Bill Johnson	Deal Maker: John Wilkinson
Phone: 509-495-4046	Phone: 604-658-8132
Fax: 509-495-8856	Fax:

TRANSACTION CONFIRMATION
Resource Contingent Bundled REC - Energy and Green Attributes

This Transaction Confirmation (this "Confirmation") is entered into this 19th day of October 2018 ("Effective Date"), by and between **Avista Corporation** ("Avista" or "Seller") and **Morgan Stanley Capital Group Inc.** ("MSCG" or "Buyer"), each referred to herein individually as a "Party" and collectively as the "Parties", regarding the purchase and sale of the Product (as defined below) under the terms and conditions below. This Confirmation supplements, forms a part of, and is subject to the ISDA Master Agreement between the Parties dated as of September 1, 2006 (together with the Schedule and annexes thereto, all as amended from time to time, the "Master Agreement"). In the event that there is a conflict between the Master Agreement and this Confirmation, this Confirmation shall control. Additional definitions are included under the "Definitions / Interpretations" section below. The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Citations to the WSPP Agreement Schedule C and R are to the currently effective WSPP Agreement as such agreement may be amended from time to time.

Seller: Avista

Buyer: MSCG

Product/Transaction

Description: **PCC1-Resource Contingent Bundled RECs:** Electricity produced by the Project(s) ("Project Energy") bundled with the associated Renewable Energy Certificates ("RECs") delivered on an hourly basis, without substituting Energy from another source, to the Delivery Point ("Bundled Green Energy") that qualifies as Resource Contingent Bundled REC as described in WSPP Agreement, Schedule R, Section R-2.3.4. Such transactions are eligible to meet the RPS compliance requirements for Portfolio Content Category 1 as set forth in PUC Code 399.16(b)(1)(A) and California Public Utilities Commission ("CPUC") Decision 11-12-052 ("PCC1 Regulations") if scheduled from the Project into a California balancing authority area without substituting electricity from another source. Buyer shall be responsible for scheduling the Product from the Delivery Point to a California balancing authority area. Buyer shall pay Seller the applicable Energy Price and PCC1 REC price for Bundled Green Energy delivered to Buyer at the Delivery Point.

PCC2-Resource Contingent Bundled RECs: – Renewable Energy Certificates (“RECs”) that are generated but not scheduled to a California balancing authority.

PCC2 Bundled RECs In hours where Seller schedules Energy from the Project to the Delivery Point that is less than the hourly metered Project Energy generated by the Project, the RECs associated with such metered Project Energy that is in excess of the scheduled Energy (“Excess Energy”) shall be deemed “PCC2 Bundled RECs”. The Parties hereby acknowledge and agree that (a) Seller shall retain such Excess Energy ; and (b) the PCC2 Bundled RECS shall be transferred to the Buyer in accordance with Settlements and Payments section below. Buyer shall pay Seller the PCC2 REC price for such PCC2 Bundled RECs.

***Environmental
Attributes:***

Program Attributes as described under the “California Program” in the definitions section hereof.

Project:

The Clearwater Paper CEC Certified biomass facility located in Lewiston, Idaho.

	<u>CEC ID</u>	<u>WREGIS ID</u>	<u>CARB ID</u>
Clearwater Paper	60533A	W128, W129	905578

CARB Emissions Factor: 0.04 tonnes CO₂e per MWh

Seller shall provide Buyer with the Project Certificate evidencing eligibility with CEC certification.

***Total Contract
Quantity
Of Energy and
RECs:***

Up to 400,000 MWh of firm WSPP Schedule C Energy each contract year for the Delivery Term and the RECs (PCC1 and PCC2) associated with such Project Energy as further described herein. Seller does not guarantee the total delivered quantity will be 400,000 MWh; rather, the actual total contract quantity shall depend on the actual Project Energy generated by the Project and delivered to Avista during the Delivery Term. In no event, shall Avista be required to procure any replacement Energy or RECs from a resource other than the Project. Seller will make commercially reasonable efforts to notify Buyer of planned and forced outages of the Project on a regular basis.

Hourly Contract

Quantity of RECs:

The Contract Quantity of RECs for each hour in which Seller delivers Energy to Buyer shall be total of:

- (i) The number of PCC1 eligible RECs delivered to Buyer at the Delivery Point in each hour based on the actual hourly amount of Bundled Green Energy delivered to Buyer as represented on the NERC e-tags, and
- (ii) The number of PCC2 Bundled RECs generated in each hour.

Delivery Term:

Subject to the terms of this Confirmation, the Parties anticipate that the Delivery Term shall be: HE 0100 PPT December 15, 2018, and continuing through HE 2400 PPT December 31, 2023, and continuing through the completion of the transfer of all of the Product, including all RECs through WREGIS, to Buyer and the payment of all amounts due Seller pursuant to this Confirmation; provided, however, that all of the RECs associated with the Project Energy and RECs shall be transferred to Buyer no later than April 15, 2024.

Notwithstanding the foregoing, this Confirmation shall not become effective unless or until such time as the Idaho Public Utilities Commission ("IPUC") approves the Power Purchase and Sale Agreement Between Avista Corporation and Clearwater Paper Corporation dated December 15, 2018 ("Clearwater Agreement") and, to the extent necessary, the Delivery Term stated in this section shall be automatically adjusted to (1) commence at the later of (i) HE 0100 PPT on the effective date of the Clearwater Agreement that is approved by the Commission or (ii) HE 0100 PPT on December 15, 2018, and (2) end at the earlier of HE 2400 PPT December 31, 2023 or such other date as the IPUC may so order; ; *provided, however*, that the terms of this Confirmation shall survive the expiration or termination of the Clearwater Agreement pursuant to this paragraph to the extent necessary to transfer to Buyer any Product associated with output from the Project that was generated prior to such expiration or termination and to the extent necessary for Buyer to pay all amounts due to Seller for such Product delivered to Buyer.

Delivery Point:

AVA./BPAT or LOLO or any other unconstrained point on the Avista System as mutually agreed.

Contract Price:

The Contract Price shall consist of the Energy Price and the RECs Prices, as follows:

"Energy Price" shall equal the applicable Powerdex Mid-Columbia Hourly Price per MWh (or mutually agreed to alternative) multiplied by the sum of all Energy delivered to Buyer for such applicable hour.

The PCC1 REC Price shall equal \$9.00/MWh multiplied by the Contract Quantity of PCC1 RECs that are transferred from Seller to Buyer through

WREGIS where the PCC1 REC Contract Quantity shall be determined as the lesser of (i) the hourly metered generation (the "Metered Energy") and (ii) the hourly amount scheduled to the Delivery Point (the "Scheduled Energy")

The PCC2 REC Price shall equal \$4.50 for each REC multiplied by the Contract Quantity of PCC2 RECs that are transferred from Seller to Buyer through WREGIS where the PCC2 REC Contract Quantity shall be equal to the positive difference between the Metered Energy and the Scheduled Energy.

Scheduling:

Seller shall schedule all Bundled Green Energy to the Delivery Point according to the prevailing scheduling protocols of the WECC. Seller will notify Buyer by 0530 PPT of the hourly Project Energy magnitude and Project Energy profile of the PCC1 eligible RECs for the following preschedule period. The delivery schedule shall be between 0-50 MW as determined by Seller on a preschedule basis.

Seller shall endeavor to schedule Project Energy in a manner that maximizes the number of PCC1 eligible RECs available to Buyer. Buyer shall be responsible for scheduling and delivering all RECs and Project Energy from the Delivery Point.

***Failure to Deliver
or Receive Energy;
Early Termination:***

If either Seller or Buyer fails to receive or deliver, as applicable, Energy at Delivery Point, Damages shall be calculated in accordance with WSP Schedule R, Section R-9; provided however, in the event Seller's failure to deliver is due to a bankruptcy event by Clearwater Paper Corporation ("Clearwater Bankruptcy") under the Clearwater Agreement and Seller designates an Early Termination Date thereunder as a result of such Clearwater Bankruptcy (the "Clearwater Termination"), then Seller shall the right within [20] Business Days after such Clearwater Termination to designate an Early Termination Date hereunder and there shall be no Termination Payment calculated or payable in respect of such early termination. Such early termination shall not relieve a Party of its obligations incurred prior to the Early Termination Date hereunder.

Tagging:

Buyer shall generate the etags. Buyer and Seller shall discuss a mutually agreeable Delivery Point(s) no later than 0630 PPT so that the Buyer can include the Project CEC Certification Number in the miscellaneous field on the e-tag physical path. Real-time e-tagging adjustments will be completed as necessary to accommodate generation, path, and sink changes and to optimize the delivery of PCC1 RECs.

Settlements and Payment:

Seller shall invoice Buyer on a monthly basis as follows:

- (a) Project Energy. Seller shall invoice and Buyer shall pay for Energy delivered to the Delivery Point at the Energy Price in accordance with the Master Agreement.
- (b) RECs. For each month of the Delivery Term, Seller shall deliver and convey the Contract Quantity of RECs (PCC1 and PCC2 RECs) to Buyer by transferring the WREGIS Certificates to Buyer within ten (10) Business Days after the end of the month in which the WREGIS Certificates are credited to Seller's WREGIS account. The transfer shall be made in accordance with the rules and regulations of WREGIS. Payments of amounts owed by Buyer to Seller for RECs transferred hereunder shall be calculated based upon the applicable REC Price (PCC1 REC Price or PCC2 REC Price, as applicable) and shall be due and payable after the WREGIS Certificates for such RECs have been transferred to Buyer's WREGIS account, in accordance with the Master Agreement.
- (c) Emissions Factor (EF) True-Up. The Expected EF of the Project Energy is 0.04 tonnes CO₂e / MWh. The February invoice of each year will be reduced or increased by any positive or negative difference between the CARB-assigned Emissions Factor ("EF_{CARB}") of the Project Energy and the Threshold Emissions Factor ("EF_{Thresh}") of 0.05 tonnes CO₂e / MWh multiplied by the volume of the Energy delivered to the Delivery Point and by the average California Carbon Allowance price for the prior calendar year.

Data Reports:

No later than ten (10) calendar days after the end of each calendar month during the Delivery Term, Seller shall provide Buyer with the hourly meter data from the Project, or other data as necessary to validate the Product, including the amount of PCC1 eligible RECs and PCC2 eligible RECs delivered to the Delivery Point in each calendar month.

Change in Law Provisions:

Regulatorily Continuing (WSPP Agreement, Schedule R, Section R-5.2.2(b)), requiring that Seller make commercially reasonable efforts to obtain compliance with Changes in Law in the designated Applicable Program, provided that such costs should not be greater than **\$5,000.00** (the "Capped Amount"). If Seller cannot comply after spending the Capped Amount, Buyer shall have the right, but not the obligation, to obtain compliance or terminate this transaction upon 10 day's prior written notice to Seller, and thereafter:

- (i) all Bundled Green Energy not then already transferred and/or delivered by Seller to Buyer shall be terminated and Seller shall have no obligation to

make any further deliveries, and Buyer shall have no obligation to accept any deliveries, of Bundled Green Energy (or any component thereof); and

- (ii) neither Party shall have any further obligations to the other hereunder (other than for performance already completed prior to such termination).

If Buyer does not terminate this Transaction within 30 days of the Change in Law, then the Agreement shall continue in effect and the Transaction shall become "Not Regulatorily Continuing" (WSPP Agreement, Schedule R, Section R-5-2-2(c)), and Buyer may not thereafter terminate this Confirmation due to the Change in Law.

SPECIAL PROVISIONS:

A. Non-Modifiable Standard Terms and Conditions

(1) "Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to RECs, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Buyer to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Buyer's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. **[STC 2, RECs and Green Attributes, Non-Modifiable.]**

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

Green Attributes: Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project. [STC 2 - RECs and Green Attributes, Non-Modifiable. D.08-04-009 (3.2)]

(2) Eligibility: Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]

(3) Applicable Law. Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. [STC 17, Applicable Law, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009].

(4) Transfer of Renewable Energy Credits: Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. [STC REC-1, Non-modifiable. D.11-01-025]

(5) Tracking of REC's in WREGIS: Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2, Non-modifiable. D.11-01-025]

B. Additional Terms and Conditions

(1) Seller Representations and Warranties: Seller represents and warrants throughout the Delivery Term that:

(a) Seller has not sold the Product or any Green Attributes of the Product to be transferred to Buyer to any other person or entity;

(b) each Green Attribute meets the specifications set forth herein;

(c) the Product is generated by the Project;

(d) All rights, title and interest in and to the Product are free and clear of any taxes or security interests except for any right or interest by any entity claiming through Buyer;

(e) the Environmental Attributes have not been used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate by Seller or, to Seller's knowledge, any third party;

(f) for each month of the Delivery Term, Seller shall deliver and convey the RECs in accordance with the WREGIS Operating Rules, into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer; and

(g) Seller has, and during the Delivery Term shall continue to maintain, certification from WREGIS.

(3) CEC Certification: Seller shall provide Buyer with a copy of the CEC certification of the Project(s) as eligible for California's Renewable Energy Standard under the criteria established in the Renewables Portfolio Standard Eligibility Guidebook, 7th Edition, dated April 30, 2013, and for each ERR shall also provide the individual FERC ID number, NERC ID number and EIA ID number, if available.

(5) Review: To monitor compliance with this Confirmation, each Party reserves the right to review during normal business hours and at its own expense, for up to two (2) years following delivery of the Product under this Confirmation, and with reasonable advance notice to the other Party and to the extent that such other Party is in possession of such information required to verify that the Green Attributes sold under this Confirmation were not otherwise sold by Seller to a third party.

(6) Regulatory: The Parties intend the rates, terms and conditions of service specified in this Confirmation to remain fixed throughout the Delivery Term of this Confirmation regardless of any changes in underlying costs that would justify a change in rates under traditional cost of service principles.

(7) RPS Confidentiality. Notwithstanding anything in this Agreement to the contrary, either Party shall be permitted to disclose the following terms to the CPUC or WREGIS with respect to this Confirmation: Party names, resource type, Delivery Term, Project location, and Project capacity.

(8) Contact Information.

Seller: Avista Corporation	Buyer: Morgan Stanley Capital Group
All Notices: Street: 1411 East Mission Avenue, MSC-7 City: Spokane, WA 99202 Attn: Bill Johnson, Wholesale Marketing Manager Phone: (509) 495-4046 Facsimile: (509) 495-8856 Duns: 00-794-3764 Federal Tax ID Number: 91-0462470	All Notices: Commodities Dept. – 1st floor Street: 1585 Broadway Ave. Floor 03 City: New York, NY 10036 Attn: Karen Kochonies Phone: 914.225.1587 Facsimile: 212.507.3758 Duns: 130198013 Federal Tax ID Number: 13-3200368
Invoices: Attn: Resource Accounting Phone: (509) 495-2032 Facsimile: (509) 777-9250/9240	Invoices: Attn: Manager, Power Ops Phone: 914.225.4379 Facsimile: 914.225.9306
Payments: Attn: Resource Accounting Phone: (509) 495-2032 Facsimile: (509) 777-9250/9240	Payments: Attn: Manager, Power Ops Phone: 914.225.4379 Facsimile: 914.225.9306
Wire Transfer: BNK: Wells Fargo Bank, San Francisco, CA ABA: 121000248 ACCT#: 41688 14770 ACCT Name: Avista Corporation	Wire Transfer: Bank: Northern Trust International NY ABA: 026001122 ACCT: 102897-20010 Morgan Stanley Capital Group Inc.
Credit and Collections: Attn: Wholesale Contracts and Credit Manager Phone: (509) 495-4943/8645 Facsimile: (509) 777-5473 Email: CreditManagement@avistacorp.com	Credit and Collections: Attn: Credit Manager – Commodities Phone: 212.296.8690 Facsimile: 212.762.0344
Defaults: With additional Notices of an Event of Default or Potential Event of Default to: Attn: General Counsel Phone: (509) 495-8687 Facsimile: (509) 777-5468	Defaults: With additional Notices of an Event of Default or Potential Event of Default to: Attn: Morgan Stanley Capital Group Inc. 1585 Broadway New York, New York 10036-8293 Attention: Close-out Notices Phone: N/A Facsimile: <i>with a mandatory copy to:</i>

C. FURTHER TERMS AND CONDITIONS

(1) Section 7, *Transfer* of the Master Agreement shall, solely for purposes of this Confirmation, be deleted in its entirety and replaced with the following: “Neither Party shall transfer, assign or sell its rights as set forth in this Confirmation, to any third party without first obtaining the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, no such consent shall be required to the extent that the transfer or sale occurs (i) to an affiliate of a Party by operation of law, through merger or acquisition, or as the result of the sale or transfer of all or substantially all of the transferring Party’s assets, and the resulting entity’s creditworthiness is equal to or higher than that of such Party as of the Effective Date of this Confirmation, or (ii) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Confirmation is to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any, as of the Effective Date of this Confirmation.”

(2) Mutual Representations and Warranties. During the Term, each Party represents and warrants to the other that: (i) it is an “eligible commercial entity” and an “eligible contract participant” within the meaning of United States Commodity Exchange Act §§1a(11) and 1a(12), respectively, and this Transaction has been subject to individual negotiation by the Parties.

(3) FERC Standard of Review: Mobile Sierra Waiver

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish*, 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under sections

205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in the foregoing section (a).

DEFINITIONS / INTERPRETATIONS: For purposes of this Confirmation, the following definitions and rules of interpretations shall apply:

"Applicable Law" means all legally binding constitutions, treaties, statutes, laws, ordinances, rules, regulations, orders, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority or arbitrator that apply to the Applicable Program or any one or both of the Parties or the terms hereof.

"Applicable Program" means the California Renewable Portfolio Standard as defined herein.

"Buyer" shall have the same meaning as "Buyer" under the Master Agreement and, for purposes of this Confirmation shall mean Morgan Stanley Capital Group Inc.

"CAISO" means the California Independent System Operator, or its successor.

"California Program", "California Renewables Portfolio Standard" or "California RPS" means the renewable energy program and policies, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

"CEC" means the California Energy Commission or its regulatory successor.

"CEC Certification" means, if applicable, the certification by the Certification Authority of the California RPS program of (i) the creation and characteristics of a REC, (ii) the qualification of a Renewable Energy Facility or a Renewable Energy Source under the California RPS program, (iii) Delivery of a REC or (iv) other compliance with the requirements of the California RPS program.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"Energy" means all electric energy delivered to Buyer at the Delivery Point, including any Bundled Green Energy, PCC2 Bundled RECs, or other electric energy delivered to Buyer at the Delivery Point.

“**FERC**” means the Federal Energy Regulatory Commission or its regulatory successor.

“**Governmental Authority**” means any international, national, federal, provincial, state, municipal, county, regional or local government, administrative, judicial or regulatory entity operating under any Applicable Laws and includes any department, commission, bureau, board, administrative agency or regulatory body of any government.

“**HE**” means the hour ending.

“**Off-Peak (LLH)**” means all hours other than On-Peak hours.

“**On-Peak (HLH)**” means 6x16 (Monday through Saturday, HE 0700 – HE 2200 PPT, excluding NERC holidays).

“**Project**” has the meaning set forth on the first page hereof.

“**Project Energy**” means the hourly Energy produced by the Project.

“**PPT**” means Pacific prevailing time.

“**REC**” or “**Renewable Energy Credit**” means the right to claim title to Green Attributes attributable to the generation of electric energy from renewable energy resources. RECs are measured in one megawatt-hour increments and evidenced by a WREGIS Certificate. A REC includes all Green Attributes arising as a result of the generation of electricity associated with the REC.

“**STC**” stands for Standard Terms and Conditions of the CPUC relating to purchase and sales of Green Attributes.

“**WECC**” means the Western Electricity Coordinating Council or its successor organizations.

“**WREGIS**” means the Western Renewable Energy Generation Information System or its successor systems.

“**WREGIS Certificates**” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

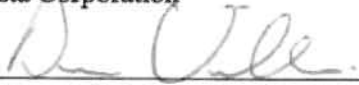
“**WREGIS Operating Rules**” means those operating rules and requirements adopted by WREGIS as of June 4, 2007, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

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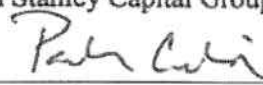
Notwithstanding anything contained in the Master Agreement to the contrary, this Confirmation shall only be effective when executed by both parties.

IN WITNESS WHEREOF, the Parties have signed this Confirmation effective as of the Effective Date.

Avista Corporation

By: 
Name: DENNIS VERMILLION
Title: PRESIDENT

Morgan Stanley Capital Group Inc.

By: 
Name: Parker Corbin
Title: Vice President

AMENDMENT NO. 1

This AMENDMENT NO. 1 (“Amendment”) to the Transaction Confirmation—Resource Contingent Bundled REC—Energy and Green Attributes dated October 19, 2018 (“Confirmation”), is entered into by and between Avista Corporation (“Avista”) and Morgan Stanley Capital Group Inc. (“MSCG”) on February 27, 2019. Avista and MSCG are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the Parties entered into the Confirmation, under which Avista is to sell MSCG electricity produced by the Clearwater Paper CEC Certified biomass facility located in Lewiston, Idaho (“Project Energy”) bundled with the associated Renewable Energy Certificates (“RECs”) delivered on an hourly basis, without substituting Energy from another source, to the Delivery Point (“Bundled Green Energy”) that qualifies as Resource Contingent Bundled REC as described in WSPP Agreement, Schedule R, Section R-2.3.4.;

WHEREAS, pursuant to the Confirmation, Avista is to schedule all Bundled Green Energy to the Delivery Point. The delivery schedule shall be between 0-50 MW as determined by Avista on a preschedule basis.

WHEREAS, it has come to the attention of the Parties that the delivery schedule, as determined by Avista, may, under certain circumstances, exceed 50 MW; and

WHEREAS, the Parties desire to enter into this Amendment to revise the Scheduling section of the Confirmation to reflect the fact that the delivery schedule, as determined by Avista, may, under certain circumstances, exceed 50 MW:

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. The Scheduling Section in the Confirmation shall be amended to delete the sentence that states: “The delivery schedule shall be between 0-50 MW as determined by Seller on a preschedule basis” and replace that sentence in its entirety with the following:

The delivery schedule shall be between 0-96 MW as determined by Seller on a preschedule basis.

2. Except as expressly amended by the provisions set forth in this Amendment, all of the terms and conditions of the Confirmation shall remain in full force and effect following execution of this Amendment and each Party confirms, ratifies and approves the Confirmation as amended by this Amendment. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Confirmation. For the avoidance of doubt, this Amendment is hereby incorporated in the Confirmation and all references to the

EXECUTION VERSION

Confirmation shall be deemed to be references to the Confirmation as amended by this Amendment.

3. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP, INC.

AVISTA CORPORATION

By: *Parker Corbin*

By: *Scott Kinney*

Printed Name: **Parker Corbin**
Vice President

Printed Name: *Scott Kinney*

Title: _____

Title: *Director Power Supply*

AMENDMENT NO. 2

This Amendment No. 2 (“Amendment”) dated October 2, 2023 to the Transaction Confirmation: Resource Contingent Bundled REC - Energy and Green Attributes dated October 19, 2018, as amended by Amendment No. 1 dated February 27, 2019, (“Confirmation”), is entered into by and between Avista Corporation (“Avista”) and Morgan Stanley Capital Group Inc. (“MSCG”). Avista and MSCG are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on October 19, 2018, the Parties entered into the Confirmation, which was later amended by Amendment No. 1 dated February 27, 2019;

WHEREAS, pursuant to the Confirmation, Avista is to sell MSCG electricity (“Project Energy”) produced by the Clearwater Paper CEC-certified biomass facility located in Lewiston, Idaho, bundled with the associated renewable energy certificates (“RECs”), delivered on an hourly basis without substituting Energy from any other source to the Delivery Point (“Bundled Green Energy”) that qualifies as Resource Contingent Bundled REC as described in the WSPP Agreement, Schedule R, Section R-2.3.4;

WHEREAS, pursuant to the Confirmation, the Delivery Term was to expire by its terms on December 31, 2023;

WHEREAS, the Parties desire to amend the Confirmation to extend the Delivery Term for three additional years such that the Confirmation shall expire by its terms on December 31, 2026.

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. The Delivery Term of the Confirmation is deleted and replaced in its entirety with the following:

Subject to the terms of this Confirmation, the Parties anticipate that the Delivery Term shall be comprised of Delivery Period 1 and Delivery Period 2. For the purposes of the foregoing:

“Delivery Period 1” shall be the period from and including HE 0100 PPT December 15, 2018, and continuing through HE 2400 PPT December 31, 2023, and continuing through the completion of the transfer of all of the Product required to be delivered with respect to such period, including all applicable RECs through WREGIS (“Delivery Period 1 RECs”), to Buyer and the payment of all amounts due Seller pursuant to this Confirmation, provided, however that all of the Delivery Period 1 RECs associated with the Project Energy and RECs shall be transferred to Buyer no later than April 15, 2024.

AMENDMENT NO. 2 TO TRANSACTION CONFIRMATION BETWEEN AVISTA CORPORATION AND MORGAN STANLEY CAPITAL GROUP INC.

“Delivery Period 2” shall be the period from and including HE 0100 PPT January 1, 2024, and continuing through HE 2400 PPT December 31, 2026, and continuing through the completion of the transfer of all of the Product required to be delivered with respect to such period, including all applicable RECs through WREGIS (“Delivery Period 2 RECs”), to Buyer and the payment of all amounts due Seller pursuant to this Confirmation; provided, however, that all of the Delivery Period 2 RECs associated with the Project Energy and RECs shall be transferred to Buyer no later than April 15, 2027.

2. The Contract Price in the Confirmation is deleted and replaced in its entirety with the following:

The Contract Price shall consist of the Energy Price and the RECs Prices, as follows:

“Energy Price”: (a) shall, for Delivery Period 1, equal the applicable Powerdex Mid-Columbia Hourly Price per MWh (or mutually agreed to alternative) multiplied by the sum of all Energy delivered to Buyer for such applicable hour; and (b) shall, for Delivery Period 2, equal the Intercontinental Exchange (ICE) Mid-Columbia Firm On Peak (DAILY) and ICE Mid-Columbia Firm Off Peak (DAILY) (or mutually agreed to alternative) multiplied by the sum of all Energy delivered to Buyer for such applicable period.

The PCC1 REC Price: (a) shall, for Delivery Period 1, equal \$9.00/MWh multiplied by the Contract Quantity of PCC1 RECs that are transferred from Seller to Buyer through WREGIS where the PCC1 REC Contract Quantity for Delivery Period 1 shall be determined as the lesser of (i) the hourly metered generation (the “Metered Energy”) and (ii) the hourly amount scheduled to the Delivery Point (the “Scheduled Energy”); and (b) shall, for Delivery Period 2, equal \$27.10/MWh multiplied by the Contract Quantity of PCC1 RECs that are transferred from Seller to Buyer through WREGIS where the PCC1 REC Contract Quantity for Delivery Period 2 shall be determined as the lesser of (i) the Metered Energy and (ii) the Scheduled Energy

The PCC2 REC Price: (a) shall, for Delivery Period 1, equal \$4.50 for each REC multiplied by the Contract Quantity of PCC2 RECs that are transferred from Seller to Buyer through WREGIS where the PCC2 REC Contract Quantity for Delivery Period 1 shall be equal to the positive amount by which the Metered Energy exceeds the Scheduled Energy; and (b) shall, for Delivery Period 2, equal \$27.10 for each REC multiplied by the Contract Quantity of PCC2 RECs that are transferred from Seller to Buyer through WREGIS where the PCC2 REC Contract Quantity for Delivery Period 2 shall be equal to the positive amount by which the Metered Energy exceeds the Scheduled Energy.

3. Notwithstanding the foregoing, this Amendment shall not become effective unless or until such time as the Idaho Public Utilities Commission (“Commission”) approves Amendment No. 1 to the Power Purchase and Sale Agreement Between Avista Corporation and Clearwater Paper Corporation dated September 26, 2023 (“Clearwater Amendment”) and, to the extent necessary, the Delivery Term stated in this section shall be automatically adjusted to commence on HE 0100 PPT on the effective date of the Clearwater Amendment that is approved by the Commission.

4. Except as expressly amended by the provisions set forth in this Amendment, all of the terms and conditions of the Confirmation shall remain in full force and effect following execution of this Amendment and each Party confirms, ratifies and approves the Confirmation as amended by this Amendment. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Confirmation. For the avoidance of doubt, this Amendment is hereby incorporated in the Confirmation and, as of the effective date of this Amendment, all references to the Confirmation shall be deemed to be references to the Confirmation as amended by Amendment No. 1 and this Amendment.

5. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed as an original and together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first set forth above.

AVISTA CORPORATION

**MORGAN STANLEY CAPITAL GROUP
INC.**

By: Kevin Holland

By: Kevin Collins

Printed Name: Kevin Holland

Printed Name: Kevin Collins

Title: Director, Energy Supply

Title: Vice President