



RECEIVED
2024 January 19, PM 4:46
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

January 19, 2024

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8, Suite 201-A
Boise, ID 83714

RE: Order No. 36046 Compliance Filing
Amendment No. 3 to Clearwater Paper Corporation Power Purchase and Sale Agreement
Case No. AVU-E-23-15

On October 2, 2023, Avista Corporation (“Avista”) and Clearwater Paper Corporation (“Clearwater”) filed a Joint Petition for approval of Amendment No. 2 to the Power Purchase and Sale Agreement (“Agreement”). Amendment No. 2 extended the Agreement through December 31, 2026. On December 29, 2023, the Idaho Public Utilities Commission (“Commission”) issued Order No. 36046 approving the extension of the Agreement through December 31, 2026, subject to further updates to the Agreement. Pursuant to Order No. 36046, Avista and Clearwater have entered into Amendment No. 3 to update the Agreement as required by the Commission. Avista submits Amendment No. 3 in compliance with Order No. 36046 and respectfully requests that the Commission approve Amendment No. 3 and the revised Schedule 25P¹, with an effective date of January 1, 2024.

In Order No. 36046, the Commission required the Parties to update the Agreement to: (1) update the avoided cost rates for the extended term (2024-2026), (2) add 90/110 provisions to the Agreement, (3) update Exhibit B, including correction of certain typographical errors in Schedule 25P, (4) update Section 24 of the Agreement to reflect the significance of Commission approval, and (5) update the Agreement to include additional language to address potential modifications to

¹ The Revised Schedule 25P submitted in Amendment No. 3 to the Agreement as part of Revised Exhibit B are:

Electric

Eighteenth Revision Sheet 025P canceling Seventeenth Revision Sheet 025P
Tenth Revision Sheet 025PA canceling Ninth Revision Sheet 025PA

Legislative (strike/underline) versions are also attached.

the Project in accordance with Order No. 35705. The Commission further recommended that Avista and Morgan Stanley Capital Group (MSCG) amend the REC Agreement that was submitted as Revised Exhibit F in Amendment No. 2 to reflect the need for Commission approval “should an alternative method ever be utilized to determine the price of energy between Avista and [MSCG].”

To comply with Order No. 36046, Avista and Clearwater entered into Amendment No. 3. Amendment No. 3 updates the avoided cost rates for the period 2024-2026 and provides a Revised Exhibit B, which replaces and supersedes the prior version of Exhibit B. In response to the Commission’s order regarding energy pricing of the Agreement, and in consultation with Staff, Avista conducted a new analysis using the Aurora model to simulate the 2024-2026 time period using the Avista loads from Order No. 35639 with the 2023 Electric IRP assumptions. Avista also included the PURPA resources included through October 2, 2023. The resulting price of the analysis levelized over the three-year period (2024-2026) is \$36.17 per MWh. This is an energy price only and assumes when Avista’s economic generation dispatch is equal to or greater than load for each hour the avoided cost is the highest marginal price of Avista’s dispatchable resources. If Avista is buying from the market for the hour, pricing assumes the Mid-C market price. Avista did not include any avoided capacity cost due to the contract is not in a capacity deficit period. When adjusting for commission fees, the resulting price of the contract should be priced at \$36.24 per MWh. Ultimately, it is worth noting that under the Agreement the rate Avista pays Clearwater for Delivered Net Output is equal to and offset by the rate Clearwater pays Avista.

Amendment No. 3 also adds the 90/110 provisions. Specifically, Amendment No. 3 adds new Section 5.1 to the Agreement, which addresses the provision of Net Output Estimates and adds new terms, including “Surplus Energy” and Shortfall Energy”. Revised Section 5(c) clarifies that Avista will pay Clearwater the rates in Exhibit B for Delivered Net Output, except for Delivered Net Output that is Surplus Energy or Shortfall Energy (i.e., Delivered Net Output for any month that is greater than 110 percent or less than 90 percent, respectfully, of the Delivered Net Output Estimates for such month). For all Surplus Energy and Shortfall Energy delivered to Avista in any month, Avista shall pay Clearwater the applicable month’s Market Energy Price (which is 85 percent of the PowerDex Mid-C Index) or the rate specified in Exhibit B, whichever is lower.

Amendment No. 3 revises Section 24 of the Agreement to reflect the significance of Commission approval. Amendment No. 3 also adds new Section 4, which adds language to the Agreement to address potential modifications to the Project in accordance with Order No. 35705.

Finally, as recommended by the Commission, Avista and MSCG entered into Amendment No. 3 to the REC Agreement to reflect the need for Commission approval “should an alternative method ever be utilized to determine the price of energy between Avista and [MSCG].” Specifically, Amendment No. 3 to the REC Agreement adds the following language to the REC Agreement:

In the event that the Parties mutually agree to an alternative index to calculate the Energy Price for Delivery Period 1 or Delivery Period 2 as set forth above, such alternative index shall not be valid unless set forth in a written amendment to this Confirmation signed by both Parties and subsequently approved by the Idaho Public Utilities Commission.

Amendment No. 3 to the Agreement incorporates Amendment No. 3 to the REC Agreement into Revised Exhibit F to the Agreement (Revised Exhibit F is the REC Agreement as submitted to the Commission in Amendment No. 2 to the Agreement).

As discussed herein, Avista respectfully requests that the Commission approve Amendment No. 3, and revised Schedule 25P, with an effective date of January 1, 2024. Please direct any questions regarding this report to Michael Andrea at (509) 495-2564 or myself at 509-495-4584.

Sincerely,

/s/Paul Kimball

Paul Kimball
Manager of Compliance & Discovery
Avista Utilities
509-495-4584
paul.kimball@avistacorp.com

Enclosure

cc: Peter Richardson

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 25P

EXTRA LARGE GENERAL SERVICE TO CLEARWATER PAPER'S FACILITY - IDAHO
(Three phase, available voltage)

AVAILABLE:

To Clearwater Paper Corporation's Lewiston, Idaho Facility.

APPLICABLE:

To general service supplied for all power requirements with a demand of not less than 2,500 kVA but not greater than 110,000 kVA. The average of the Customer's demand for the most recent twelve-month period must fall within these demand limits for service under this schedule. Customer shall provide and maintain all transformers and other necessary equipment on its side of the point of delivery and enter into a written contract for five (5) years or longer.

MONTHLY RATE: The sum of the following demand and energy charges:

Energy Charge:

Block 1 Retail Meter	4.290¢ per kWh
Block 2 Generation Meter	3.624¢ per kWh

Demand Charge as measured at the Retail Meter:

\$16,000.00 for the first 3,000 kVA of demand or less.

1st Demand Block: \$5.75 per kVA for each additional kVA of demand up to 55,000 kVA.

2nd Demand Block: \$3.00 per kVA for each additional kVA of demand above 55,000 kVA.

Primary Voltage Discount as measured at the Retail Meter:

If Customer takes service at 11 kV (wye grounded) or higher, it will be allowed a primary voltage discount of 30¢ per kVA of demand per month.

Minimum:

The demand charge unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM: \$663,900

Any annual minimum deficiency will be determined during the April billing cycle for the previous 12-month period. The annual minimum is based on 916,667 kWh's per month priced at the Block 1 per kWh rate, plus twelve months multiplied by the monthly minimum demand charge for the first 3,000 kVa of demand. The annual minimum reflected above is based on base revenues only. Any other revenues paid in billed rates (such as the DSM Tariff Rider Schedule 91) do not factor into the annual minimum calculation.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 25P (continued)

DEMAND:

The average kVA supplied during the 30-minute period of maximum use during the current month as measured by Company's metering equipment.

The Demand rate for all kVA above 55,000 is directly related to the terms and conditions of to the Service Agreement between Clearwater Paper and Avista, which is effective through December 31, 2026. Avista and Clearwater agree that Clearwater's load under Schedule 25P will increase during planned generation outages, intermittent Clearwater generation outages, and other variations in Clearwater Facility load. If, however, Clearwater sells any of its generation output to any third party, thereby taking all or a larger portion of its retail load from Avista, the second demand block described above would no longer be applicable, and all demand would be billed at the first block rate, i.e., the rate per kVA charged for each kVA from 3001 kVA to 55,000 kVA.

SPECIAL TERMS AND CONDITIONS:

All Special Terms and Conditions are addressed in the Service Agreement between Avista and Clearwater Paper Corporation as approved by the Commission.

The rates for Schedule 25P that are associated with all present and future tariff rider schedules (such as the DSM Tariff Rider Schedule 91) are applied to the Block 1 Retail Meter load only.

For purposes of all proposals related to General Rate Case Filings, Cost of Service studies, Production and Transmission Ratio calculations, and Power Cost Adjustment rate calculations etc., "Base Revenue" will be defined as Clearwater's "net" generation requirements as measured through the Block 1 Retail Meter.

If, at any time, the Agreement is terminated or suspended prior to its expiration, Clearwater will generate into their own load and be billed at the Block 1 Retail Meter rate.

Service under this schedule is subject to the Rules and Regulations contained in this tariff. The above Monthly Rates are subject to increases or decreases as set forth in Tax Adjustment Schedule 58, Temporary Power Cost Adjustment Schedule 66, Tax Customer Credit Schedule 76 and Energy Efficiency Rider Adjustment Schedule 91.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 25P

EXTRA LARGE GENERAL SERVICE TO CLEARWATER PAPER'S FACILITY - IDAHO
(Three phase, available voltage)

AVAILABLE:

To Clearwater Paper Corporation's Lewiston, Idaho Facility.

APPLICABLE:

To general service supplied for all power requirements with a demand of not less than 2,500 kVA but not greater than 110,000 kVA. The average of the Customer's demand for the most recent twelve-month period must fall within these demand limits for service under this schedule. Customer shall provide and maintain all transformers and other necessary equipment on its side of the point of delivery and enter into a written contract for five (5) years or longer.

MONTHLY RATE: The sum of the following demand and energy charges:

Energy Charge:

Block 1 Retail Meter	4.290¢ per kWh
Block 2 Generation Meter	2.456¢ per kWh

Demand Charge as measured at the Retail Meter:

\$16,000.00 for the first 3,000 kVA of demand or less.

1st Demand Block: \$5.75 per kVA for each additional kVA of demand up to 55,000 kVA.

2nd Demand Block: \$3.00 per kVA for each additional kVA of demand above 55,000 kVA.

Primary Voltage Discount as measured at the Retail Meter:

If Customer takes service at 11 kV (wye grounded) or higher, it will be allowed a primary voltage discount of 30¢ per kVA of demand per month.

Minimum:

The demand charge unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM: \$663,900

Any annual minimum deficiency will be determined during the April billing cycle for the previous 12-month period. The annual minimum is based on 916,667 kWh's per month priced at the Block 1 per kWh rate, plus twelve months multiplied by the monthly minimum demand charge for the first 3,000 kVa of demand. The annual minimum reflected above is based on base revenues only. Any other revenues paid in billed rates (such as the DSM Tariff Rider Schedule 91) do not factor into the annual minimum calculation.

Issued August 31, 2023

Effective September 1, 2023

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 25P (continued)

DEMAND:

The average kVA supplied during the 30-minute period of maximum use during the current month as measured by Company's metering equipment.

The Demand rate for all kVA above 55,000 is directly related to the terms and conditions of to the Service Agreement between Clearwater Paper and Avista, which is ~~effective on February 27, 2019 through December 31, 2023~~. Avista and Clearwater agree that Clearwater's load under Schedule 25P will increase during planned generation outages, intermittent Clearwater generation outages, and other variations in Clearwater Facility load. If, however, Clearwater sells any of its generation output to any third party, thereby taking all or a larger portion of its retail load from Avista, the second demand block described above would no longer be applicable, and all demand would be billed at the first block rate, i.e., the rate per kVA charged for each kVA from 3001 kVA to 55,000 kVA.

SPECIAL TERMS AND CONDITIONS:

All Special Terms and Conditions are addressed in the Service Agreement between Avista and Clearwater Paper Corporation as approved by the Commission ~~effective February 27, 2019~~.

The rates for Schedule 25P that are associated with all present and future tariff rider schedules (such as the DSM Tariff Rider Schedule 91) are applied to the Block 1 Retail Meter load only.

For purposes of all proposals related to General Rate Case Filings, Cost of Service studies, Production and Transmission Ratio calculations, and Power Cost Adjustment rate calculations etc., "Base Revenue" will be defined as Clearwater's "net" generation requirements as measured through the Block 1 Retail Meter.

If, at any time, the Agreement is terminated or suspended prior to its expiration, Clearwater will generate into their own load and be billed at the Block 1 Retail Meter rate.

Service under this schedule is subject to the Rules and Regulations contained in this tariff. The above Monthly Rates are subject to increases or decreases as set forth in Tax Adjustment Schedule 58, Temporary Power Cost Adjustment Schedule 66, Tax Customer Credit Schedule 76 and Energy Efficiency Rider Adjustment Schedule 91.

Issued September 1, 2021

Effective September 1, 2021

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 25P

EXTRA LARGE GENERAL SERVICE TO CLEARWATER PAPER'S FACILITY - IDAHO
(Three phase, available voltage)

AVAILABLE:

To Clearwater Paper Corporation's Lewiston, Idaho Facility.

APPLICABLE:

To general service supplied for all power requirements with a demand of not less than 2,500 kVA but not greater than 110,000 kVA. The average of the Customer's demand for the most recent twelve-month period must fall within these demand limits for service under this schedule. Customer shall provide and maintain all transformers and other necessary equipment on its side of the point of delivery and enter into a written contract for five (5) years or longer.

MONTHLY RATE: The sum of the following demand and energy charges:

Energy Charge:

Block 1 Retail Meter	4.290¢ per kWh
Block 2 Generation Meter	<u>3.624¢</u> per kWh

Demand Charge as measured at the Retail Meter:

\$16,000.00 for the first 3,000 kVA of demand or less.

1st Demand Block: \$5.75 per kVA for each additional kVA of demand up to 55,000 kVA.

2nd Demand Block: \$3.00 per kVA for each additional kVA of demand above 55,000 kVA.

Primary Voltage Discount as measured at the Retail Meter:

If Customer takes service at 11 kV (wye grounded) or higher, it will be allowed a primary voltage discount of 30¢ per kVA of demand per month.

Minimum:

The demand charge unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM: \$663,900

Any annual minimum deficiency will be determined during the April billing cycle for the previous 12-month period. The annual minimum is based on 916,667 kWh's per month priced at the Block 1 per kWh rate, plus twelve months multiplied by the monthly minimum demand charge for the first 3,000 kVa of demand. The annual minimum reflected above is based on base revenues only. Any other revenues paid in billed rates (such as the DSM Tariff Rider Schedule 91) do not factor into the annual minimum calculation.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 25P (continued)

DEMAND:

The average kVA supplied during the 30-minute period of maximum use during the current month as measured by Company's metering equipment.

The Demand rate for all kVA above 55,000 is directly related to the terms and conditions of to the Service Agreement between Clearwater Paper and Avista, which is effective through December 31, 2026. Avista and Clearwater agree that Clearwater's load under Schedule 25P will increase during planned generation outages, intermittent Clearwater generation outages, and other variations in Clearwater Facility load. If, however, Clearwater sells any of its generation output to any third party, thereby taking all or a larger portion of its retail load from Avista, the second demand block described above would no longer be applicable, and all demand would be billed at the first block rate, i.e., the rate per kVA charged for each kVA from 3001 kVA to 55,000 kVA.

SPECIAL TERMS AND CONDITIONS:

All Special Terms and Conditions are addressed in the Service Agreement between Avista and Clearwater Paper Corporation as approved by the Commission.

The rates for Schedule 25P that are associated with all present and future tariff rider schedules (such as the DSM Tariff Rider Schedule 91) are applied to the Block 1 Retail Meter load only.

For purposes of all proposals related to General Rate Case Filings, Cost of Service studies, Production and Transmission Ratio calculations, and Power Cost Adjustment rate calculations etc., "Base Revenue" will be defined as Clearwater's "net" generation requirements as measured through the Block 1 Retail Meter.

If, at any time, the Agreement is terminated or suspended prior to its expiration, Clearwater will generate into their own load and be billed at the Block 1 Retail Meter rate.

Service under this schedule is subject to the Rules and Regulations contained in this tariff. The above Monthly Rates are subject to increases or decreases as set forth in Tax Adjustment Schedule 58, Temporary Power Cost Adjustment Schedule 66, Tax Customer Credit Schedule 76 and Energy Efficiency Rider Adjustment Schedule 91.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AMENDMENT NO. 3

This Amendment No. 3 (“Amendment”) dated January 10, 2024 to the Transaction Confirmation: Resource Contingent Bundled REC - Energy and Green Attributes dated October 19, 2018, as amended, (“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, and Amendment No. 2 dated October 2, 2023;

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, on December 29, 2023, the Idaho Public Utilities Commission (“Commission”) issued Order No. 36046 in which the Commission held, in relevant part, that modifications to the Confirmation have the potential to affect Avista’s Idaho customers and, therefore, “it is in the public interest for future amendments of the [Confirmation] to be submitted to the Commission for approval”;

WHEREAS, pursuant to Order No. 36046, the Parties desire to amend the Contract Price in the Confirmation as set forth in Amendment No. 2 to expressly state that, in the event that the Parties mutually agree to an alternative index to be used to calculate the Energy Price, such mutually agreed alternative index shall be subject to Commission approval.

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. In the Contract Price section of the Confirmation, as amended by paragraph 2 of Amendment No. 2, the following sentence is added to the end of the paragraph that states the “Energy Price”:

In the event that the Parties mutually agree to an alternative index to calculate the Energy Price for Delivery Period 1 or Delivery Period 2 as set forth above, such alternative index shall not be valid unless set forth in a written amendment to this Confirmation signed by both Parties and subsequently approved by the Idaho Public Utilities Commission.

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, 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 Nos. 1 and 2 and this Amendment No. 3.

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.

AVISTA CORPORATION

**MORGAN STANLEY CAPITAL GROUP
INC.**

By: Christopher Drake

By: Katie Martin

Printed Name: Christopher Drake

Printed Name: Katie Martin

Title: Manager, Res Opt & Mktg

Title: Vice President

AMENDMENT NO. 3

This Amendment No. 3 (“Amendment No. 3”) dated January 19, 2024 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;

WHEREAS, on November 26, 2023, the Parties entered into Amendment No. 2 to (i) correct references to Amendment No. 1 to the REC Agreement, (ii) update Exhibit F to the Agreement with Revised Exhibit F that includes Amendment Nos. 1 and 2 to the REC Agreement, and (iii) update and corrects the definition of “REC Agreement”; and

WHEREAS, on December 29, 2023, the Commission issued Order No. 36046 extending the Agreement through December 31, 2026 subject to further compliance filing, including certain amendments to the Agreement;

WHEREAS, the Parties desire to enter into this Amendment No. 3 to comply with Order No. 36046.

NOW THEREFORE, it is agreed as follows:

AGREEMENT TO AMEND

1. In Order No. 36046, the Commission ordered Avista to correct typographical errors in Exhibit B and to update Schedule 25P. Exhibit B to the Agreement is deleted and replaced in its entirety with the attached Revised Exhibit B. Revised Exhibit B shall be effective commencing on January 1, 2024 through December 31, 2026.

2. In Order No. 36046, the Commission ordered the Parties to update the Agreement to include the 90/110 Rule. Accordingly, the following amendments are incorporated in the Agreement:

AMENDMENT NO. 3 TO POWER PURCHASE AND SALE AGREEMENT BETWEEN
AVISTA CORPORATION AND CLEARWATER PAPER CORPORATION

2.1 The following new definitions of “Amendment No. 3 Execution Date”, “Delivered Net Output Estimate”, “Initial Year Monthly Net Output Estimates”, “Market Energy Price”, “Shortfall Energy” and “Surplus Energy” are added to Section 1 of the Agreement as follows:

(cc) “**Amendment No. 3 Execution Date**” shall have the meaning provided in Section 5.1.1 of this Agreement.

(dd) “**Delivered Net Output Estimate**” shall have the meaning provided in Section 5.1 of this Agreement.

(ee) “**Initial Year Monthly Net Output Estimates**” shall have the meaning provided in Section 5.1.1 of this Agreement.

(ff) “**Market Energy Price**” means 85 percent (85%) of the PowerDex hourly Mid-Columbia (“Mid-C”) index.

(gg) “**Shortfall Energy**” means the Delivered Net Output delivered during any month where the Delivered Net Output delivered in such month is less than 90 percent (90%) of the Delivered Net Output Estimate for such month.

(hh) “**Surplus Energy**” means the Delivered Net Output delivered during any month that exceeds 110 percent (110%) of the Delivered Net Output Estimate for such month.

2.2 Section 5(c) of the Agreement is deleted and replaced in its entirety with the following:

(c) Except for Surplus Energy and Shortfall Energy, Avista shall pay Clearwater monthly for Delivered Net Output at the rates set forth in Exhibit B (as such Exhibit B may be amended with the approval of the Commission from time to time). For all Surplus Energy and Shortfall Energy delivered to Avista in any month, Avista shall pay Clearwater the applicable month’s Market Energy Price or the rate specified in Exhibit B, whichever is lower.

2.3 New Section 5.1 is added to the Agreement as follows:

5.1 NET OUTPUT AMOUNTS

5.1.1 Initial Monthly Net Output Estimates. Clearwater shall provide to Avista Delivered Net Output estimates for each of the twelve consecutive months that begin with the month containing the Amendment No. 3 Execution Date, counting the month during which the Amendment No. 3 Execution Date occurs as month one (“Initial Year Monthly Net Output Estimates”). Clearwater shall provide to Avista such Initial Year Monthly Net Output Estimates to Avista by written notice in accordance with Section 27 no later than five (5) calendar days prior to the commencement of the first day of the month immediately following the execution of Amendment No. 3 to the Agreement (“Amendment No. 3 Execution Date”).

5.1.2 Subsequent Monthly Net Output Estimates. At the end of September 2024, and at the end of every third month thereafter, Clearwater shall provide to Avista Delivered Net Output estimates pertaining to each of the additional consecutive three months for which Clearwater has not yet delivered to Avista Delivered Net Output estimates, so that Clearwater shall have provided in advance on a rolling basis to Avista six months of Delivered Net Output estimates. Clearwater shall provide such Delivered Net Output estimates to Avista by written notice in accordance with Section 27, no later than 5:00 p.m. of the last business day of the month during which they are required to be provided.

5.1.3 Content of Delivered Net Output Estimates. All Delivered Net Output estimates shall be expressed in kilowatt-hours by month.

5.1.4 Failure to Provide Net Output Estimates. If Clearwater fails to provide to Avista Delivered Net Output estimates when required herein pertaining to any month or months, Avista shall determine the Delivered Net Output estimates pertaining to such month or months, and the Delivered Net Output estimates shall be binding for purposes of the Agreement as though they were prepared by Clearwater and provided to Avista as required by the Agreement.

5.1.5 Clearwater's Revisions of Delivered Net Output Estimates. After the Amendment No. 3 Effective Date, Clearwater may revise its Delivered Net Output Estimates previously provided to Avista for any future month by providing Avista written notice in accordance with Section 27, no later than 5:00 p.m. (PPT) of the 25th day of the month immediately preceding the month for which Clearwater is revising its Delivered Net Output Estimate. For example, if Clearwater would like to revise the Delivered Net Output Estimate for October, Clearwater would need to submit a revised Delivered Net Output Estimate for October no later than September 25th or the last business day prior to September 25th.

5.1.6 Avista Adjustment of Monthly Delivered Net Output Estimate. If, pursuant to this Agreement, including Sections 6(c) and 11 of this Agreement, Avista or Clearwater is excused from delivering or accepting Delivered Net Output, as applicable, from Clearwater's Project the Delivered Net Output Estimate for the specific month in which the reduction or suspension occurs will be reduced in accordance with the following:

Where:

NO = Current month's Delivered Net Output estimate

SGU = (a) If Avista is excused from accepting the Clearwater's Delivered Net Output, this value will be equal to the percentage of curtailment as specified by Avista multiplied by the TGU as defined below.

(b) If the Clearwater is excused from delivering Delivered Net Output, this value will be the generation unit size rating of 132 MW

TGU = Generation unit size rating of 132 MW

RSH = Actual hours the Project's Delivered Net Output was either reduced or suspended

TH = Actual total hours in the current month

Resulting formula being:

$$\begin{array}{l} \text{Adjusted} \\ \text{Delivered Net} \\ \text{Output} \end{array} = \text{NO} - \left(\left(\frac{\text{SGU}}{\text{TGU}} \times \text{NO} \right) \times \left(\frac{\text{RSH}}{\text{TH}} \right) \right)$$

This Adjusted Delivered Net Output Estimate will be used in applicable calculations for only the specific month in which Avista was excused from accepting, or Clearwater was excused from delivering, the Delivered Net Output.

3. In Order No. 36046, the Commission ordered the Parties to amend Section 24 to the Agreement to reflect the significance of the Commission's approval. Accordingly, the second sentence of the paragraph in Section 24 is deleted in its entirety and replaced with the following:

No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties and subsequently approved by the Commission.

4. In Order No. 36046, the Commission ordered the Parties to update the Agreement to include language to address potential modifications to the Project in accordance with Order No. 35705. Accordingly, the following is added to Section 4 of the Agreement:

Clearwater shall notify Avista in writing prior to making any material modifications to the Project, including, but not limited to, modifications to the Project that (i) increases or decreases the Project's nameplate capacity, (ii) changes the primary energy source, or (iii) changes the generator fuel. Any material modifications will require a review and, subject to Section 24 of this Agreement, amendment of the Agreement, including amendment of Exhibit E to reflect the Project as actually modified and adjustment of the applicable pricing to ensure that, as of the date when output is first delivered from the modified Project, payments to Clearwater reflect the proper authorized rates for the Project as modified. In the event that, as a result of the modifications to the Project, Avista determines that the Project is no longer a Qualifying Facility or if the Parties are unable to mutually agree to an amendment to the Agreement that satisfies the requirements of this paragraph, Avista may terminate the Agreement. If the Agreement is terminated because of such modifications, Clearwater will be responsible for any financial damages incurred by Avista as a result of such termination.

5. In Order No. 36046, the Commission recommended that Avista and Morgan Stanley Capital Group (“MSCG”) update the REC Agreement (which is Exhibit F to the Agreement) to reflect the need for Commission approval should an alternative method ever be utilized to determine the price of energy between Avista and MSCG”. Pursuant to the Commission’s recommendation, Avista and MSCG executed Amendment No. 3 to the REC Agreement. Amendment No. 3 to the REC Agreement is attached hereto and shall be added to and incorporated into Revised Exhibit F to the Agreement.

6. Except as expressly amended by the provisions set forth in this Amendment No. 3, all of the terms and conditions of the Agreement shall remain in full force and effect following execution of this Amendment No. 3 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. 3, this Amendment No. 3 is hereby incorporated in and made part of the Agreement.

7. This Amendment No. 3 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: Kevin Holland

By: Jamie McDonald

Printed Name: Kevin Holland

Printed Name: Jamie McDonald

Title: Director of Energy Supply

Title: Vice President of Procurement

REVISED EXHIBIT B

**Power Purchase Payment Rate and Schedule 25P Rates
for the period January 1, 2024 through December 31, 2026**

Exhibit B

Power Purchase Payment Rate and Schedule 25P Rates

Power Purchase Payment Rate

As provided in Section 7 of this Agreement, Avista agrees to buy the Delivered Net Output at the Schedule 25P Block 2 Generation Load rate (grossed up for revenue related expenses associated with Commission Fees in order to make Avista cost neutral), as may be amended and approved by the Commission from time-to-time, which is currently \$36.17 per MWh.

Schedule 25P Rates Pursuant to Section 7 of the Agreement

The Parties have agreed that Clearwater will be subject to Schedule 25P base rates as follows¹ :

- The first 3,000 kVA would continue to be covered under a monthly flat rate of \$16,000 per month.
- The next 52,000 kVA would be billed at the current 1st Block volumetric demand rate of \$5.75 per kVA, and *all* remaining kVA would be billed at the current 2nd Block volumetric demand rate of \$3.00 per kVA. The calculation of demand is provided in Exhibit D.
- The retail energy rate that captures Clearwater's load at the retail meter will be priced at the existing Schedule 25P energy rate. That rate is now described as Block 1 Net Retail Load.

The above three bullets maintain the status quo from a billing perspective between the present Electric Service Agreement and this new Power Purchase and Sales Agreement.

- Under the terms of this Agreement, Avista has revised Schedule 25P to include a new energy block - Block 2 Generation Load - for the sole purpose of capturing Clearwater's generation load measured at the generation meter. The Block 2 Generation Load rate will capture Clearwater's generation load at the generation meter priced at the PURPA contract rate of \$0.03617 cents per kWh.² The Block 2 Generation Load rate ensures that the price of energy sold to Clearwater is equal to the price paid for the energy delivered to Avista by Clearwater.

Clearwater and Avista understand that demand and energy rates may change from time to time during the term of the Agreement as approved by the Commission. Pages 1-2 of Exhibit B

¹ Base rates refer to the prices detailed on Schedule 25P which recover the Company's costs related to generation, transmission, distribution and common costs. Base rates do not include other tariffs, such as Schedule 66 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider Adjustment), or any other tariffs that are added to, or subtracted from, base rates for purposes of developing overall billing rates.

² The Block 2 PURPA rate of \$0.03617 cents per kWh includes both energy and demand related costs associated with serving Clearwater's generation load.

to the Agreement is the draft form of Schedule 25P that would be filed with the Commission prior to the Effective Date of the Agreement.

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 25P

EXTRA LARGE GENERAL SERVICE TO CLEARWATER PAPER'S FACILITY - IDAHO
(Three phase, available voltage)

AVAILABLE:

To Clearwater Paper Corporation's Lewiston, Idaho Facility.

APPLICABLE:

To general service supplied for all power requirements with a demand of not less than 2,500 kVA but not greater than 110,000 kVA. The average of the Customer's demand for the most recent twelve-month period must fall within these demand limits for service under this schedule. Customer shall provide and maintain all transformers and other necessary equipment on its side of the point of delivery and enter into a written contract for five (5) years or longer.

MONTHLY RATE: The sum of the following demand and energy charges:

Energy Charge:

Block 1 Retail Meter	4.290¢ per kWh
Block 2 Generation Meter	2.456¢ per kWh

Demand Charge as measured at the Retail Meter:

\$16,000.00 for the first 3,000 kVA of demand or less.

1st Demand Block: \$5.75 per kVA for each additional kVA of demand up to 55,000 kVA.

2nd Demand Block: \$3.00 per kVA for each additional kVA of demand above 55,000 kVA.

Primary Voltage Discount as measured at the Retail Meter:

If Customer takes service at 11 kV (wye grounded) or higher, it will be allowed a primary voltage discount of 30¢ per kVA of demand per month.

Minimum:

The demand charge unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM: \$663,900

Any annual minimum deficiency will be determined during the April billing cycle for the previous 12-month period. The annual minimum is based on 916,667 kWh's per month priced at the Block 1 per kWh rate, plus twelve months multiplied by the monthly minimum demand charge for the first 3,000 kVa of demand. The annual minimum reflected above is based on base revenues only. Any other revenues paid in billed rates (such as the DSM Tariff Rider Schedule 91) do not factor into the annual minimum calculation.

Issued August 31, 2023

Effective September 1, 2023

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 25P (continued)

DEMAND:

The average kVA supplied during the 30-minute period of maximum use during the current month as measured by Company's metering equipment.

The Demand rate for all kVA above 55,000 is directly related to the terms and conditions of to the Service Agreement between Clearwater Paper and Avista, which is effective on February 27, 2019 through December 31, 2023. Avista and Clearwater agree that Clearwater's load under Schedule 25P will increase during planned generation outages, intermittent Clearwater generation outages, and other variations in Clearwater Facility load. If, however, Clearwater sells any of its generation output to any third party, thereby taking all or a larger portion of its retail load from Avista, the second demand block described above would no longer be applicable, and all demand would be billed at the first block rate, i.e., the rate per kVA charged for each kVA from 3001 kVA to 55,000 kVA.

SPECIAL TERMS AND CONDITIONS:

All Special Terms and Conditions are addressed in the Service Agreement between Avista and Clearwater Paper Corporation as approved by the Commission effective February 27, 2019.

The rates for Schedule 25P that are associated with all present and future tariff rider schedules (such as the DSM Tariff Rider Schedule 91) are applied to the Block 1 Retail Meter load only.

For purposes of all proposals related to General Rate Case Filings, Cost of Service studies, Production and Transmission Ratio calculations, and Power Cost Adjustment rate calculations etc., "Base Revenue" will be defined as Clearwater's "net" generation requirements as measured through the Block 1 Retail Meter.

If, at any time, the Agreement is terminated or suspended prior to its expiration, Clearwater will generate into their own load and be billed at the Block 1 Retail Meter rate.

Service under this schedule is subject to the Rules and Regulations contained in this tariff. The above Monthly Rates are subject to increases or decreases as set forth in Tax Adjustment Schedule 58, Temporary Power Cost Adjustment Schedule 66, Tax Customer Credit Schedule 76 and Energy Efficiency Rider Adjustment Schedule 91.

Issued September 1, 2021

Effective September 1, 2021

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 25P

EXTRA LARGE GENERAL SERVICE TO CLEARWATER PAPER'S FACILITY - IDAHO
(Three phase, available voltage)

AVAILABLE:

To Clearwater Paper Corporation's Lewiston, Idaho Facility.

APPLICABLE:

To general service supplied for all power requirements with a demand of not less than 2,500 kVA but not greater than 110,000 kVA. The average of the Customer's demand for the most recent twelve-month period must fall within these demand limits for service under this schedule. Customer shall provide and maintain all transformers and other necessary equipment on its side of the point of delivery and enter into a written contract for five (5) years or longer.

MONTHLY RATE: The sum of the following demand and energy charges:

Energy Charge:

Block 1 Retail Meter	4.290¢ per kWh
Block 2 Generation Meter	3.624¢ per kWh

Demand Charge as measured at the Retail Meter:

\$16,000.00 for the first 3,000 kVA of demand or less.

1st Demand Block: \$5.75 per kVA for each additional kVA of demand up to 55,000 kVA.

2nd Demand Block: \$3.00 per kVA for each additional kVA of demand above 55,000 kVA.

Primary Voltage Discount as measured at the Retail Meter:

If Customer takes service at 11 kV (wye grounded) or higher, it will be allowed a primary voltage discount of 30¢ per kVA of demand per month.

Minimum:

The demand charge unless a higher minimum is required under contract to cover special conditions.

ANNUAL MINIMUM: \$663,900

Any annual minimum deficiency will be determined during the April billing cycle for the previous 12-month period. The annual minimum is based on 916,667 kWh's per month priced at the Block 1 per kWh rate, plus twelve months multiplied by the monthly minimum demand charge for the first 3,000 kVa of demand. The annual minimum reflected above is based on base revenues only. Any other revenues paid in billed rates (such as the DSM Tariff Rider Schedule 91) do not factor into the annual minimum calculation.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 25P (continued)

DEMAND:

The average kVA supplied during the 30-minute period of maximum use during the current month as measured by Company's metering equipment.

The Demand rate for all kVA above 55,000 is directly related to the terms and conditions of to the Service Agreement between Clearwater Paper and Avista, which is effective through December 31, 2026. Avista and Clearwater agree that Clearwater's load under Schedule 25P will increase during planned generation outages, intermittent Clearwater generation outages, and other variations in Clearwater Facility load. If, however, Clearwater sells any of its generation output to any third party, thereby taking all or a larger portion of its retail load from Avista, the second demand block described above would no longer be applicable, and all demand would be billed at the first block rate, i.e., the rate per kVA charged for each kVA from 3001 kVA to 55,000 kVA.

SPECIAL TERMS AND CONDITIONS:

All Special Terms and Conditions are addressed in the Service Agreement between Avista and Clearwater Paper Corporation as approved by the Commission.

The rates for Schedule 25P that are associated with all present and future tariff rider schedules (such as the DSM Tariff Rider Schedule 91) are applied to the Block 1 Retail Meter load only.

For purposes of all proposals related to General Rate Case Filings, Cost of Service studies, Production and Transmission Ratio calculations, and Power Cost Adjustment rate calculations etc., "Base Revenue" will be defined as Clearwater's "net" generation requirements as measured through the Block 1 Retail Meter.

If, at any time, the Agreement is terminated or suspended prior to its expiration, Clearwater will generate into their own load and be billed at the Block 1 Retail Meter rate.

Service under this schedule is subject to the Rules and Regulations contained in this tariff. The above Monthly Rates are subject to increases or decreases as set forth in Tax Adjustment Schedule 58, Temporary Power Cost Adjustment Schedule 66, Tax Customer Credit Schedule 76 and Energy Efficiency Rider Adjustment Schedule 91.

Issued January 19, 2024

Effective January 1, 2024

Issued by Avista Utilities
By

Patrick Ehrbar,

Director of Regulatory Affairs

