

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA )  
CORPORATION’S APPLICATION TO ) CASE NO. AVU-E-26-01  
INCREASE ITS SCHEDULE 91 ENERGY )  
EFFICIENCY TARIFF RIDER )  
ADJUSTMENT ) ORDER NO. 37025  
\_\_\_\_\_ )**

On February 13, 2026, Avista Corporation, d/b/a Avista Utilities (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting authority to increase its, Schedule 91, Energy Efficiency Rider Adjustment (“Schedule 91”) rates by approximately 7.4%, effective May 1, 2026 (“Application”). Application at 1.

On March 5, 2026, the Commission issued a Notice of Application and Notice of Modified Procedure establishing a March 27, 2026, deadline for public comments, and an April 3, 2026, deadline for Company reply comments. Order No. 36953.

On March 16, 2026, the Commission issued an Order Vacating Comment Deadlines set forth in Order No. 36953 and issued an Amended Notice of Modified Procedure establishing an April 10, 2026, deadline for public comments, and an April 17, 2026, deadline for Company reply comments. Order No. 36964.

On April 2, 2026, the Commission granted intervention to Clearwater Paper Corporation (“Clearwater”). Order No. 36987.

Based on our review of the record, we issue this Final Order approving the Company’s proposal to increase Schedule 91 tariff rates subject to the modifications described below, effective May 1, 2026.

**BACKGROUND**

Schedule 91 is designed to recover costs of energy efficiency programs offered to electric customers, such as behavioral programs, low-income weatherization, and energy efficiency measures. These programs provide customers with financial incentives or rebates for participating.

**THE APPLICATION**

The Company requested approval to increase its Schedule 91 rates to fund its Electric Energy Efficiency Program for 12 months and minimize the amount of future under- or over-

collections. Application at 1. As of December 31, 2025, the Schedule 91 tariff rider was underfunded by approximately \$24.6 million. *Id.* at 3. The Company represented that the underfunded balance was due to an unprecedented level of customer participation in the Company’s Small Business Lighting direct-install program and increased participation in its Site Specific program. *Id.* at 3–4.

To address the underfunded rider balance, the Company proposed an increase in the Schedule 91 rates that was based on a 30-month forecast and recovery period of Schedule 91 revenues and demand-side management (“DSM”) expenditures. *Id.* at 4–5. If the proposed increase was approved, the Company estimated an annual revenue increase of approximately \$25.2 million in Schedule 91, or 7.4% in overall billed rates. *Id.* at 5. The Company stated that residential customers using an average of 939 kilowatt-hours (“kWh”) per month would see a monthly increase of \$8.90, or 7.7% in their monthly bill. *Id.*

#### **STAFF COMMENTS**

After reviewing the Company’s Application and supporting workpapers, Staff recommended that the Commission approve an increase in the Company’s Schedule 91 rates of 6.6%, based on Staff’s recommended 36-month forecast and recovery period of Schedule 91 revenues and DSM expenditures rather than the Company’s proposed 30-month forecast and recovery period. Staff Comments at 6. Staff also recommended that the Commission consider any late-filed comments from the Company’s customers. *Id.*

##### **I. Schedule 91 Adjustment Recommendations**

The Company represented to the Energy Efficiency Advisory Group that prior to adding the Small Business Lighting Direct-Install (“SBLDI”) program in 2023, participation was stable in the Company’s DSM program. *Id.* at 4. In 2024, participation in the SBLDI program exceeded the Company’s forecast. *Id.* The Company stated that its early 2025 forecasts identified 2024’s participation as an outlier for the SBLDI program and revenue collection was set accordingly. *Id.* at 5. The Company represented that 2025 participation in the SBLDI program far outpaced its forecasts, and as a result program costs have continued to exceed revenues. *Id.* at 4. Staff represented that in the Company’s 2024 DSM Annual Report filed in Case No. AVU-E-25-12, the SBLDI program made up 50% of the total kWh savings for the Company’s electric portfolio in 2024. *Id.*

Staff believed that the Company was taking appropriate steps to forecast and appropriately manage the SBLDI program moving forward by tightening the parameters of the program and reducing costs where the Company could. *Id.* at 5. Staff also noted it understood that it is difficult to predict future performance of the SBLDI program in Idaho. *Id.*

After reviewing the revenues and expenditures included in the Application, Staff recommended a 6.6% increase in the Schedule 91 rates, based on a 36-month forecast and recovery period to better align Schedule 91 revenues and DSM expenditures to address the underfunded balance. *Id.* at 2. Staff represented its proposed change would result in residential customers using an average of 939 kWh per month seeing “an average monthly bill of \$123.55, or an increase of \$8.10 per month.” *Id.* at 3. Staff presented Table No. 1 below outlining the recommendation.

**Table No. 1: Schedule 91 Rates**

<b>SCHEDULE</b>	<b>EXISTING RATE</b>	<b>30 MONTHS RATE</b>	<b>36 MONTHS RATE</b>
Residential Customers - Sch. 1	0.298¢ per kWh	1.245¢ per kWh	1.152¢ per kWh
General Service - Sch. 11 & 12	0.156¢ per kWh	0.658¢ per kWh	0.608¢ per kWh
Large General Service - Sch. 21 & 22	0.824¢ per kWh	3.488¢ per kWh	3.224¢ per kWh
Extra Large Customers - Sch. 25	0.151¢ per kWh	0.642¢ per kWh	0.594¢ per kWh
Clearwater Paper - Sch. 25P	0.123¢ per kWh	0.522¢ per kWh	0.483¢ per kWh
Pumping Service - Sch. 31 & 32	0.287¢ per kWh	1.216¢ per kWh	1.124¢ per kWh
Street Light Service - Sch. 41-49	1.097¢ per kWh	4.672¢ per kWh	4.319¢ per kWh

*Id.* at 3.

Staff did not validate nor question the prudence of the Company’s DSM expenses or its actual cost-effectiveness calculations for any of its energy efficiency programs because a prudence determination was not requested in this Application. *Id.*

**II. Forecast and Recovery Period.**

The Company filed a 30-month forecast of Schedule 91 revenues and DSM expenditures. *Id.* Staff believed that the Company’s 30-month forecast differed from the 36-month forecast period typically used in DSM filings. *Id.* While Staff supported the recovery of the underfunded balance, and thought that the Company’s workpapers indicated that the Company’s proposed rate

increase would generate sufficient revenue to cover forecasted expenses, and gradually return the underfunded balance to nearly \$0 by the end of September 2028, Staff argued that a 6.6% increase for Schedule 91 and a 36-month forecast and recovery period would improve consistency, provide a more comprehensive evaluation of program costs and rate impacts, and reduce the underfunded balance to nearly \$0 by March 31, 2029. *Id.*

### **CLEARWATER PAPER**

On April 10, 2026, Clearwater filed comments that opposed the proposed rate increase, opposed processing the Application via modified procedure, and petitioned for reconsideration of Case No. AVU-E-25-12. Clearwater Comments at 2. Clearwater argued that it was inappropriate to use modified procedure to process the Application because the Company's proposed rate increase was based on the \$17 million in energy efficiency expenditures deemed prudent in Case No. AVU-E-25-12 that Clearwater argues were not prudent in its petition for reconsideration of that case. *Id.* at 9. Clearwater represented that because of its "beneficial load factor," and the prudence determination made in Case No. AVU-E-25-12, Clearwater would face a higher rate increase than the overall average of 7.4% under the Company's proposed change. *Id.* at 2.

For those reasons, Clearwater requested that the Commission reject the Company's request to process the Application via modified procedure and requested that the Commission establish a schedule to evaluate the prudent determination made in Case No. AVU-E-25-12 for the Company's energy efficiency programs. *Id.* at 10. If a rate increase to Schedule 91 rates was approved in this case, Clearwater requested that the increase be amortized over a longer period and be no more than 2% per year. *Id.* Clearwater argued that because the Company received approval seven months ago in Case No. AVU-E-25-10 to increase the rates for Schedule 91 by 1.2%, but said rate increase did not bring the forecasted underfunded balance close to \$0 by September 30, 2028 like the Company forecasted, that the Company should be required to ensure its miscalculation has minimal impact on rate payers. *Id.* at 11. Clearwater represented that a rate increase over a longer period, and not more than 2% per year, would lessen the impact of the increase on rate payers. *Id.*

### **PUBLIC COMMENTS**

The Commission received 71 timely filed customer comments. Of the timely filed customer comments, 70 opposed the Company's proposed rate adjustment, and one comment supported the

proposed rate adjustment. As of April 24, 2026, the Commission received five late-filed customer comments opposing the Company's proposed rate adjustment.

Customer comments opposing the proposed rate adjustment were concerned about the affordability and financial impact of the rate increase on rate payers as cost of living continues to rise in the area. Further, customers were frustrated and concerned that the cost allocation of the Company's miscalculation was being forced on customers who do not participate in energy efficiency programs. Customers also felt the funds to recover the underfunded balance should come from the Company's profits and not through rates. Customers were also frustrated that the rate increase filed in this case was coming shortly after a prior rate increase. Customers also questioned the justification of the program and its metrics. Customers shared concerns regarding the lack of alternative energy providers in the area, and how customers have no choice but to use the Company as their energy provider. The customer comment in support of the Application supported the Company's operation and felt that it had modest rate increases, and also criticized Kootenai Electric Cooperative and argued that the Commission should regulate it.

#### **COMPANY REPLY COMMENTS**

The Company did not contest Staff's recommendation of a 36-month forecast and recovery period. Company Reply Comments at 1. Further, the Company filed updated tariff sheets and supporting workpapers with its reply that reflected the extended forecast and recovery period recommended by Staff. *Id.* at 1. The Company requested that the Commission approve its Application and tariff sheets, in accordance with Staff's recommended modifications, effective May 1, 2026. *Id.* at 2.

While the Company acknowledged Clearwater's concerns regarding the impact the Company's filing had on rates, it represented that the purpose of the rate increase was to "ensure appropriate recovery of expenses required to maintain a cost-effective energy efficiency portfolio," which it represented provides a benefit for all its Idaho customers, including Clearwater. *Id.* Further, the Company represented that Clearwater had received "over \$2.9 million in direct incentives from the Company's energy efficiency programs since 2021," and that Clearwater was "saving approximately 14.2 million kWh in energy usage per year as a result of these efficiency upgrades." *Id.* The Company represented that the rate adjustment helps reconcile actual

expenditures for the previous period and establish a sufficient rate that will appropriately fund energy efficiency programs as forecasted. *Id.*

Additionally, the Company represented that its proposed rate adjustment was in line with how public utilities historically true up prior periods and forecast future needs. *Id.* The Company explained that its energy efficiency programs go through rigorous planning, evaluation, collaboration, and Commission approval. *Id.* The Company represented that it addressed Clearwater's request for reconsideration of Case No. AVU-E-25-12 by filing an answer in that case. *Id.*

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503, and the Commission's Rule of Procedure, IDAPA 31.01.01.000, *et seq.* The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the record in this case. Based on our review, we find it fair, just, and reasonable to authorize the Company to recover the current underfunded balance in the Energy Efficiency Rider account by increasing the Schedule 91 rates by 3.3% in billed rates.

The Company requested to increase Schedule 91 rates by 7.4% based on a 30-month forecast and recovery period, to recover the underfunded balance and ensure revenues met forecasted expenditures. Staff recommended increasing the Schedule 91 rates by 6.6% in billed rates, based on a 36-month forecast and recovery period. Lastly, Clearwater, despite its general objections to any increase, requested that if an increase to Schedule 91 rates was approved, that the increase be no more than 2%.

Based upon our review, we find that the Electric Energy Efficiency Rider account is underfunded by approximately \$24.6 million as of December 31, 2025, largely due to an unprecedented level of customer participation in the Company's SBLDI program. We agree that Schedule 91 needs to be adequately funded. However, to avoid a large increase in customer rates, we find it just, reasonable, and in the public interest to increase the Schedule 91 rates by 3.3% effective on May 1, 2026 to recover the underfunded balance. We note that our decision here is

not a prudence determination and the Company must file a separate application with the Commission for such determination.

This Commission has historically supported cost-effective DSM because of its ability to save customers money when implemented correctly. In this case, we appreciate the Company's efforts to evaluate and tighten the metrics for its DSM programs, specifically, the SBLDI program which has been met with robust participation. Because Schedule 91 is underfunded by approximately \$24.6 million, SBLDI program changes are being made, and ongoing DSM expenditures are being incurred, we strongly encourage the Company to file its 2025 DSM annual report and the Company's evaluation of its DSM programs with the Commission as soon as possible. Forecasting and recovery for ongoing expenditures may be evaluated in the future following one of these future evaluation filings. If needed a supplemental accounting order for the remaining unrecovered balance from this case may also be requested at that time.

With respect to Clearwater's request for reconsideration in Case No. AVU-E-25-12, that was filed simultaneously with its comments in this case, we note that Clearwater's request will be reviewed and evaluated separately by the Commission in Case No. AVU-E-25-12 and will not be addressed in this Order. Further, we emphasize that the Commission's findings, recommendation, and Order in this case in no way indicates or establishes a determination or decision by the Commission on Clearwater's request for reconsideration in Case No. AVU-E-25-12 and nothing in this Order is meant to indicate otherwise.


### **ORDER**

IT IS HEREBY ORDERED that the Company's Application to increase its electric Schedule 91 is granted subject to the modification that the increase is a 3.3% increase in overall billed rates, effective May 1, 2026.

IT IS FURTHER ORDERED that the Company make a compliance filing documenting that tariff Schedule 91 reflects an increase of 3.3% in billed rates, effective May 1, 2026.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

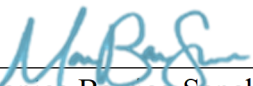
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1<sup>st</sup> day of  
May 2026.

  
EDWARD LODGE, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
DAYN HARDIE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary  
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