

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA	)	CASE NO. AVU-G-26-01
CORPORATION'S APPLICATION FOR AN	)	
ORDER AUTHORIZING TEMPORARY	)	
SUSPENSION OF ITS NATURAL GAS	)	ORDER NO. 37181
DEMAND SIDE MANAGEMENT	)	
PROGRAMS	)	

On June 12, 2026, Avista Corporation, doing business as Avista Utilities, ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting an order permitting the Company's proposed revisions to its Schedule 190, "Natural Gas Efficiency Programs," which would temporarily suspend the Company's natural gas demand-side management ("DSM") programs effective September 1, 2026 ("Application"). Application at 1. No petitions to intervene were filed.

On July 21, 2026, the Company filed a revised Application ("Revised Application"), correcting and modifying the expiration date of Community Action Partnership ("CAP") contracts. Revised Application at 9. On August 4, 2026, the Commission issued Order No. 37121, which suspended the proposed effective date until October 1, 2026, or until the Commission entered an order accepting, rejecting, or modifying the proposed revisions to the Company's Schedule 190, whichever came first. Order No. 37121 at 5.

Based on our review of the record, we issue this Final Order approving the Company's request to temporarily suspend its natural gas DSM programs, approving the continuation of funding the Company's Northwest Energy Efficiency Alliance ("NEEA") and low-income contracts until the end of 2027, directing the Company to inform Staff when its forecasts indicate the DSM programs will become cost-effective, and directing the Company to file to reinstate its natural gas DSM programs when they become cost-effective, these directives effective the date of this Final Order.

THE APPLICATION

The Company represented that because of the method the Company was directed to use by the Commission in Order No. 36975, its natural gas portfolio received a Utility Cost Test ("UCT") ratio of 0.94. Revised Application at 5–6. The Company stated that under the current conditions, its natural gas portfolio could not achieve a UCT of 1.0 or greater. *Id.* at 6. The Company

represented that because the portfolio could not achieve a UCT of 1.0 or greater, the Company applied for approval to suspend its natural gas DSM programs. *Id.* at 5–6.

The Company outlined the proposed changes to its natural gas DSM Portfolio programs. *Id.* at 7–8. Specifically, the: (1) site specific programs; (2) residential and non-residential prescriptive rebate and big programs; (3) midstream rebate program; (4) NEEA gas portfolio; and (5) the limited income program. *Id.*

The Company represented that during the transition period, Avista Account Executives would be the primary point of contact for site-specific and pay-for-performance programs. *Id.* at 8–9. The Company stated that upon Commission-approval of the September 1, 2026, effective date of the temporary suspension requested in the Revised Application, the Company would post a message on its website 120 days before the anticipated program suspension date, which would be December 31, 2026. *Id.* at 9.

The Company represented it would use the same website notice for the residential and non-residential prescriptive programs. *Id.* The Company explained it planned on using rebate forms to share information on program suspension in September 2026. *Id.* The Company explained that it would notify trade allies through email that its Idaho residential and commercial gas-only rebate programs would end. *Id.* The Company also represented it would send out a notification letter no later than 90 days before the planned suspension date of December 31, 2026. *Id.* at 9.

The Company represented that it would provide notice of the temporary discontinuation of the midstream program to contractors and distributors in September 2026. *Id.* The Company also represented it would work closely with CAP Lewiston to develop a method to notify customers of the suspension of the natural gas weatherization offerings by the end of 2027, which the Company represented is the end of the CAP contract period. *Id.* The Company represented it would submit a separate filing to the Commission, concurrent with the Revised Application, for approval to modify its DSM Rider Schedule 191, which the Company represented is used to collect money for natural gas DSM programs, to “\$0.00/therm for every rate class, during the third quarter of 2026.” *Id.*

STAFF COMMENTS

Based on Staff’s review of the Revised Application, information provided by the Company in discovery, the Company’s workpapers, and forecasts, Staff recommended that the Commission:

1. Approve the Company’s request to suspend its natural gas DSM programs;

2. Approve the continuation of funding for the Company's [NEEA] and low-income contracts through the end of 2027 or until the natural gas rider balance reaches \$0, whichever occurs first; and
3. Direct the Company to file to reinstate its natural gas DSM programs when they become cost-effective in the future.

Staff Comments at 2.

Staff highlighted that the Company's 2023 Integrated Resource Plan ("IRP") and 2025 IRP showed a decline in avoided costs for natural gas. *Id.* After reviewing the Company's updated results for the avoided costs for the furnace measure, Staff believed that the decline in avoided costs inhibited the portfolio for natural gas to be cost-effective. *Id.* at 6. Staff learned in a meeting with the Company that reducing the amount of measures and offering a restricted portfolio would not improve the cost-effectiveness of the portfolio. *Id.* at 6–7. Based on Staff's understanding that the portfolio will not be cost-effective for up to ten years, Staff recommended that the Commission approve the Company's request to suspend its natural gas DSM programs. *Id.* at 7.

Based on Staff's review of the Company's proposed schedule to ramp down its programs, while managing existing obligations, Staff believed that the Company's schedule provided sufficient time for stakeholders to accordingly plan and balance prudently spending the rest of the rider balance. *Id.* Regarding the Company's forecasts for NEEA savings and the Company's cost-effectiveness, Staff believed said forecasts were reasonable and that the NEEA natural gas portfolio would remain cost-effective through the present funding cycle. *Id.* at 8. Staff believed that recent work done by NEEA showed a reasonable effort by NEEA to address Staff's concerns shared in Case No. AVU-G-24-03. *Id.* Even though Staff supported the Company's request to continue funding the Company's NEEA natural gas portfolio, because it was uncertain whether the Company would be able to reinstate the programs, Staff recommended that the Commission approve continued NEEA funding until the end of 2027, or when the rider balance reached \$0, whichever came earlier. *Id.* at 9–10.

Staff believed that after combining the benefits and costs of NEEA programs and low-income programs that they could remain cost-effective in 2027. *Id.* at 10. Staff did not believe that there would be a significant cost impact on customers by honoring the low-income CAP contract. *Id.* Finally, Staff encouraged the Company to file to reinstate the natural gas DSM programs when forecasted avoided costs began to trend upward. *Id.* at 13.

COMPANY REPLY

The Company agreed with Staff's recommendations and requested that the Commission approve the Revised Application in accordance with Staff's comments. Company Reply Comments at 1.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. 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 grant the Company's request to temporarily suspend its natural gas DSM programs, effective the date of this Final Order, because said programs are not cost-effective, the programs will not be cost-effective for some time, and there appears to be no steps that can be taken, either through reducing measures or restricting the portfolio, to improve the cost-effectiveness of the portfolio. The Commission continues to support efforts by utilities to operate DSM programs to promote efficiency, but believes that it is in the public interest that DSM programs be cost-effective.

The Commission also finds it reasonable to allow the Company to continue funding the Company's NEEA and low-income contracts until the end of 2027, or when the rider balance reaches \$0, whichever comes earlier, effective the date of this Final Order, because the Company's forecasts for NEEA savings show that the natural gas portfolio will remain cost-effective through the current funding cycle. Even though the forecasts show cost-effectiveness, we find that because it is uncertain whether the Company can reinstate DSM programs, the Company's NEEA and low-income contracts should only be funded for a defined period.

Should the Company's natural gas DSM programs become cost-effective in the future, the Commission directs the Company to file to reinstate its natural gas DSM programs. Further, when the Company's forecasts show that the programs will become cost-effective, the Company is directed to engage and work with Staff on the mechanisms and process for reinstating its natural gas DSM programs.

ORDER

IT IS HEREBY ORDERED that the Company's request to temporarily suspend its natural gas DSM programs is granted, effective the date of this Final Order.

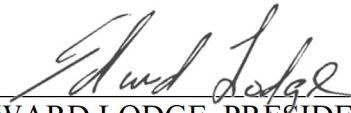
IT IS FURTHER ORDERED that the Company shall continue funding the Company's NEEA and low-income contracts until the end of 2027, or when the rider balance reaches \$0, whichever comes earlier, effective the date of this Final Order.

IT IS FURTHER ORDERED that the Company is directed to inform and work with Staff when the Company's forecasts show that the natural gas DSM programs will be cost-effective.

IT IS FURTHER ORDERED that the Company shall file to reinstate its natural gas DSM programs when the Company's natural gas DSM programs become cost-effective.

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 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 24th day of September 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary
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