



Avista and PPM Energy Sign Wind Power Agreement

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Avista Will Purchase Up to 35 Megawatts of Renewable Energy Per Year From PPM Energy

SPOKANE, Wash., April 7 /PRNewswire-FirstCall/ -- Avista Utilities, an operating division of Avista Corp. (NYSE: AVA), today began receiving additional energy generated from the Stateline Wind Energy Center. Avista and PPM Energy have agreed on terms of a 10-year contract to provide up to 35 megawatts of energy and renewable energy credits beginning April 7, 2004.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040128/SFW031LOGO>)

The Stateline Wind Energy Center, located near Walla Walla, Wash., has a capacity of 300 MW and is the largest single wind generating facility in the world. In addition to energy, Avista will acquire from PPM an equivalent amount of renewable energy credits coming from either Stateline or other renewable energy sources that meet applicable certification standards.

The company expects to receive approximately 10 average megawatts of energy over the course of a year, which is enough power for approximately 6,500 homes.

"The power will be delivered at a price that is competitive with other sources of wholesale market energy," said Steve Silkworth, Avista's project manager. "This contract represents a significant step in the integration of wind power into our resource mix. It will help us meet our customers' current and future energy needs through the use of additional renewable resources."

Other renewable resources owned and operated by Avista include hydroelectric generation and the Kettle Falls wood-waste fired generating project.

Avista has been offering customers the opportunity to voluntarily purchase wind power through its Buck-A-Block program since 2002. Avista will continue to offer this program with minor changes to reflect a focus on the environmental attributes or benefits associated with the new renewable generation. Details of these changes will be announced later.

Wind energy and other renewable resources help reduce impacts on the environment and lessen depletion of fossil fuels. However, wind is an intermittent resource. Avista will fill in the gaps when the wind doesn't blow through the use of its hydroelectric projects and other sources of power.

About PPM Energy

PPM Energy is part of the ScottishPower (NYSE: SPI) group of companies. With a portfolio of more than 830 MW of wind power currently in operation in seven states, PPM has a goal of bringing 2,000 MW of new wind power to market by 2010. PPM balances its supply portfolio with sales to wholesale customers, placing almost all of its output in long-term contracts. Major customers include the cities of Seattle, Sacramento, Pasadena, Anaheim as well as investor-owned utilities such as Alliant Energy and Xcel Energy and the federal Bonneville Power Administration. PPM also has about 800 MW of clean gas resources under its control to give customers a wide range of options for adding environmentally responsible energy to their portfolios. The American Wind Energy Association honored PPM with its "Market Maker of the Year" award for aggressively finding markets for wind power. For more information, please visit www.ppmenergy.com.

About Avista Corp

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides electric and natural gas service to customers in four western states. Avista's non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA" and its Internet address is www.avistacorp.com

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This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations.

These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2003.

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