



Avista Selects First Wind's Palouse Wind Project for Power Purchase Agreement

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Power Qualifies to Meet 2016 Washington Renewable Portfolio Requirements

SPOKANE, WA, Jun 30, 2011 (MARKETWIRE via COMTEX) --

Avista, through a request for proposals (RFP) issued in February 2011, has selected to purchase power generated by the proposed Palouse Wind project in Whitman County, Washington.

Palouse Wind, a wind energy facility permitted and being developed by First Wind, an independent U.S.-based wind energy company, will provide Avista with approximately 40 average megawatts of renewable energy, or as much as 100 megawatts of nameplate wind capacity, under a 30-year power purchase agreement with deliveries beginning in 2012. The energy qualifies under Washington State's Energy Independence Act (RCW 19.285) to meet Avista's Washington State-mandated renewable portfolio standard (RPS) requirements. Avista expects to recover the cost of the power purchased through retail rates.

"Recent market changes, including reductions in the cost of wind power facilities and tax incentives that remain in effect, have combined to make this an excellent time to acquire long-term output from a cost-effective wind resource, which has the added benefit of being located in our service territory," said Dick Storro, vice president of Energy Resources for Avista. "Palouse Wind will help Avista meet its goal of providing reliable energy to our customers at a reasonable cost, while meeting renewable portfolio standards, now and in the future."

Ben Fairbanks, First Wind's Development Director, said the agreement is beneficial for the community as a whole. "Palouse Wind will bring more than 100 construction jobs, as well up to 10 full-time, permanent jobs to Whitman County once the project is operational. This project also represents a substantial increase in tax revenues for the county," Fairbanks said. "We're pleased to partner with Avista to deliver clean, renewable energy to homes and businesses in the region."

Avista balances the need to secure enough energy to meet customers' needs with the costs of new resources, while satisfying renewable portfolio standards, both in the near and long term. To comply with renewable portfolio standards detailed in Washington's Energy Independence Act, Avista must acquire the output from eligible renewable resources, purchase qualifying renewable energy credits (RECs), or a combination of both, to meet the following annual targets: 3% of energy used to meet customer demand by Jan. 1, 2012, 9% by Jan. 1, 2016 and 15% by Jan. 1, 2020.

To meet the 2012 targets, Avista has added qualifying renewable generation capacity with upgrades at its hydroelectric projects and purchased RECs. The power purchased from Palouse Wind is expected to satisfy Avista's RPS requirements for 2016.

The wind farm will be the largest renewable energy facility in Whitman County with the capacity to generate enough clean, renewable energy to power about 30,000 of Avista's customers' homes. Situated on private land between the town of Oakesdale and State Route 195, Palouse Wind's orientation and elevation is ideally located to capture the prevailing southwest wind.

Palouse Wind will tie into Avista's electric system via Avista's Benewah/Shawnee transmission line.

"This is an important project for First Wind," Fairbanks said. "We have been working in Whitman County for over three years developing partnerships with landowners, local businesses and local government. We are thrilled to enter into a long term partnership with the region's local utility so that the energy from the Palouse Wind project can be a source of home-grown energy."

About First Wind

First Wind is an independent wind energy company exclusively focused on the development, financing, construction, ownership and operation of utility-scale wind projects in the United States. Based in Boston, First Wind has wind projects in the Northeast, the West and in Hawaii, with the capacity to generate up to 635 megawatts of power and projects under construction with the capacity to generate up to an additional 121 megawatts. For more information on First Wind, please visit www.firstwind.com or follow us on Twitter @FirstWind. For more information on the Palouse Wind Project, visit www.palousewind.com.

About Avista

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 our operating division that provides electric service to 358,000 customers and natural gas to 319,000 customers. Our service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.5 million. Avista's primary, non-regulated subsidiary is Advantage IQ. Our stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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, 2010 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.

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