



Avista Wins Stimulus Award for Smart Grid Project

10/27/09

Upgrades to electric system improve service, create green jobs

SPOKANE, Wash., Oct. 27 /PRNewswire-FirstCall/ -- Avista (NYSE: AVA) has been chosen to receive a matching grant in the range of \$20 million from the U.S. Department of Energy for a project to upgrade portions of the utility's electric distribution system to smart grid standards. Avista will contribute approximately \$22 million to the project cost.

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

Depending on final grant terms, the project is expected to improve electric service for customers and create some 45 new green jobs.

"We are very grateful for the leadership of Senator Cantwell in promoting federal investment in our nations' electric systems," said Scott Morris, chairman, president and CEO of Avista. "This would not have been possible without her tireless support."

The upgrade will dramatically improve 58 electric distribution facilities known as "feeders" in the Spokane area. The project is intended to reduce energy losses from electric lines, improve reliability and increase efficiency in the feeder system. The result of this work will include in a reduction in the need for new energy sources and will cut greenhouse gas emissions.

Avista is already at work on a pilot project that provided the basis for this grant. Funding from the federal stimulus program makes it possible to upgrade more feeders in a faster timeframe with little impact on rates.

"We have the experience and the expertise to utilize this stimulus money and speed up the improvements to our system that will benefit customers," said Morris. "The work we are doing will also prepare the system for tomorrow's technologies that will allow customers greater participation in controlling their energy usage."

Specifically, the project will include installation of modern equipment and software to enable Smart Grid capabilities and increase reliability and efficiency.

The distribution feeder systems to be upgraded are primarily in higher population density areas of south and north Spokane. Work is expected to begin by the end of 2009. The entire project is scheduled for completion in 36 months.

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 355,000 homes and businesses and natural gas to 312,000 homes and businesses in three Western states, serving more than 492,000 customers. 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, 2008, and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009.

-0981-

To unsubscribe from Avista's news release distribution, send reply message to debbie.simock@avistacorp.com

SOURCE Avista Corp.

Hugh Imhof of Avista Corp., +1-509-595-4264, hugh.imhof@avistacorp.com, or Avista 24/7 Media Access, +1-509-495-4174