



Avista to Lead \$38 Million Smart Grid Project in Pullman

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DOE awards funds for Northwest Smart Grid demonstration

SPOKANE, Wash., Nov. 24 /PRNewswire-FirstCall/ -- Avista (NYSE: AVA) will lead a smart grid demonstration project that will create the first "smart community" in the Pacific Northwest. Matching funds for the \$38 million project are part of a U.S. Department of Energy grant for a larger \$178 million regional project which is administered by Battelle.

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

Avista will team up with several regional entities for the Pullman, Wash., project. Participants include the City of Pullman, Schweitzer Engineering Laboratories, Washington State University, Itron, Hewlett Packard and Spirae. Avista's portion of the matching funds will be \$12.9 million.

The project involves automation of many parts of the electric distribution system using advanced metering, enhanced utility communication and other elements of smart grid technologies. Once the work is completed, customers in the City of Pullman and the nearby Town of Albion are expected to experience greater reliability, shorter outage times and access to their own energy use information, allowing them to better manage energy expenses.

"This project will demonstrate the viability of modernizing our electric system with proven technology, and it will prepare us for things to come in the future," said Scott Morris, Avista chairman, president and CEO.

"I have to especially thank Senator Maria Cantwell for her outstanding leadership in making smart grid a national priority," Morris added. "I would also like to express my appreciation to the rest of our congressional delegation and to Governor Chris Gregoire for their support on this initiative."

The project is expected to help move the region and the nation closer to establishing a more efficient and effective electricity infrastructure that is intended to help contain costs, reduce emissions, incorporate more wind power and other types of renewable energy, increase power grid reliability and provide greater flexibility for consumers.

Work is expected to begin by the end of 2009 and should be completed in 2014.

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 Sept. 30, 2009.

SOURCE Avista Corp.

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