Our Customers | Our People Perform | Invent

June 2021

Disclaimer

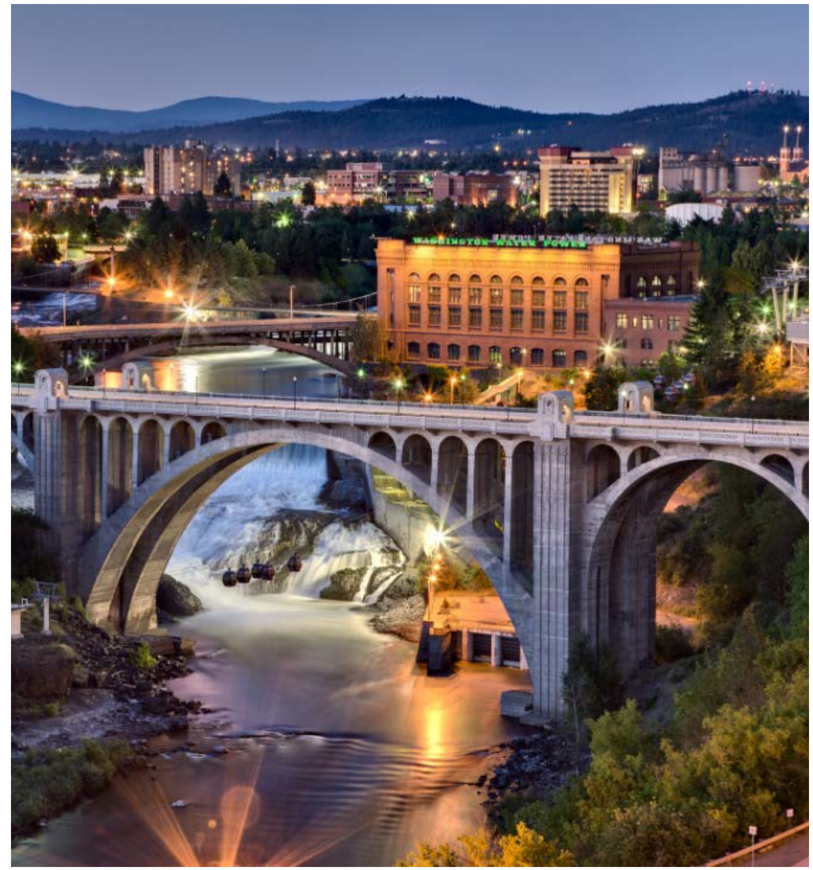
Except as expressly noted, the information in this presentation is current as of May 5, 2021 and should not be relied upon as being current as of any subsequent date. Avista undertakes no duty to update this presentation, except as may be required by law.

All forward-looking statements in this presentation are based on underlying assumptions (many of which are based, in turn, upon further assumptions). These statements are subject to a variety of risks, uncertainties and other factors. Most of these factors are beyond our control and may have a significant effect on our operations, results of operations, financial condition or cash flows, which could cause actual results to differ materially from those anticipated in our statements.

Such risks, uncertainties and other factors include, among others, those included in the appendix herein and in our most recent Annual Report on Form 10-K, or Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission. Those reports are also available on our website at https://investor.avistacorp.com

Avista at a glance

- Incorporated in the territory of Washington in 1889
- Primarily a regulated electric and natural gas utility
- At the end of 2020, employed about 1,800 people at Avista Utilities and 65 in our subsidiary businesses (including Alaska Electric Light & Power)
- 2020 Operating revenue: $1.3 billion
- 2020 Net income attributable to Avista Corporation shareholders: $129.5 million
- 2020 Diluted earnings per share: $1.90
- Annualized 2021 dividend per share: $1.69
- Total Avista Corporation Shareholders' Equity as of March 31, 2021: $2.1 billion
- Generation portfolio is 60% renewable



Our Mission, Our Vision, Our Values

Our Mission
We improve our customers' lives through innovative energy solutions.

Our Vision
Better energy for life.

Our Values

Trustworthy	Innovative	Collaborative
Our word is reliable; we do what is right.	We continuously improve and find better ways to get things done.	We are respectful and we are at our best when working together to achieve results.

Our Focus

- Invest in our core utility infrastructure
  - Annual capital expenditures of $415 million in 2021 and $405 million in 2022 and 2023, resulting in 5% annual rate base growth
- Achieve constructive regulatory outcomes
  - Continue to reduce regulatory lag and more closely align earned returns with those authorized
  - Tax credit strategy to initially offset customer impact of rate cases
- Target corporate earnings growth of approximately 10% – 11% in 2022 and 2023
  - Earn allowed return on equity by 2023 of approximately 8.7% at Avista Utilities
  - Projecting long-term earnings growth of 4% to 6% following 2023
- Maintain credit quality through a prudent capital structure
- Improved customer and load growth beginning in 2021
  - Retail customer growth (electric 1.0%; natural gas 1.2%)
  - Retail load growth (electric: 0.5%; natural gas: 1.0%)

COVID-19 Impacts

- During the first quarter of 2021, when compared to normal, we did not experience a material variation in total loads due to COVID-19; however, we did observe increases in residential loads offset by decreases in commercial loads.
- We expect continued economic recovery and improvement in employment through the remainder of 2021.
- We have decoupling and other regulatory mechanisms in Washington, Idaho and Oregon, which mitigate the impact of changes in loads and revenues for residential and certain commercial customer classes. Over 90% of our utility revenue is covered by regulatory mechanisms.
- In Washington, there is a moratorium on disconnections for residential and commercial customers until July 31, 2021. In Oregon, there is a moratorium on disconnections for residential customers until July 31, 2021.
- We are offsetting some of the negative impacts of COVID-19 (primarily an increase in bad debt expense) at Avista Utilities with cost savings and benefits from the Coronavirus Aid, Relief, and Economic Security Act. We have received accounting orders in each of our jurisdictions to defer the recognition of COVID-19 expenses as well as identified cost savings of other COVID-19 related benefits.

Net Income and Diluted EPS

($ in thousands, except per-share data)	**Q1 2021**	**Q1 2020**
Net Income (Loss) by Business Segment attributable to Avista Corp. Shareholders		
Avista Utilities	$64,058	$45,979
Alaska Electric Light and Power Company	$3,476	$3,395
Other	$483	$(950)
Total Net Income attributable to Avista Corp. Shareholders	**$68,017**	**$48,424**
Earnings (loss) per diluted share by Business Segment attributable to Avista Corp. Shareholders		
Avista Utilities	$0.92	$0.68
Alaska Electric Light and Power Company	$0.05	$0.05
Other	$0.01	$(0.01)
Total Earnings per diluted share attributable to Avista Corp. Shareholders	**$0.98**	**$0.72**

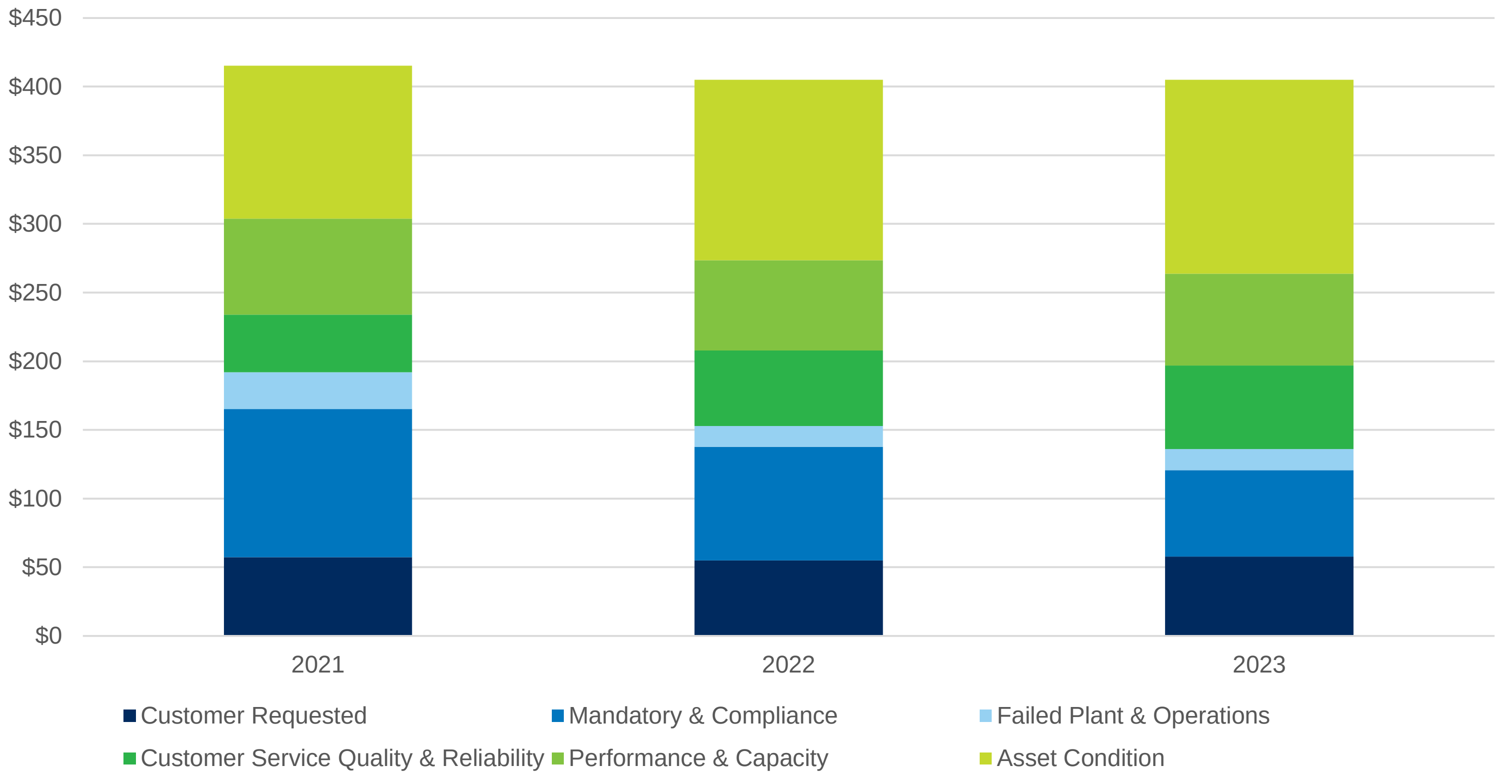
Net Income and Diluted EPS Reconciliation

	First Quarter	
	Net Income	Earnings per Share
2020 consolidated earnings	$ 48,424	$ 0.72
Changes in net income and diluted earnings per share:		
Avista Utilities		
Electric utility margin (including intracompany)	6,953	0.10
Natural gas utility margin (including intracompany)	7,184	0.10
Other operating expenses	5,139	0.08
Depreciation and amortization	(2,884)	(0.04)
Interest expense	141	—
Other	(71)	—
Income tax at effective rate	1,617	0.03
Dilution on earnings	n/a	(0.03)
Total Avista Utilities	**18,079**	**0.24**
AEL&P earnings	81	—
Other businesses earnings	1,433	0.02
2021 consolidated earnings	**$ 68,017**	**$ 0.98**

Investments to upgrade our systems

5% rate base growth

Avista Utilities Capital Budget 2021-2023 ($ millions)



Driving effective regulatory outcomes

Timely and adequate recovery of costs and capital investments

Washington

- In October 2020, filed general rate cases designed to increase annual base electric revenues by $44.2 million, or 8.3%, and annual natural gas base revenues by $12.8 million, or 7.9%.
- The Company is proposing to fully offset the base rate increase with a tax credit to customers.
- Request based on 50% equity ratio and 9.9% return on equity.
- Other parties filed opening testimony on April 21.
- The Company filed rebuttal testimony on May 28.
- Expect resolution by Oct. 1.

Idaho

- In January 2021, filed two-year general rate cases.
- For electric, the rate request is designed to increase annual base revenues by $24.8 million or 10.1% effective Sept. 1, 2021 and $8.7 million or 3.2% million effective Sept. 1, 2022.
- For natural gas, the rate request is designed to increase annual base revenues by $0.1 million or 0.1% effective Sept. 1, 2021 and $1.0 million, or 2.2% effective Sept. 1, 2022.
- If the Company's two-year rate plan is approved, a proposed tax credit would allow the Company to recover capital costs with little to no impact to customer bills.
- Request based on 50% equity ratio and 9.9% return on equity.

Oregon

- Reached settlements in 2020 general rate case designed to increase annual base revenue by $3.9 million, or 5.7% effective Jan. 16, 2021.
- Based on a 50% equity ratio with a 9.4% return on equity.
- Plan to file general rate case in the second half of 2021.

Alaska

- Current rates based on a 58.18% equity ratio and an 11.95% return on equity.
- AEL&P is required to file its next general rate case by Aug. 30, 2022.

AVISTA

Our Commitment to Corporate Responsibility

Our Commitment to Corporate Responsibility

At Avista, our vision is to deliver better energy for life. We strive to fulfill that vision by improving the lives of customers through the safe, responsible, and affordable delivery of energy, in a way that is trustworthy, innovative and collaborative.

These guiding principles are founded on a long tradition of corporate responsibility. Whether it is our longstanding commitment to environmental stewardship, the care and support of our people, our dedication to the customers and communities we serve, or our steadfast adherence to principles of ethical governance, we believe that the integration of corporate responsibility into our business builds trust, forges lasting relationships, strengthens morale, reduces risk, delivers enhanced value to our shareholders, and ultimately enables us to more effectively execute on our vision, mission and strategy.

At its heart, corporate responsibility at Avista is a commitment to manage the social, environmental and economic effects of our operations safely, responsibly, and affordably, while endeavoring to have a positive, lasting impact on the society and environments in which we operate.

Read More ›

- Our Environment
- Our Customers and Communities
- Our People
- Our Ethical Governance

Click to download the Full Report

A message from the CEO

Avista serves a diverse customer base of thousands of electric natural gas across 30,000 square miles. Across the utility, our efforts focus on providing safe, reliable service and a seamless and satisfying customer experience, at a reasonable cost.

Since Avista's founding on clean, renewable hydro power in 1889, we've served our customers with an electric generation resource mix that is more than half renewable, allowing us to keep our carbon emissions among the lowest in the nation.

Read More ›

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AVISTA

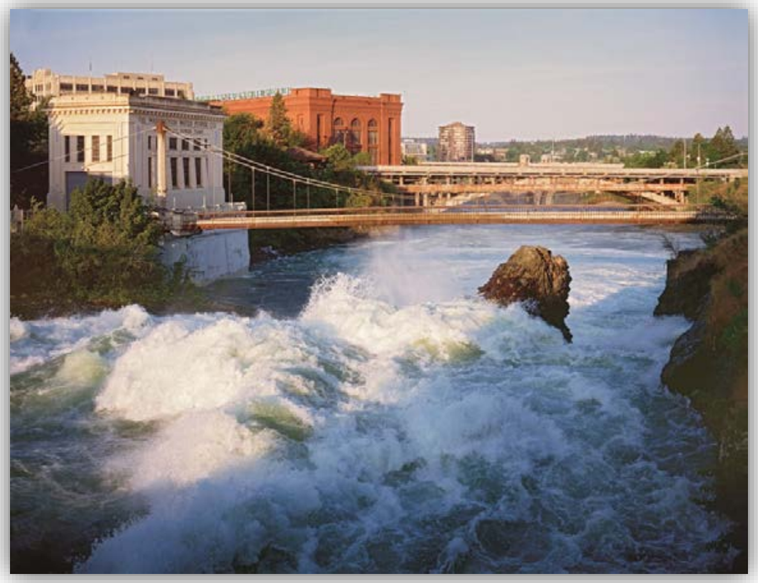
Our Commitment to Clean Energy

Electric Resources

- Carbon neutral supply of electricity by the end of 2027
- Serve customers with 100% clean electricity by 2045

Natural Gas Resources

- 30% reduction in greenhouse gas emissions by 2030
- Carbon neutral by 2045



Long history of commitment to environmental stewardship

Photo: Spokane River Upper Falls

Earnings Guidance (as of May 5, 2021)

Earnings Guidance	
Avista Utilities	$1.93 – $2.07
AEL&P	$0.08 – $0.11
Other	$(0.05) – $(0.02)
Consolidated 2021	**$1.96 – $2.16**
Consolidated 2022	**$2.18 – $2.38**
Consolidated 2023	**$2.42 – $2.62**

Guidance Assumptions

- Our earnings guidance assumes timely and appropriate rate relief.
- The midpoint of our guidance range for Avista Utilities does not include any benefit or expense under the Energy Recovery Mechanism (ERM). For 2021, we expect to be in a benefit position under the ERM within the 75 percent customers/25 percent shareholders sharing band, which is expected to contribute $0.06 per diluted share.
- Our outlook for Avista Utilities and AEL&P assumes, among other variables, normal precipitation, temperatures and hydroelectric generation. For 2021, we are expecting below normal hydroelectric generation at Avista Utilities.

A Solid Investment

- Strong and responsible core utility
  - Investing substantially to modernize infrastructure and upgrade systems
  - Committed to constructive regulatory outcomes. Successful rate case settlements in 2019 in Washington, Oregon and Idaho. Settlement in Oregon in 2020. Filed rate cases in Washington in 2020 and Idaho in 2021.
  - Committed to reducing regulatory timing lag by 2023; long-term growth rate of 4 to 6 percent after 2023
  - Steady returns and attractive dividend yield
  - Committed to renewable energy and one of the lowest carbon emitting electric utilities in the U.S.*
  - Commitment to Corporate Responsibility

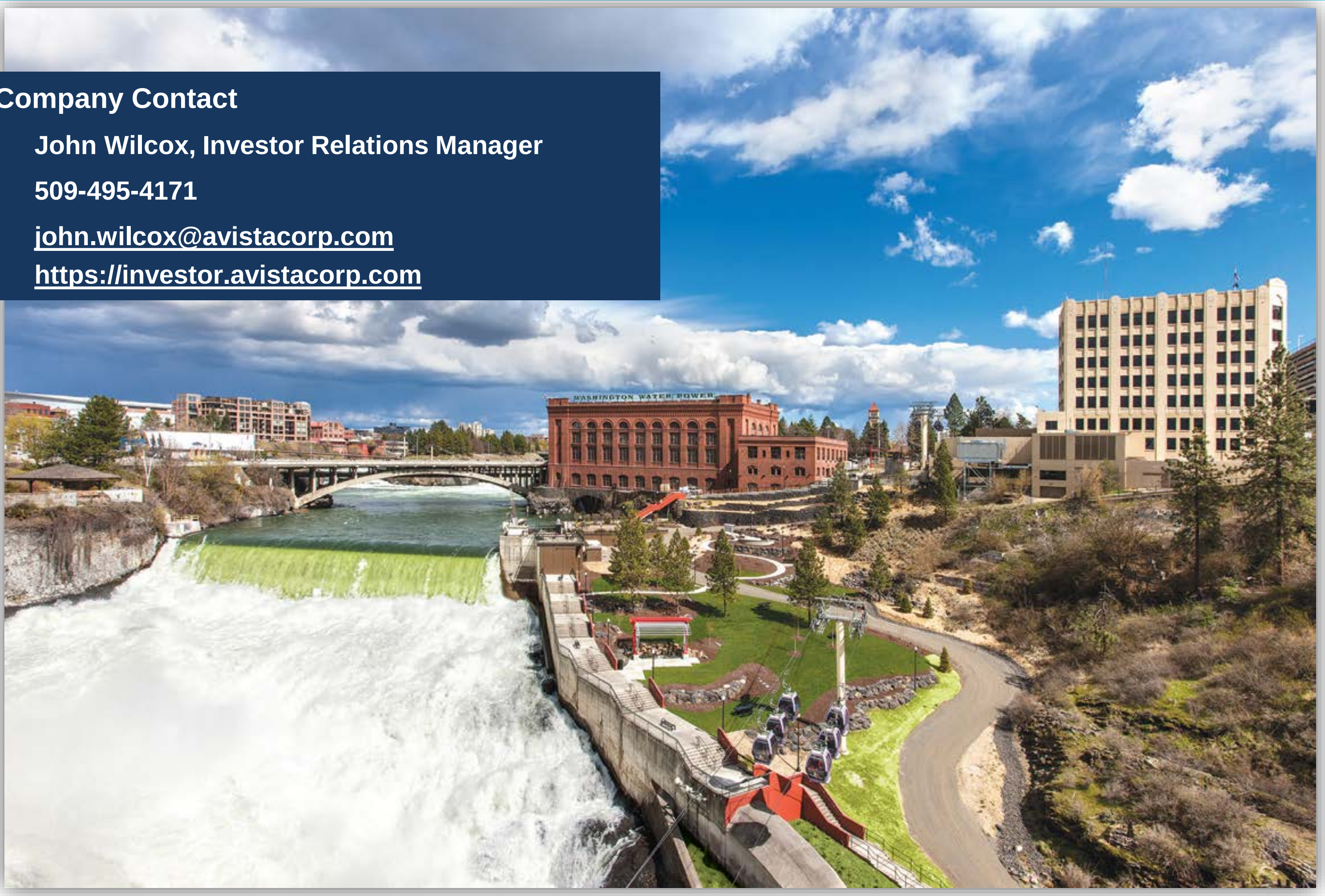
Better energy for life….

Building purpose and aspiration, shaping the best public policy outcomes, and collaborating with others to achieve results – that's better for our customers, our employees, our communities, our shareholders.

Photo: Cabinet Gorge Dam

*Source: *Benchmarking Air Emissions of the 100 Largest Power Producers in the United States*, NRDC, July 2020

We welcome your questions



Company Contact

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john.wilcox@avistacorp.com

https://investor.avistacorp.com

Photo: Huntington Park, Spokane, Wash.

Appendix

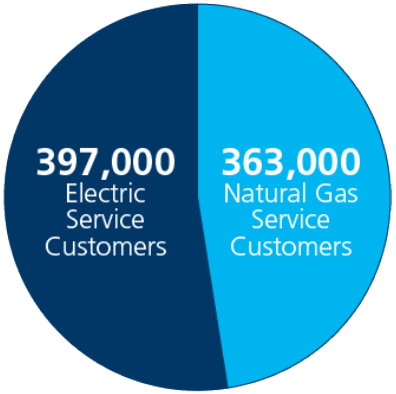
Solid Foundation

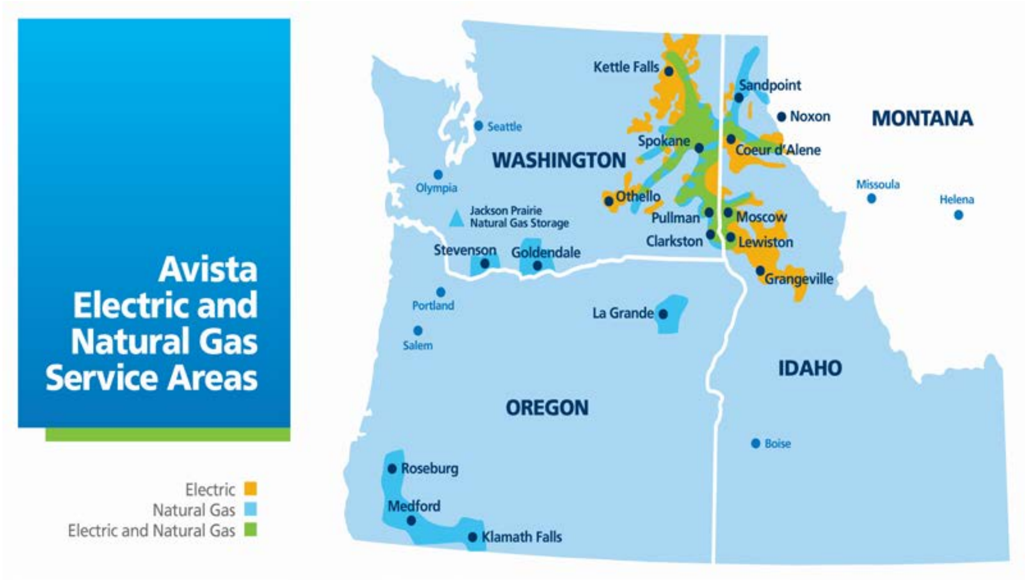
Providing safe and reliable service for over 130 years

8
hydroelectric facilities

7
thermal generation plants

We Serve





Strong and Stable Utility Core

Avista Utilities

- Regulated electric and natural gas operations
- Serves customers in Washington, Idaho and Oregon
- Contributes about 95% of earnings

Alaska Electric Light & Power Company (AEL&P)

- Regulated electric operations
- Serves customers in City and Borough of Juneau

Our Customers | Our People
Perform | Invent

Photo: Long Lake Dam

Corporate Responsibility

SUSTAINABILITY ACCOUNTING STANDARDS BOARD
SASB

2021 WORLD'S MOST ETHICAL COMPANIES
WWW.ETHISPHERE.COM
2-TIME HONOREE

EEI
Edison Electric INSTITUTE

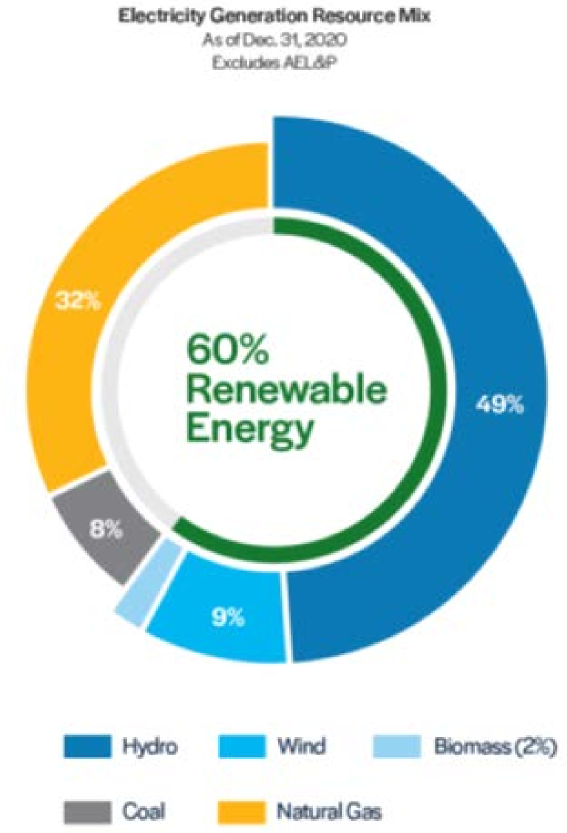
AGA
American Gas Association

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

AVISTA

Our Commitment to Our Environment

- Founded on clean, renewable hydro power in 1889
- First utility-scale biomass generation project in the 1980's
- Carbon-neutral supply of electricity by the end of 2027
- Serve customers with 100% clean electricity by 2045
- Among the lowest carbon emitting electric utilities in the nation according to the Natural Resources Defense Council
- Three renewable energy projects implemented since 2018: two solar and one wind
- Natural Gas: 30% reduction in greenhouse gas emissions by 2030; carbon neutral by 2045



Our Commitment to Our Environment

- Engaging in climate policy development to promote environmental stewardship along with economic and community vitality.
- Driving innovation and technology advancements which increase energy efficiency and/or reduce emissions.
- Leading energy efficiency and conservation efforts for our customers and within our own system.
- Improving the sustainability of our business practices and promoting stewardship of our shared natural resources. Avista manages its operations and facilities to protect land, air and water. In addition, we protect and restore habitat, water quality and fisheries.
- Providing recreational opportunities to improve access for all people along the Clark Fork and Spokane Rivers in Montana, Idaho and Washington.

Our Commitment to Customers & Communities

- Providing safe, reliable service that is there when needed, and that is affordable for our customers and for our region.
- Bringing value to our customers through services, programs and methods for using energy efficiently, and that otherwise help to enrich customers' lives.
- Building value for our customers and communities through active involvement in organizations, causes and engagement with local stakeholders to grow jobs and improve the quality of life in our region.
- Providing meaningful philanthropic support to our communities without impacting customer rates, recognizing that these efforts help to strengthen our communities, broaden the reach of local organizations, and improve our local economies.
- Supporting and encouraging our employees to help local charities and community organizations in the regions in which we operate.
- Holding our customers and communities' interests at the forefront of our decisions, operating our business with transparency, genuine care, and ease of conducting business - our stakeholders can rely on us.

AVISTA

Our Commitment to Customers & Communities

$4.1 million in community donations in 2020

Avista Foundation Grants by Category	2019	2018	2017	2016	2015
Health & Human Services	$1,338,599	$723,529	$609,056	$689,456	$1,270,256
Youth	$505,990	$337,121	$188,234	$177,552	$137,856
Art & Culture	$282,680	$169,043	$141,341	$183,873	$148,418
Education	$335,204	$318,224	$719,598	$485,320	$435,169
Community Vitality	$899,903	$403,294	$617,755	$670,011	$566,071
Environmental *	$22,299	$20,323	$17,652	$25,010	$24,439
TOTAL	**$3,384,675**	**$1,971,534**	**$2,293,636**	**$2,231,222**	**$2,582,209**

Our Commitment to Our People

- Ensuring a safe and healthy work environment, preventing accidents and incidents, and ensuring that all Avista employees return home healthy and whole.
- Fostering a culture that values trust and respect based on diversity, equity and inclusion, and offering all employees the chance to enrich their lives and careers through challenging and meaningful work—all in an equal opportunity workplace that is surrounded by a supportive and inclusive environment.
- Valuing the contribution of our employees by focusing on creating and maintaining an environment to attract, develop, motivate, retain and reward high-caliber employees.
- Performing to our ethical and compliance standards, ensuring that we conduct ourselves in a legal and ethical manner in upholding our regulatory obligations.
- Holding our contractors, suppliers and other business partners to the same ethical and compliance standards to which we hold ourselves.

AVISTA

Our Commitment to Our People

Women Representation	%
Bargaining Employees	3%
Non-Bargaining Employees	45%
All of Avista	29%
Spokane Workforce Availability	50%

Generation	%
Generation Z	4%
Millennial	34%
Generation X	42%
Baby Boomer	20%

80%
Overall Avista Employee Engagement Score

25% Fully Engaged	55% Key Contributor
Highly-motivated group of employees characterized by strong discretionary efforts, organizational pride and innovation.	Satisfied group of employees considered the "strong and steady" population.

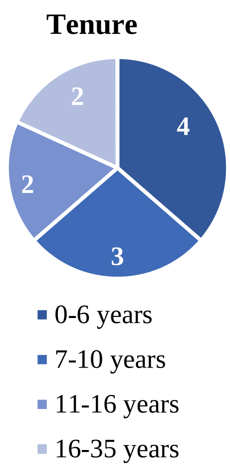
AVISTA

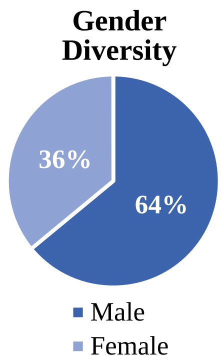
Our Commitment to Ethical Governance

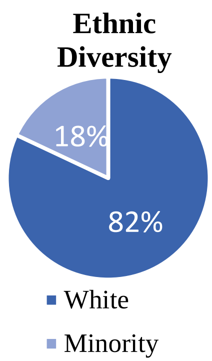
- Approaching all aspects of corporate governance ethically and with clear standards of appropriate corporate behavior.
- Promoting effective oversight of the Company through a strong and independent Board.
- Actively seeking to establish and enhance diversity among our Board of Directors and executive leadership.
- Striving to improve the performance of the Board of Directors and executive leadership through effective performance assessments, appropriate and fair compensation practices, and ongoing investment in education and professional development.
- Ensuring that shareholders have an appropriate voice with respect to matters impacting the company through outreach and engagement.
- Maintaining transparency with respect to governance of the Company and the pursuit of its strategic goals.

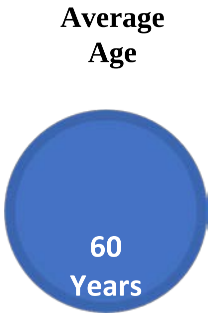
Our Commitment to Ethical Governance

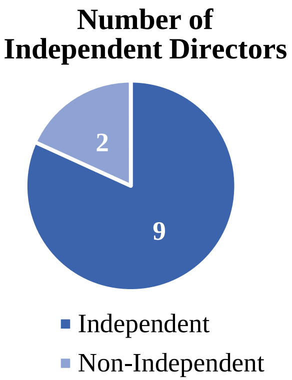
Board Composition

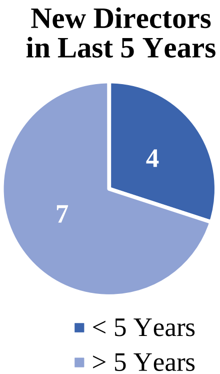












Avista Utilities

Significant investments in utility infrastructure

Avista Utilities Rate Base

Jurisdiction and service	Estimated Rate Base as of March 31, 2021 ($ in millions) (1)		Authorized Overall Rate of Return	Authorized Return on Equity	Authorized Common Equity Ratio
Washington electric	$1,779		7.21%	9.4%	48.5%
Washington natural gas	437		7.21%	9.4%	48.5%
Idaho electric	864		7.35%	9.5%	50.0%
Idaho natural gas	180		7.61%	9.5%	50.0%
Oregon natural gas	295		7.24%	9.4%	50.0%
Total	$3,555				

(1) Based on average-of-monthly averages for the prior 12-month period.

AVISTA

Avista Utilities Regulatory Mechanisms

Jurisdiction and service	Supply Costs	Decoupling/ FCA (1)	COVID-19 (2)	Wildfire Resiliency (3)
Washington electric	ERM (4)	Yes	Yes	Pending
Washington natural gas	PGA (5)	Yes	Yes	N/A
Idaho electric	PCA (6)	Yes	Yes	Yes
Idaho natural gas	PGA (5)	Yes	Yes	N/A
Oregon natural gas	PGA (5)	Yes	Yes	N/A

(1) Decoupling (also known as an Fixed Cost Adjustment (FCA) in Idaho) is a mechanism designed to sever the link between a utility's revenues and consumers' energy usage. The difference between revenues based on the number of customers and "normal" sales and revenues based on actual usage is deferred and either surcharged or rebated to customers beginning in the following year. Only residential and certain commercial customer classes are included in our decoupling mechanisms.

(2) The respective regulatory authorities will determine the appropriateness and prudency of any deferred expenses when the Company seeks recovery.

(3) We filed deferred accounting requests to defer the costs seek recovery in future rate filings.

(4) The Energy Recovery Mechanism (ERM) is an accounting method used to track certain differences between actual power supply costs, net of wholesale sales and sales of fuel, and the amount included in base retail rates for our Washington customers.

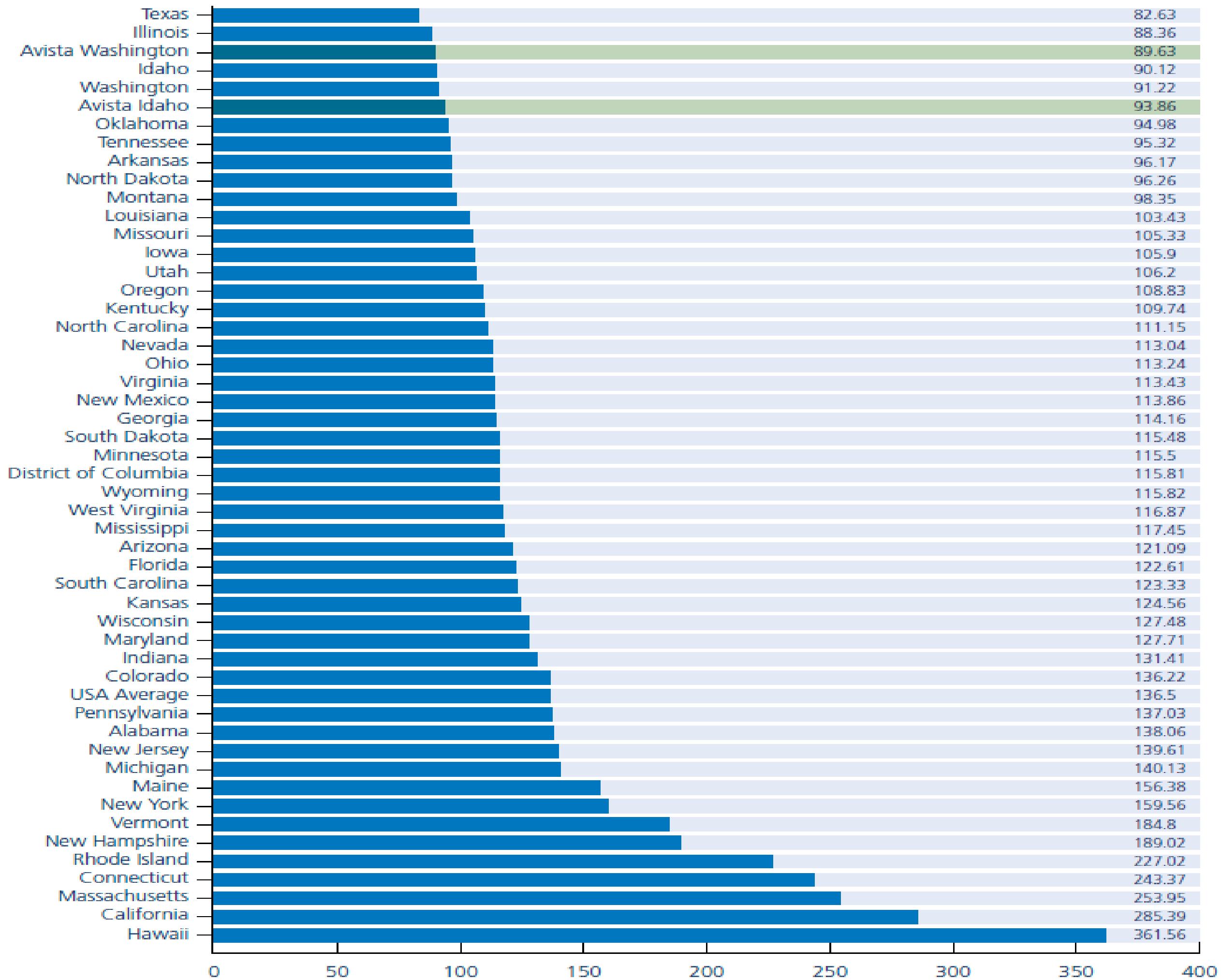
(5) Purchased Gas Adjustments (PGAs) are designed to pass through changes in natural gas costs to customers with no change in utility margin (operating revenues less resource costs) or net income.

(6) Under the Power Cost Adjustment (PCA) mechanism, we defer 90 percent of the difference between certain actual net power supply expenses and the amount included in base retail rates for our Idaho customers.

Affordable Rates

How do our electric rates compare nationwide?

Source: Edison Electric Institute; Investor-Owned Utilities based on 1,000 kWh of use per month as of January 1, 2020



Washington Clean Energy Transformation Act (CETA)

Energy Resources

- Must eliminate the allocation of coal-fired resources to Washington customers by the end of 2025
- Colstrip depreciation accelerated to 2025 in Washington general rate case, implemented April 1, 2020
- Achieve carbon neutrality by 2030 while meeting 80% of Washington load through renewable or non-emitting resources
- Serve entire Washington load with renewable or non-emitting resources by 2045
- Consistent with Avista's commitment to renewable energy

Regulatory

- Commission issued Policy Statement on "used and useful" in January 2020
- Provides the Commission authority to allow for the recovery of costs of property which becomes used and useful during a period of up to 48 months after rates have been approved
- Acknowledges the Commission's authority to approve performance and incentive-based regulation, multi-year rate plans, and "other flexible regulatory mechanisms"
- Allows utilities to defer costs incurred to meet clean energy plans for a period of up to 36 months with a return, including an imputed return on power purchase agreements
- Limits rate increases to 2% to meet compliance requirements

AVISTA

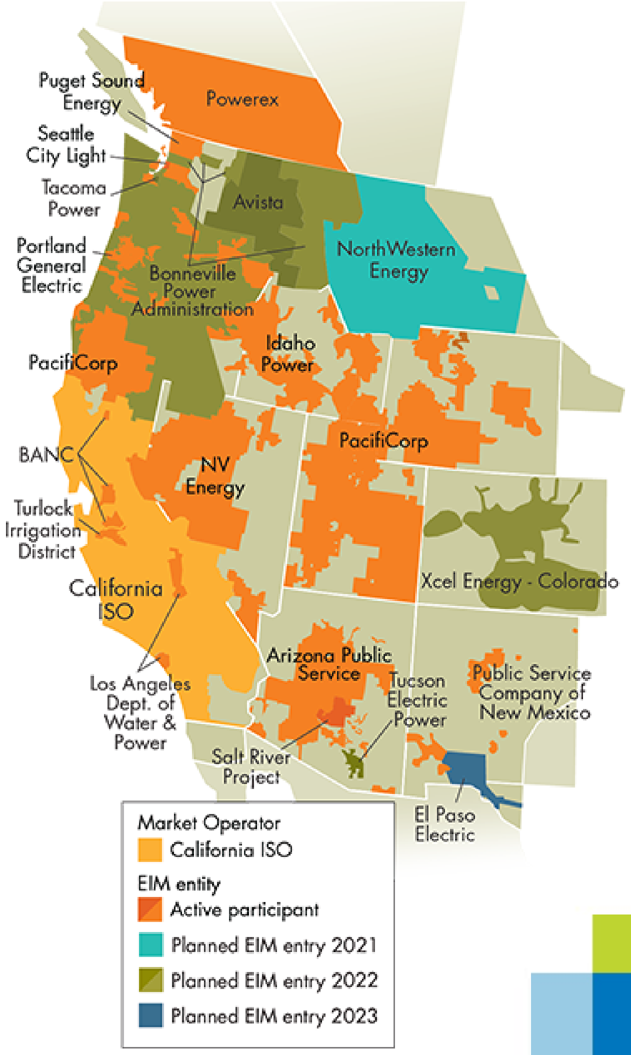
Electric Integrated Resource Plan

Filed in Washington and Idaho on April 1, 2021

- Highlights of the 2021 IRP include the following expectations and/or assumptions:
  - We have adequate resources between owned and contractually controlled generation, when combined with conservation and market purchases, to meet customer demand through 2025. Our first long-term capacity deficit, net of energy efficiency, is in 2026 and is 12 MW. The deficit increases to 301 MW in 2027.
  - New renewable energy, energy storage, demand response, energy efficiency, and upgrades to existing hydropower and biomass plants are integral to our plan.
  - Retail sales and residential use per customer forecasts are slightly higher as compared to the 2020 IRP projections. We anticipate customer load growth of 0.3% per year.
  - Assumes Colstrip no longer included in the portfolio in 2025, consistent with our 2020 IRP.
  - New natural gas-fired peakers required for the 2026 capacity need because long-term energy storage is not yet available or as cost effective as initially estimated in the 2020 IRP.
  - Demand response programs begin in 2024 and grow to 71 MW by 2045.
  - Notwithstanding the 2020 Renewable Request for Proposal process, the first new renewable resource identified in the IRP is in 2023 as a wind project located in Montana. Additional Montana wind is identified in 2024 and 2028.
  - The resource strategy moves us closer to achieving our corporate clean electricity goal to provide customers with 100% net clean electricity by 2027. Net clean energy is defined as either 100% non-carbon emitting resources or investing in or acquiring carbon offsets to net-out emissions created from carbon emitting resources.

Western Energy Imbalance Market

- Plan to join in March 2022.
- Real-time energy market should allow Avista to further integrate renewable generation on the system.
- Avista estimates the total cost of joining the EIM to be approximately $32 million for both capital and operating expense over the three-year implementation period.
- Avista estimates annual benefits of approximately $6 million from initial market participation but anticipates benefits trending higher after gaining operating experience.
- Avista is seeking recovery of the net costs through the regulatory process.



Alaska Electric Light & Power Company

Oldest regulated electric utility in Alaska, founded in 1893

AEL&P

- Serves 17,000 electric customers in the City and Borough of Juneau, meeting nearly all of its energy needs with hydropower
- One of the lowest-cost electric utilities in the state
- Approved capital structure of 58.18% equity ratio and an authorized return on equity of 11.95%

Juneau, Alaska

AVISTA

Growth outside core utility

Strategic Investments

Developing platforms for future growth

Creating new growth platforms

- Targeted investments
  - Invested $12 million in 2020; plan to invest $15 million in 2021, and $12 million in each of 2022 and 2023
  - Energy Impact Partners
    - Private equity fund that invests in emerging technologies, services, and business models throughout energy supply chain with a collaborative, strategic investment approach.
  - South University District Development
    - Joint venture for a real estate development hosting a zero-energy, zero-carbon cross laminated timber building and an energy innovation center coordinating utility grid operations with tenant and building operations.

ENERGY IMPACT PARTNERS

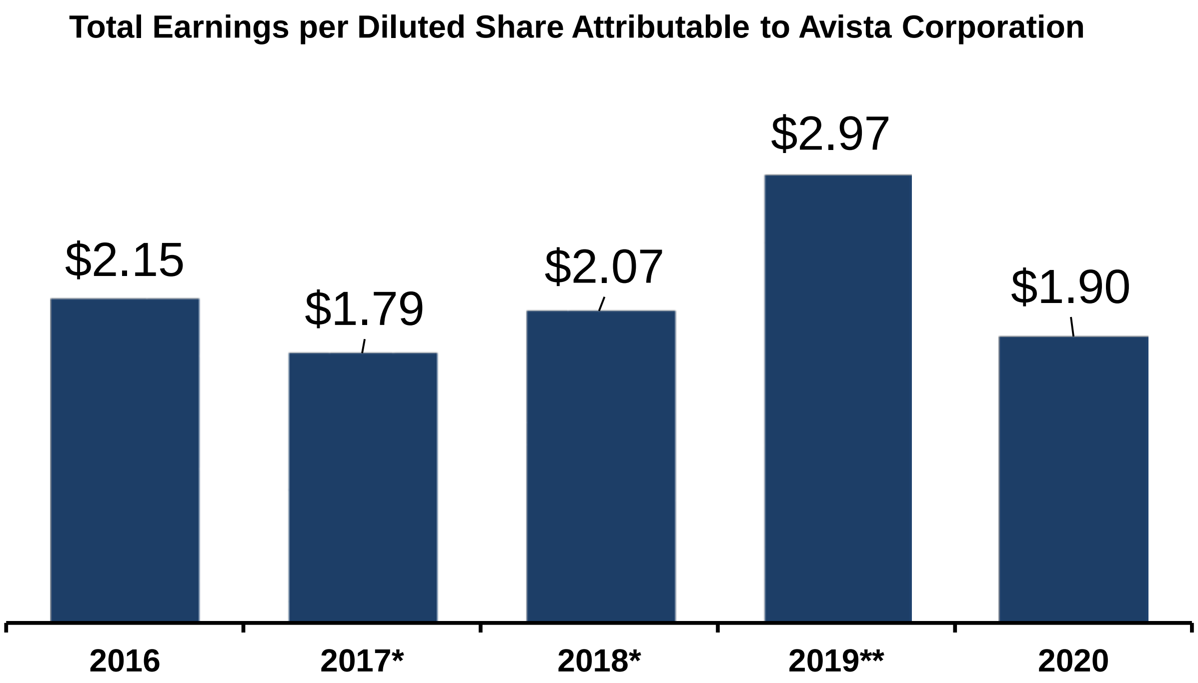
AVISTA

Avista Corporation

Financial

Performance Metrics

Financial Performance



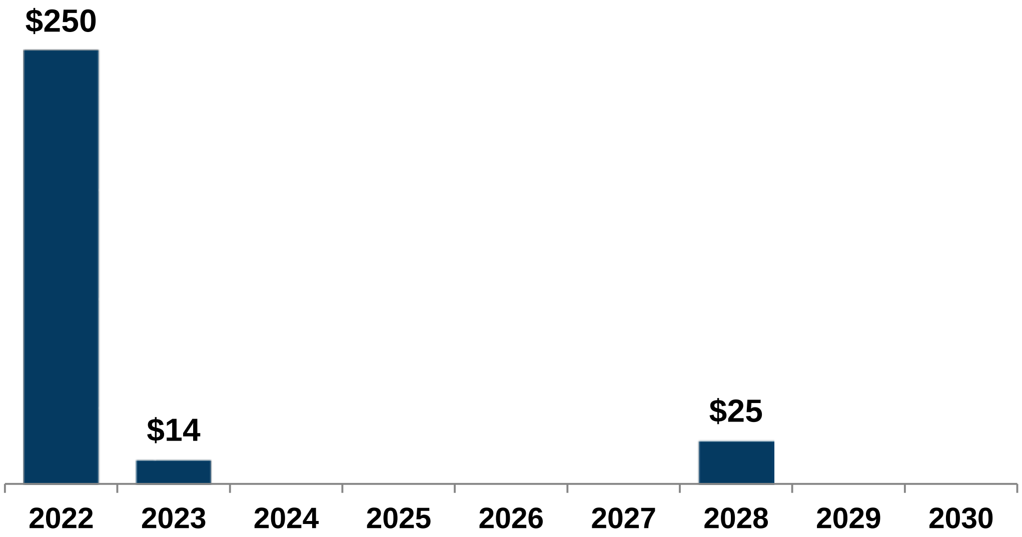
*2018 earnings reduced by $0.04 per diluted share and 2017 earnings reduced by $0.19 per diluted share of acquisition costs associated with the Hydro One transaction. 2017 earnings were also reduced by $0.16 per diluted share associated with tax law changes.

**2019 includes $1.00 per diluted share for the termination fee received from Hydro One and the payment of final transaction costs.

Prudent Balance Sheet and Liquidity

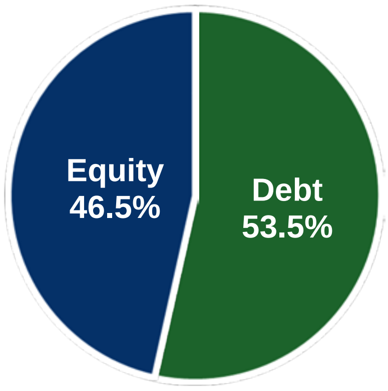
- As of April 30th, we had $182 million of available liquidity under our $400 million line of credit.
- For 2021, we expect to issue approximately $120 million of long-term debt and $75 million of equity.

Upcoming debt maturities
($ millions)



Additional long-term debt maturities beyond 2030 not shown.
Excludes $15 million of AERC debt maturing in 2024.

Consolidated Capital Structure
March 31, 2021



Attractive and Growing Dividend

Targeting 65%-75% Payout Ratio by 2023

2021 quarterly dividend of $0.4225 annualized

Risks, Uncertainties and Other Factors That Could Affect Future Results

Forward-looking statements are subject to a variety of risks, uncertainties and other factors. Most of these factors are beyond our control and may have a significant effect on our operations, results of operations, financial condition or cash flows, which could cause actual results to differ materially from those anticipated in our statements. Such risks, uncertainties and other factors include, among others:

Utility Regulatory Risk

state and federal regulatory decisions or related judicial decisions that affect our ability to recover costs and earn a reasonable return including, but not limited to, disallowance or delay in the recovery of capital investments, operating costs, commodity costs, interest rate swap derivatives, the ordering of refunds to customers and discretion over allowed return on investment; the loss of regulatory accounting treatment, which could require the write-off of regulatory assets and the loss of regulatory deferral and recovery mechanisms;

Operational Risk

pandemics (including the current COVID-19 pandemic), which could disrupt our business, as well as the global, national and local economy, resulting in a decline in customer demand, deterioration in the creditworthiness of our customers, increases in operating and capital costs, workforce shortages, delays in capital projects, disruption in supply chains, and disruption, weakness and volatility in capital markets. In addition, any of these factors could negatively impact our liquidity and limit our access to capital, among other implications; wildfires ignited, or allegedly ignited, by Avista Corp. equipment or facilities could cause significant loss of life and property or result in liability for resulting fire suppression costs, thereby causing serious operational and financial harm to Avista Corp. and our customers; severe weather or natural disasters, including, but not limited to, avalanches, wind storms, wildfires, earthquakes, snow and ice storms, that could disrupt energy generation, transmission and distribution, as well as the availability and costs of fuel, materials, equipment, supplies and support services; explosions, fires, accidents, mechanical breakdowns or other incidents that could impair assets and may disrupt operations of any of our generation facilities, transmission, and electric and natural gas distribution systems or other operations and may require us to purchase replacement power or incur costs to repair our facilities; explosions, fires, accidents or other incidents arising from or allegedly arising from our operations that could cause injuries to the public or property damage; blackouts or disruptions of interconnected transmission systems (the regional power grid); terrorist attacks, cyberattacks or other malicious acts that could disrupt or cause damage to our utility assets or to the national or regional economy in general, including any effects of terrorism, cyberattacks, ransomware, or vandalism that damage or disrupt information technology systems; work-force issues, including changes in collective bargaining unit agreements, strikes, work stoppages, the loss of key executives, availability of workers in a variety of skill areas, and our ability to recruit and retain employees; increasing costs of insurance, more restrictive coverage terms and our ability to obtain insurance; delays or changes in construction costs, and/or our ability to obtain required permits and materials for present or prospective facilities; increasing health care costs and cost of health insurance provided to our employees and retirees; third party construction of buildings, billboard signs, towers or other structures within our rights of way, or placement of fuel containers within close proximity to our transformers or other equipment, including overbuild atop natural gas distribution lines; the loss of key suppliers for materials or services or other disruptions to the supply chain; adverse impacts to our Alaska electric utility (AEL&P) that could result from an extended outage of its hydroelectric generating resources or their inability to deliver energy, due to their lack of interconnectivity to any other electrical grids and the availability or cost of replacement power (diesel); changing river regulation or operations at hydroelectric facilities not owned by us, which could impact our hydroelectric facilities downstream; change in the use, availability or abundancy of water resources and/or rights needed for operation of our hydroelectric facilities;

Cyber and Technology Risk

cyberattacks on the operating systems that are used in the operation of our electric generation, transmission and distribution facilities and our natural gas distribution facilities, and cyberattacks on such systems of other energy companies with which we are interconnected, which could damage or destroy facilities or systems or disrupt operations for extended periods of time and result in the incurrence of liabilities and costs; cyberattacks on the administrative systems that are used in the administration of our business, including customer billing and customer service, accounting, communications, compliance and other administrative functions, and cyberattacks on such systems of our vendors and other companies with which we do business, which could result in the disruption of business operations, the release of private information and the incurrence of liabilities and costs; changes in costs that impede our ability to effectively implement new information technology systems or to operate and maintain current production technology; changes in technologies, possibly making some of the current technology we utilize obsolete or introducing new cyber security risks; insufficient technology skills, which could lead to the inability to develop, modify or maintain our information systems;

Risks, Uncertainties and Other Factors That Could Affect Future Results

Strategic Risk

growth or decline of our customer base due to new uses for our services or decline in existing services, including, but not limited to, the effect of the trend toward distributed generation at customer sites; the potential effects of negative publicity regarding our business practices, whether true or not, which could hurt our reputation and result in litigation or a decline in our common stock price; changes in our strategic business plans, which could be affected by any or all of the foregoing, including the entry into new businesses and/or the exit from existing businesses and the extent of our business development efforts where potential future business is uncertain; wholesale and retail competition including alternative energy sources, growth in customer-owned power resource technologies that displace utility-supplied energy or that may be sold back to the utility, and alternative energy suppliers and delivery arrangements; entering into or growth of non-regulated activities may increase earnings volatility; the risk of municipalization or other forms of service territory reduction;

External Mandates Risk

changes in environmental laws, regulations, decisions and policies, including present and potential environmental remediation costs and our compliance with these matters; the potential effects of initiatives, legislation or administrative rulemaking at the federal, state or local levels, including possible effects on our generating resources, prohibitions or restrictions on new or existing services, or restrictions on greenhouse gas emissions to mitigate concerns over global climate changes; political pressures or regulatory practices that could constrain or place additional cost burdens on our distribution systems through accelerated adoption of distributed generation or electric-powered transportation or on our energy supply sources, such as campaigns to halt fossil fuel fired power generation and opposition to other thermal generation, wind turbines or hydroelectric facilities; failure to identify changes in legislation, taxation and regulatory issues that could be detrimental or beneficial to our overall business; policy and/or legislative changes in various regulated areas, including, but not limited to, environmental regulation, healthcare regulations and import/export regulations;

Financial Risk

weather conditions, which affect both energy demand and electric generating capability, including the impact of precipitation and temperature on hydroelectric resources, the impact of wind patterns on wind-generated power, weather-sensitive customer demand, and similar impacts on supply and demand in the wholesale energy markets; our ability to obtain financing through the issuance of debt and/or equity securities, which could be affected by various factors including our credit ratings, interest rates, other capital market conditions and global economic conditions; changes in interest rates that affect borrowing costs, our ability to effectively hedge interest rates for anticipated debt issuances, variable interest rate borrowing and the extent to which we recover interest costs through retail rates collected from customers; changes in actuarial assumptions, interest rates and the actual return on plan assets for our pension and other postretirement benefit plans, which could affect future funding obligations, pension and other postretirement benefit expense and the related liabilities; the outcome of legal proceedings and other contingencies; economic conditions in our service areas, including the economy's effects on customer demand for utility services; economic conditions nationally may affect the valuation of our unregulated portfolio companies; declining energy demand related to customer energy efficiency, conservation measures and/or increased distributed generation; changes in the long-term climate and weather could materially affect, among other things, customer demand, the volume and timing of streamflows required for hydroelectric generation, costs of generation, transmission and distribution; Increased or new risks may arise from severe weather or natural disasters, including wildfires; industry and geographic concentrations which could increase our exposure to credit risks due to counterparties, suppliers and customers being similarly affected by changing conditions; deterioration in the creditworthiness of our customers;

Energy Commodity Risk

volatility and illiquidity in wholesale energy markets, including exchanges, the availability of willing buyers and sellers, changes in wholesale energy prices that could affect operating income, cash requirements to purchase electricity and natural gas, value received for wholesale sales, collateral required of us by individual counterparties and/or exchanges in wholesale energy transactions and credit risk to us from such transactions, and the market value of derivative assets and liabilities; default or nonperformance on the part of any parties from whom we purchase and/or sell capacity or energy; potential environmental regulations or lawsuits affecting our ability to utilize or resulting in the obsolescence of our power supply resources; explosions, fires, accidents, pipeline ruptures or other incidents that could limit energy supply to our facilities or our surrounding territory, which could result in a shortage of commodities in the market that could increase the cost of replacement commodities from other sources;

Compliance Risk

changes in laws, regulations, decisions and policies at the federal, state or local levels, which could materially impact both our electric and gas operations and costs of operations; and the ability to comply with the terms of the licenses and permits for our hydroelectric or thermal generating facilities at cost-effective levels.