Avista Corporation 2020 Task Force on Climate-related Financial Disclosures (TCFD) Report

Better energy for life

Task Force on Climate-related Financial Disclosures

Climate change presents financial risk to the global economy. Financial markets need clear, comprehensive, high-quality information on the impacts of climate change. This includes the risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies in our changing world. The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information[1].

This report represents Avista Corporation's first TCFD disclosure and is intended to serve as a baseline for future disclosures and improvements as we mature with the TCFD implementation recommendations and incorporate feedback from stakeholders. Our TCFD disclosures align with our commitments to Corporate Responsibility in managing 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. Additional information highlighting our commitments to Corporate Responsibility, including our commitments to our Environment, Our People, Our Customers and Communities and our Ethical Governance will be available at www.avistacorp.com commencing in January of 2021.

Governance

Board Oversight

Avista Corporation's (Avista or Company) vision is to deliver better energy for life. We strive to fulfill this vision by improving the lives of our customers through the safe, reliable and affordable delivery of energy. The Company's guiding values of trust, innovation and collaboration support our commitments to Corporate Responsibility, which encompass a broader approach to sustainability in order to build long term value for our stakeholders. 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, the integration of Corporate Responsibility into our business strategies as a Company is a reflection of our sustainability priorities.

Avista's Board of Directors (Board) is responsible for directing and overseeing the management of the business and affairs of the Company. As such, the Board provides strategic direction and oversight of the Company's affairs, with a view to serving the best interests of the Company and its shareholders and other stakeholders. The Board plays an active role in the oversight of the Company's risk management processes, including the identification of major risks and opportunities affecting the Company in pursuit of its strategic goals. The Board's strategic and risk oversight processes are integrated within our governance practices, which include regular reporting and communication from management on areas of material risks and opportunities to the Company, together with the mitigation or implementation strategies for these risks and opportunities, including climate change related matters.

While the full Board retains responsibility for the general oversight of risks and opportunities, the Board's primary oversight is conducted through the committees of the Board as set out in their respective Charters. Specifically, the Avista Board has assigned oversight responsibility for the Company's strategy and disclosure of Corporate Responsibility matters, which include environmental, social and governance (ESG) issues, to the Governance and Corporate Responsibility Committee. The Environmental, Technology and Operations Committee is likewise assigned oversight responsibility for the Company's business and operational risks. Issues concerning existing and emerging climate change related risks

[1] https://www.fsb-tcfd.org/

and opportunities including the Company's clean energy goals are reviewed and regularly discussed by this Committee. The Audit Committee is similarly assigned oversight responsibility for the Company's climate change related disclosures in Avista's financial statements and oversees the Company's Enterprise Risk Management (ERM) program. The Compensation Committee is assigned oversight of issues relating to human capital management, including employee satisfaction, engagement, diversity, equity and inclusion. These four committees are all comprised of independent Board directors. Avista's full Board is apprised of climate change related issues and performance through reports from the Committee Chairpersons at each Board meeting. This enables the Board and its Committees to coordinate risk oversight, particularly with respect to the interrelationships among various climate change related risks and opportunities.

Avista Corporation Board Committees	
Governance and Corporate Responsibility Committee	Advises the Board on corporate governance matters and oversees the risks relating to such matters, including recommending guidelines for the composition and size of the Board and its committees, evaluating Board effectiveness and organizational structure and setting director compensation. Also oversees the Company's strategy and disclosure of corporate responsibility matters, which include environmental, social and governance issues.
Environmental, Technology and Operations Committee	Assists the Board in overseeing risks associated with the Company's business and operational risks, other than financial risks. This includes legal and regulatory compliance in its operations including environmental compliance. The Environmental Committee also oversees the Company's environmental performance and strategy, employee and public safety, supply chain risk and associated risk mitigation strategies and physical, cyber security, and data governance.
Finance Committee	Assists the Board in overseeing that corporate management has in place strategies, budgets, forecasts, and financial plans and programs, including adequate liquidity, to enable the Company to meet its goals and objectives and oversees the associated risks. Also includes reviewing management's qualitative and quantitative financial plans and objectives for both the short and long-term; approving strategies with appropriate action plans to help ensure that financial objectives are met; having in place a system to monitor progress toward financial goals, including monitoring commodity price and counterparty credit risk, as well as taking any necessary action; and overseeing and monitoring employee benefit plan investment performance and approving changes in investment policies, managers, and strategies.
Audit Committee	Assists the Board in overseeing the integrity of and the risks related to the Company's financial statements, the Company's compliance program, the qualifications and independence of the independent registered public accounting firm, and the performance of the Company's internal audit function and independent registered public accounting firm.
Compensation and Organization Committee	Considers and approves, as well as oversees the risks associated with, compensation and benefits of executive officers of the Company. Responsible for overseeing the organizational structure of the Company and succession planning for our CEO and executive officers. Also oversees the Company's strategies, objectives and performance relating to human capital management – including diversity and inclusion.
Executive Committee	Has and may exercise, when the Board is not in session, all the powers of the Board that may be lawfully delegated, subject to such limitations as may be provided in the Bylaws, by resolutions of the Board, or by law. Generally, such action would only be taken to expedite Board authorization for certain corporate business matters when circumstances do not allow the time, or when it is otherwise not practicable, for the entire Board to meet.

Role of Management

While the Board is responsible for oversight of the Company's strategic and risk management processes, Avista's management team is responsible for the day-to-day operations and performance of its strategic objectives and management of risks. Climate change related risks and opportunities and their associated mitigation and implementation strategies are managed and executed by Company management. Managers are responsible for understanding climate change related trends, risks and opportunities, participating in risk assessments, and preparing and executing mitigation and implementation activities. Managers are also responsible for monitoring performance and reporting results of their climate change related risk and opportunity activities to their leader. These performance results are reported to appropriate officers as well. On a quarterly basis or more often if needed, Company officers will report on the performance of these climate change related issues to the appropriate Board committee or to the full Board.

In addition, Avista has created four councils that are centered around its primary focus areas: our customers, our people, perform, and invent. The Perform Council is an interdisciplinary team of Company officers, management, and other employees which regularly meets to discuss, assess, and manage current and emerging issues associated with the Company's performance. A key area of focus for the Perform Council (like its predecessor, the Clean Energy Council) is climate change related risks and opportunities. Among other things, the Perform Council facilitates internal and external communications regarding climate change related issues, analyzes policy effects, anticipates opportunities and evaluates strategies for the Company, develops recommendations on climate change related policy positions and action plans and provides direction and oversight with respect to the Company's clean energy goals. On a quarterly basis or more often if needed, representatives from the Perform Council will report on the performance of these issues to the Environmental, Technology and Operations Committee, to another appropriate Board committee or to the full Board. In 2019, the Company also established a Corporate Responsibility Committee, a cross-functional team devoted specifically to sustainability and ESG matters. This Committee promotes alignment of our strategies to our Corporate Responsibility commitments in managing the environmental, social and economic effects of our operations, while endeavoring to have a positive, lasting impact on the society and environments in which we operation.

When reporting to Board committees or to the full Board, management will provide report summaries and performance progress on climate change related issues and their associated work activities. During these meetings, active discussions occur between management and Board directors concerning the climate change related issues being reported. It is the responsibility of management to incorporate Board oversight feedback and guidance from these committee or full Board meetings back into their day-to-day operational responsibilities. This may include revisions to strategic objectives, management of climate change related risks and opportunities and performance reporting recommendations. Management is likewise responsible for executing on, and monitoring performance relating to, Board provided feedback and guidance for inclusion in future committee or full Board report updates.

Strategy

Avista's purpose goes beyond providing the energy that powers the daily lives of our customers. We are here to improve the quality of life and to enhance the strength, health and vitality of the communities we serve and call home. As part of this commitment, we have carefully considered how our business intersects with the environment for decades, as witnessed by our strong environmental record and as one of the cleanest power producers in the country when it comes to greenhouse gas emissions. Our clean electricity goals are another important step forward in ensuring environmental stewardship while continuing to meet the energy needs of our customers and communities today and well into the future. We believe that all of us play a role in addressing climate change related risks and opportunities and that being good stewards of our shared resources is a collective effort. As part of this effort, we will continue to work together with our customers, communities and other stakeholders toward a lower carbon future while keeping our system safe, reliable and affordable.

This Strategy section contains climate change related risks and opportunities that Avista is currently tracking and that are responsive to and organized by the TCFD implementation guidance. Please note that this Strategy section does not cover all risks facing the organization and contains summaries of those TCFD requested risks and our current expectations. Readers should note the warning about Forward Looking Statements included at the end of this report, and are encouraged to review our most recent Annual Report on Form 10-K, or Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission, for further details and listing of risks and assumptions. Those reports are also available on our website at www.avistacorp.com

Transition Risks

Policy, Legal and Market Risks

Concerns about long-term global climate changes and the potential impacts of such changes could have a significant effect on our business. Our operations could be affected by changes in laws and regulations intended to mitigate the risk of, or alter, global climate changes, including restrictions on the operation of our power generation resources and obligations or limitations imposed on the sale of natural gas. We may also be impacted by regulatory penalties for non-compliance, risk litigation and face higher fuel and or material costs to generate or procure energy for our customers. Due to these risks and the nature of the utility industry's historical greenhouse gas (GHG) emissions, the Company is addressing these risks through the following measures:

Avista's clean electricity goals, which are to serve our customers with 100 percent clean electricity by 2045 and to have a carbon-neutral supply of electricity by the end of 2027, meet or exceed current GHG emission reduction laws or regulations that apply to our Company. Since our founding with hydroelectric power in 1889, we have embraced and grown renewable energy generation, allowing the Company to keep our GHG emissions among the lowest in the nation. Currently, over half of our existing generation capability is clean renewable energy, including hydroelectric, biomass, solar and wind resources.

The Company's 2020 Electric Integrated Resource Plan (IRP) validates and reinforces our clean electricity goals. The IRP processes are state mandated scenario analysis planning requirements of utility regulated assets that forecast customer load and energy prices, identify generation needs, and include analysis of known and potential environmental and climate change related laws or regulations, including a social cost of carbon, among others. These scenario analyses forecast decades into the future, resulting in a Preferred Resource Strategy (PRS). The PRS is a reasonable low-cost plan balancing cost, reliability, and environmental goals and mandates. Avista's 2020 PRS includes as much as 300 MW of new renewable energy generation being acquired by 2023 and a GHG emission reduction rate of between 80-90% from 2018 levels through 2045.

With the growing emphasis on climate change related risks, the Company is witnessing numerous and sometimes

competing measures arising from consumer advocacy groups, environmental groups, federal, state, and local government positions and legislative actions that may affect Avista and the future energy prices paid by our customers. Through active monitoring and engagement of these emerging initiatives, we seek to represent our stakeholder's interests to ensure that proposed solutions do not adversely impact one stakeholder for the benefit of others. Our collaborative and respectful approach to these matters ensures that we have a seat at the table for these important discussions and continues to afford us the opportunity to best represent the interests of our customers and communities. We are there to ensure that all parties understand and recognize the economic realities facing our customers and communities when considering new mandates, rules or laws intended to address climate change related risks.

The Company is exploring Renewable Natural Gas (RNG) as a potential energy source for our natural gas customers. Regardless of the type of RNG, the captured methane gas yields substantial GHG emission savings and is considered a renewable energy resource. Avista determined that RNG was a cost-effective energy source for our natural gas customers in our 2018 Natural Gas IRP. As such, we continue to explore RNG project development in our service territories and view RNG as part of our natural gas future.

As a downstream natural gas local distribution company (LDC), we do not have the ability to directly impact methane emissions from the upstream or midstream sectors of the natural gas industry. However, in addition to supporting the research and development of RNG, we are also engaging with natural gas producers and pipeline companies to advocate for their development of commitments and goals regarding methane reduction strategies. Likewise, we are participating in the EPA's Methane Challenge and another national effort to develop a common metric for measuring and reporting methane emission intensity and we participate in the American Gas Association's (AGA) environmental, social, governance (ESG) and sustainability reporting template. Within Avista's natural gas LDC, we are taking direct measures to reduce our fugitive methane emissions. We employ integrity management programs to measure, monitor and address risks to our natural gas infrastructure, including a replacement program for removing aging and leak prone pipeline and a comprehensive leak survey program for identifying and remediating natural gas pipeline leaks. Most of our fugitive methane emissions are the result of excavation damages to our facilities by the public rather than from our operational processes. To combat this threat, we invest in public awareness and training campaigns within our communities in order to reduce the numbers of dig-ins and related impacts to our facilities.

Since 1995, we have been promoting energy efficiency and conservation programs to our natural gas customers. These programs provide economically feasible strategies to reduce customers' usage of natural gas. With over 12 million cumulative therms of natural gas conserved through energy efficiency measures in the past decade, our customers are not only benefiting from lower energy usage and avoided costs, but together we have also avoided the associated GHG emissions as a result of this lower natural gas usage.

For our electrical customers, we began offering energy efficiency and conservation programs beginning in 1978. These programs provide cost effective strategies to reduce customers' usage within the prevailing market and economic conditions. Currently, 155 aMW of electrical energy efficiency is benefiting our customers each year, representing nearly 12.2 percent of our 2018 electrical load requirements. Put simply, we are avoiding the associated greenhouse gas emissions of these 155 aMW of electrical generation due to the energy efficiency and conservation actions of our electrical customers.

Technology Risk

The threat of long-term global climate changes and the potential impacts of such changes is requiring the development of new technologies and capabilities to support and enable the energy industry's transition to a lower carbon future. While new technologies and related products and services will be key to the fulfillment of long-term zero emission goals for many, technology risks also present shorter-term risks. Among these are the potential for unsuccessful adoption of emerging technologies, high costs of research, development and implementation, and failure to adopt and deploy in an efficient manner new practices and processes in order to leverage the new technology. Due to these risks and the nature of the utility industry's reliance on technology to support a lower carbon future, the Company is addressing these technology risks through the following measures:

Avista has always been on the forefront of clean energy and innovation. We have created companies like Itron, Ecova and Relion that all play a role in developing, supporting and implementing clean energy, increasing energy efficiencies and contributing to lower GHG emissions in support of the transition to a lower carbon future. The Company has also been actively involved in smart grid initiatives and partnerships with third parties to efficiently research, develop and innovate the grid of the future. More recently, we served as a founding partner of Urbanova, Spokane's smart city living laboratory and created a unique and novel Eco-District to advance energy innovation.

Collaboration and innovation are key strategies that we employ in order to increase insights, domain expertise, cost efficiencies and product and service opportunities across a broad range of organizations. Avista partners with similar oriented organizations who are poised to tackle the challenges of developing the digital and intelligible grid of the future. This includes leveraging federal and state grants for smart grid projects, involvement in industry initiatives, exploration of third-party technologies, and partnerships with local universities and national research labs in a continuous effort to learn, adapt and prepare for future technological innovations.

The Company has similarly partnered with Energy Impact Partners (EIP) to further develop and learn from leading-edge energy solutions. EIP bring the best companies, experience and vision in the energy industry to tackle the issues around our emerging energy landscape. Key focus areas include energy efficiency, sustainable generation, energy storage, connected devices, big data and software solutions, and energy management. In working with EIP and their coalition of other progressive utilities, we help ensure that innovation remains firmly at the core of our business as we continue to drive technology advancements with the goals of increasing energy efficiency for our customers and communities and reducing emissions as we transition to a lower carbon future.

Urbanova's smart city projects harness data to gain insights, empower people and solve urban challenges in new ways – all with the goal of enabling healthier citizens, safer neighborhoods, smarter energy infrastructure, a stronger economy and a more sustainable environment. Our Shared Energy Economy Model Pilot is testing the integration of energy assets – from rooftop solar and battery storage to building energy management systems – that can be shared and used for multiple purposes. Our project goal is to examine how we may share benefits with our customers and communities in a shared energy economy model by demonstrating that the electric grid can become more reliable, efficient, resilient and flexible.

Avista's newly launched Eco-District in Spokane's University District will allow us to shape how our smart grid of the future will perform and to define how buildings can operate and utilize energy in the most efficient manner. The company was intentional in our desire to create "the five smartest blocks in the world" by creating a place to partner with others to reimagine our shared energy future and advance energy innovation. The Eco-District, anchored by the Scott Morris Center for Energy Innovation and the Catalyst building, is intended to show the utility industry what is possible. Ultimately, the Eco-District will enable us to innovate and test new ideas about how to share energy. What we learn could not only shape how the grid of the future will operate, but also provide a transformative new model for the entire utility industry. This effort demonstrates Avista's commitment to investing in bold ideas, new technologies and innovative partnerships to leverage the grid in new ways for a more sustainable energy future.

Innovation and creativity are embedded throughout our culture at Avista. The Company encourages and nurtures an entrepreneurial spirit among our employees and gives them the freedom, opportunity and support to turn good ideas into viable business opportunities. We have an Innovation Team comprised of leaders and employees with business creation and development experience who review and consult with employees regarding proposed innovations or enhancements to existing products or services. Twice a year, the Innovation Team facilitates a Company-wide "Pitch Jam" to solicit ideas around business and technology innovation applicable to the energy industry. We have also recently implemented a new annual President's Leadership Award for Innovation that recognizes and celebrates an employee and a group or team of employees who have demonstrated a commitment to innovation over the past year. Through our innovative and pioneering vision, we will find new ways to grow, learn and create the utility of the future.

Reputation Risk

The electric and natural gas industries are at the forefront of long-term global climate change discussions, and our stakeholders collectively share a common desire to move towards a lower carbon future. During this societal transition, there are potential risks related to our reputation and how we engage and manage our stakeholder relationships on these critical climate change related issues. The Company is addressing these reputational risks through the following measures:

Avista is committed to conducting our business ethically and being transparent about our actions to all our stakeholders. We know that our work directly empowers our customers to live their lives to the fullest. As such, we carefully consider how our business intersects with our customers and communities, especially on major issues such as climate change. We are committed to working together with our customers, communities and other stakeholders to address the challenging issues of climate change, and aid in the transition to a lower carbon future in ways that make environmental, technological and economic sense for our stakeholders.

Our clean electricity goals of serving our customers with 100 percent clean electricity by 2045 and having a carbon-neutral supply of electricity by the end of 2027 are clear commitments, through which we are responding to our stakeholders' interests around climate change. The IRP processes that result in the Company's future generation portfolio and related GHG emissions trajectory is stakeholder driven. The IRP development is a public process which includes Company personnel, customers, consumer advocates, academics, utility peers, government agencies, environmental groups, public utility commission staff and other interested parties. This stakeholder engagement provides a robust forum that facilitates the exchange of ideas and discussion of relevant issues and risks. Our state regulators ensure that environmental impact, reliability, conservation, efficiency and costs are factored into the IRP processes in order to support the interests of our stakeholders.

As previously discussed under the Policy, Legal and Market Risks section above, we continue to experience numerous and often competing climate change related measures arising from consumer advocacy groups, environmental groups, federal, state, and local government positions and legislative actions that may affect Avista and our customer's energy prices. We engage with these stakeholders in order to understand their positions and to represent the interests of our customers and communities. The company's collaborative engagement ensures that all parties understand and recognize the economic realities facing our customers and communities when considering new mandates, rules or laws intended to address climate change related risks.

As part of Avista's stakeholder engagement, we employ Regional Business Managers (RBMs) who partner with local government, businesses and civic organizations across our service territories and focus on measures that improve quality of life, economic growth, sustainability efforts and other local infrastructure projects. RBMs also facilitate the identification of philanthropy, grant and sponsorships opportunities that support economic development, cultural vitality and education in the communities that we serve.

In 2019, our Company celebrated its 130th anniversary by committing a new investment of $7 million into the Avista Foundation which serves as our primary charitable organization. The Avista Foundation provides grants for community vitality, education, health and human services, arts and culture, and youth organizations and programs throughout our service territories. Our vision for giving back means that we are investing in organizations and causes in ways that can be transformational and have long-lasting impact, reinvesting in the communities we serve.

By placing our customers and communities at the center of everything we do, we ultimately hold their interests at the forefront of our decisions. The Company's support of innovation and building the smarter grid of the future not only benefits our utility operations, but also provides the foundation for future products and services for our customers. For example, our recent rollout of smart meters provides customers with a greater understanding of, and the ability to control, their energy use going forward. Additionally, customers will also receive enhanced personalized service as our representatives will have better data in order to provide unique solutions to our customers' specific needs.

As previously discussed, Avista has a long and successful track record of providing conservation and energy efficiency programs to our electric and natural gas customers. Not only are customers saving energy and reducing their bills, but together we are all benefiting from the reductions in GHG emissions associated with this avoided energy use. To support these conservation and energy efficiency programs from a revenue perspective, the Company has regulatory decoupling mechanisms in place with each of our state's public utility commissions. Decoupling ensures that reductions in customer energy usage due to abnormal weather, conservation or energy efficiency will not negatively impact Company revenue.

We set clear customer service goals through our Service Quality Measures (SQM) program. The SQM program measures our performance with customer service response and quality metrics, field order and service response times, and system reliability goals among others. On an annual

basis, we compile the results of the SQM program and make a public filing with our state public utility commissions in Washington and Idaho. We also send customers an SQM Report Card detailing the results of our efforts. This Report Card serves to highlight our ongoing commitments to customer satisfaction. Embedded within our SQM program is a key metric that we continuously track, the Voice of the Customer. Administered by a third-party vendor, we survey and measure the satisfaction of customers who interacted with our contact centers or who received field services from one of our multiple points of service. For each of the past 20 years, our Voice of the Customer satisfaction ratings have exceeded 90 percent.

Avista's focus includes conducting ourselves with integrity and genuine care for our stakeholders that benefits our environment, is responsive and provides value to our customers and contributes to healthy and vibrant communities in the areas we serve. In 2020, we were recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the 2020 World's Most Ethical Companies. Our actions are mission-driven and values-based, with a commitment to achieving our organizational goals in ways that deliver value for all our stakeholders. We're honored to receive this recognition, which demonstrates the leadership of our employees and Avista's commitment to our ethical culture.

Physical Risks

Acute Physical Risks

Climate change may increase the frequency of severe weather events, including wildfires, windstorms, snow and ice storms and flooding, which could disrupt and damage the Company's infrastructure used in energy generation, transmission and distribution operations. Due to the geography of our service territories, the location of our infrastructure and the historic impact of severe weather events on our utility operations, the Company is addressing these risks through the following measures:

Avista has been responding to severe weather events for over 130 years and has developed many operational and storm response procedures to mitigate the impact of these events on our infrastructure, customers and communities. In additional to mutual aid agreements with regional and national utilities and existing partnerships with utility service contractors, Avista has developed Emergency Operating Plans (EOPs) and Emergency Action Plans (EAPs) to respond to varying types of emergencies, from large utility outages, wildfires, flooding, earthquakes, cyber security breaches or other emergencies. The EOPs and EAPs are focused on responding to the initial emergency, minimizing potential dangers to people, property and the environment, and stabilizing the situation until return to normal operations. These plans are regularly exercised internally and in conjunction with local emergency responders and peer utilities.

The design, construction, operation, inspection and maintenance of our utility infrastructure complies with regulatory safety and reliability requirements. The use and application of new and emerging design standards and construction materials contribute to the reliability of our systems and internal grid hardening programs such as replacing wooden transmission poles with steel poles improve their ability to withstand higher winds and other extreme weather events. The Company also implements asset maintenance and management programs, including a

robust vegetation management program, and employs physical and cyber security protection measures to guard against intrusions and potential disruptions to the energy grid.

The Company recently expanded its current safeguards for preventing, mitigating and reducing the impact of wildfires with an enhanced Wildfire Resiliency Plan. This plan seeks to further minimize the possibilities of wildfires and their related impacts on our customers and communities through the expansion of our current operational safeguards and by emphasizing grid hardening, vegetation management, situational awareness, operations and emergency response partnerships with emergency providers and fire agencies, and by providing information and resources to our customers and communities in order for them to protect their property and help prevent the ignition and/or spread of wildfires.

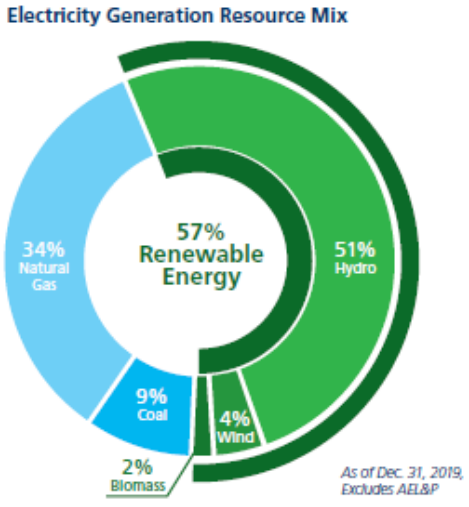
For over a decade, Avista has been implementing numerous smart grid technologies that not only aid our customers in offering additional products and services, but also enhance the reliability of our electrical system. Our distribution management system actively manages energy conservation, monitors our electrical distribution system and can autonomously manage certain outage restoration processes through self-healing configurations. Our recent deployment of Advance Metering Infrastructure (AMI or Smart Meters) further enhances operational efficiencies and improved outage detection and restoration through active two-way communications between the utility and the customer meter.

Our customers are at the center of everything Avista does and we hold ourselves accountable to providing outstanding service, especially when faced with severe weather events. We actively monitor weather, storm warnings and other unfolding emergency events and proactively communicate with customers regarding the potential for service disruption, how to stay safe and how to contact local community support services. We also provide customers with tips about preparing for a potential service interruption as well as various communication channels to keep our customers informed on restoration efforts and estimated times for service restoration.

Chronic Physical Risks

Increasing temperatures, changing precipitation patterns, prolonged drought conditions, and other climate-related weather changes may impact customer demand, water availability, hydroelectric operations and cost of generation among other business activities. While some of these chronic physical risks, such as rising sea levels, may not pose a risk to our utility operations, others may impact our operations in the future, and the Company addresses these potential risks through the following measures:

Thermal generation resources fueled by coal and natural gas traditionally rely on large amounts of water for cooling plant equipment and powering steam turbines for electricity production. Avista's clean electricity goals, announced in 2019, emphasize our intent to continue to transition from thermal resources toward additional renewable resources to enhance our generation portfolio—a portfolio that is already comprised of over 50% renewable generation. The Company's 2020 IRP supports our clean electricity goals and transition to a lower carbon future by planning to exit Colstrip Units 3 & 4 (coal generation) and our Lancaster power purchase agreement (natural gas generation) by 2026, thereby significantly reducing both our greenhouse gas emissions and water use.

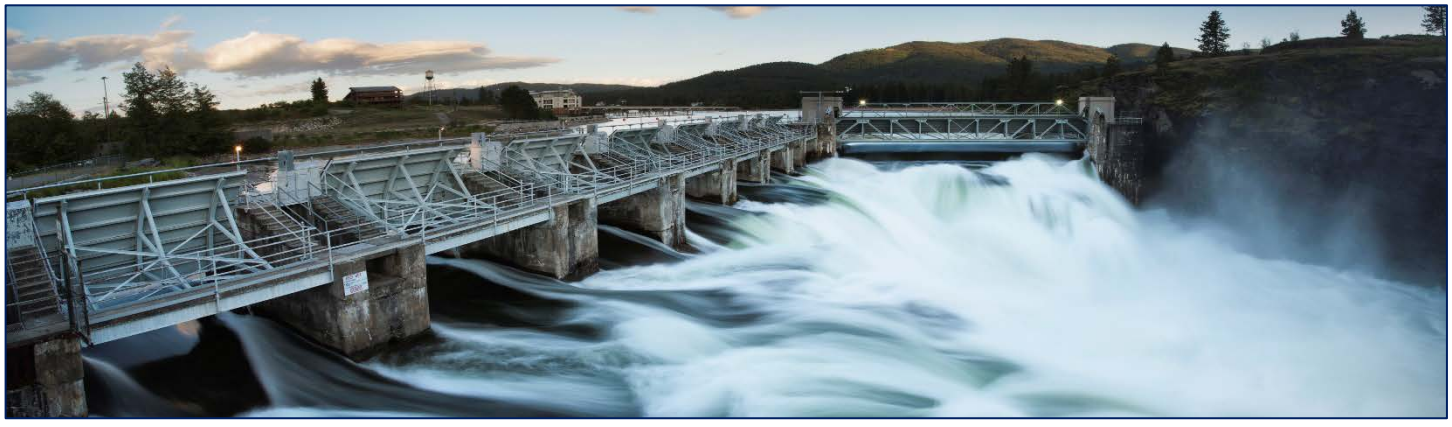


As currently planned in the Company's 2020 IRP, the only remaining fossil-fueled baseload plant past 2026 would be Coyote Springs 2, an efficient natural gas-fired combined-cycle combustion turbine (CCCT) plant. Because the plant is located adjacent to the Columbia River at a location with water rights from a source with high base flows, there is less likelihood of prolonged droughts negatively impacting water availability.

Avista has managed its access to water for its operations, both for the generation of electricity and other operational uses in the course of its business, by securing necessary water rights. The Company's service territories and generating plants are all located in states which recognize water rights through prior appropriation, and we currently have water rights secured for our existing generation portfolio and other operational needs. Most of our non-generation consumptive water use is associated with office locations within municipalities that provide water service as a local utility. Going forward, Avista will continue to partner with our local and state agencies in complying with our existing water rights and, if necessary, to acquire additional water rights as needed. Avista also protects its water rights through the general adjudication processes initiated by individual states.

As of December 31, 2019, fifty-one percent of Avista's electricity generation resource portfolio is comprised of renewable hydroelectric power. The Company's hydroelectric plants are located within two different water basins, along the Clark Fork River in northwestern Montana and northern Idaho and along the Spokane River in northern Idaho and eastern Washington. Located in the interior Pacific Northwest, both river systems are not expected to experience significant water stress in the foreseeable future, especially compared to other river systems located in southern regions of the United States. Regional climate modeling currently indicates potential increases in overall precipitation in the interior Northwest, albeit with earlier or more variable runoff. Avista's hydro resources benefit from a combination of higher-altitude snowpack and upstream reservoirs. The FERC licenses and related agreements governing hydro operations provide significant operational flexibility for Avista's hydroelectric resources. The Company also employs Hydro Operations Engineers to monitor and forecast water availability for our hydroelectric plants in order to optimize generation performance. By tracking and modeling weather forecasts, measuring precipitation and snowpack levels and assessing river flow conditions, an inventory of available water and a generation schedule is produced to optimize the production of electricity from our hydroelectric plants.

Avista's Integrated Resource Planning processes are state-mandated scenario analysis planning requirements of regulated assets that forecast customer load and energy prices decades into the future. These forecasts include a range of planning scenarios including environmental and regulatory requirements, customer load forecasts which include weather and climate related forecasts, shifting customer energy preferences including conservation, demand response, distributed generation and increased electric vehicle adoption rates, and other analysis targeted to quantify potential impacts and changes to load and energy prices in the future. The result of this process is the identification of a Preferred Resource Strategy to meet customer energy needs in the future while balancing affordability, reliability and environmental goals and mandates.



Opportunities

Renewable Energy

Since the Company's founding on renewable hydroelectric power in 1889, Avista has continued to increase the share of renewable energy in our generation portfolio. Currently over half of our existing generation capability is renewable energy, including hydroelectric, biomass, solar and wind resources. Our existing hydroelectric generation is a flexible baseload energy resource that supports the integration and operational reliability of renewable energy generation. When the wind dies down and the sun does not shine as brightly, our hydroelectric generation can immediately ramp up to balance this unanticipated dip in renewable generation, ensuring a smooth generation profile across our resource portfolio.

The costs and operational efficiencies of renewable energy resources have steadily been improving over the past several decades and this trend is expected to continue. In addition, renewable energy projects do not emit GHG emissions, are more geographically diverse, utilize far less water if any, and may be sited in numerous different areas across our service territories as compared to traditional baseload thermal plants. These renewable energy characteristics lower the risks associated with acute and chronic physical climate change risks and aid in the transition to a lower carbon future that aligns with Avista's clean electricity goals. Our IRP planning processes have also validated the continued transition to renewable energy projects into the future.

To further take advantage of renewable energy opportunities, Avista will begin operating within the Western Energy Imbalance Market (EIM) operated by the California Independent System Operator (CAISO) in the western United States in April of 2022. The Western EIM is a real-time energy balancing market that automatically uses the lowest-cost electric resources available over a large geographic area to meet utility customer needs while optimizing the use of renewable energy. By rebalancing supply and demand across a larger more diverse footprint and in a more economic manner, the Western EIM participants can share generation resources, which drives customers costs lower and allows for the efficient use of renewable energy resources while maintaining the reliability of the electrical grid.

As previously discussed, we are exploring Renewable Natural Gas as a potential energy source for our natural gas customers. RNG typically refers to the mixture of gases produced by the biological breakdown of organic matter in the absence of oxygen and may be produced by anaerobic digestion or fermentation of biodegradable materials such as wood biomass, manure or sewage, municipal waste, green waste or other energy crops. Regardless of the type of RNG, the captured methane gas yields substantial GHG emission savings and is considered a renewable energy resource. Avista determined that RNG is a cost-effective energy source for our natural gas customers in our 2018 Natural Gas IRP. As such, we continue to explore RNG project development in our service territories and view RNG as part of our natural gas future.

Continued growing customer demand for clean energy ensures that Avista will seek opportunities to incorporate renewable energy choices into our customer product and service offerings. The Company currently offers several voluntary clean energy programs for our customers in order to provide simple, flexible and convenient opportunities to directly support the continued expansion and transition to clean, renewable energy.

Customer Clean Energy Programs	
My Clean Energy	Funds received from participating customers are used to purchase Renewable Energy Credits (RECs) from renewable energy facilities. Funds may also be used towards the construction of new community-based projects that increase public support of renewable energy through education, and growing awareness of renewable energy technologies.
Community Solar	Participating customers can purchase a stake in a community-based solar array. Over the life of the solar array project, participating customers will realize energy cost savings in the form of monthly credits on their utility bills.
Solar Select	Offered to our commercial and industrial customers, the Solar Select program provides the opportunity to acquire solar electricity and the associated RECs with no additional costs. This program is powered by a large solar array located in central Washington and includes more than 80,000 panels across 200 acres.

Energy Efficiency

For over forty years, Avista has been providing a variety of energy efficiency and conservation programs to our customers. We believe that some of the most effective carbon reduction strategies that we can implement involve helping customers avoid energy usage in the first place. As previously discussed, in the past decade alone our customers have realized energy efficiency savings in excess of 900 million Kilowatt hours of electricity and over 12 million therms of natural gas. Our current IRP planning processes on the electric and natural gas sides of our business both continue to identify long term and increasing value in the Company's offering of energy efficiency and conservation programs to our customers.

The Company's investments in developing a smart grid technology will not only improve our operational efficiencies going forward, but customers will also be able to take advantage of new energy efficiency and conservation opportunities through enhanced digital two-way technologies. These new product and service offerings will contribute to the Company's efficient operations by smoothing its energy demand curve through automated load transfer, demand response and price signaled demand control. The Company anticipates that demand response programs will be an integral part of serving peak load using a variety of cost-effective program incentives and rate redesigns.

Based on our 2020 electric IRP, the Company expects 187 aMW of electrical energy efficiency from our customers through 2045. These energy efficiency savings are estimated to reduce regional emissions by 3.25 million metric tons between 2021 and 2045. On the natural gas side of our business, we anticipate a similar increase in energy efficiency opportunities to be realized in the future. Based on our 2018 natural gas IRP, the Company expects cumulative energy

efficiency savings in excess of 70 million therms through 2038. By the end of this 20-year timeframe, this represents approximately 20 percent of our baseline natural gas supply forecast for our customers being provided through energy efficiency.

By continuing to offer our conventional energy efficiency and conservation programs and by leveraging new and emerging technologies that are anticipated both on the utility side and the customer side of the meter, the Company expects energy efficiency opportunities to remain an important part of our transition to a lower carbon future.

Electric Transportation

Globally, we are at the cusp of a major transformation in the transportation and energy sectors, which may provide significant long-term economic and environmental benefits as we transition to a lower carbon future. Avista is committed to this transformation and has implemented numerous initiatives over the years to lay the groundwork for taking advantage of these electric transportation opportunities.

Wrapping up in 2019, Avista conducted a pilot program related to Electric Vehicle Supply Equipment (EVSE). This program, the first of its kind in Washington state and one of a few in the nation, resulted in the installation of 439 EVSE charging ports, including 226 residential locations, 123 workplace locations, 24 fleet installations, 20 multiple-unit dwelling locations, and 7 DC fast charging units in our Washington service area. This successful program enabled Avista to better understand the operation of EVSE infrastructure on our electrical system, recognize our customer needs in this area, and provide support for early electric vehicle adoption in our service territories.

With ongoing advances in electric vehicle technology and cost reductions, the widespread adoption of light-duty electric passenger vehicles and trucks is highly likely. So too is adoption of medium- and heavy-duty electric vehicles and equipment of all types in the future. Multiple consumer segments, including residential customers, corporate fleets, forklifts and other commercial and industrial equipment and machinery and agricultural opportunities are included in these electric transportation opportunities. Today, driving an electric passenger vehicle fueled by Avista electricity emits zero local tailpipe emissions, reduces CO2 emissions by 80%, costs less to fuel than the equivalent of $1 per gallon of gasoline and saves owners as much as $300 per year in maintenance expenses.

To further prepare for our region's share of electric transportation opportunities, Avista has launched a Transportation Electrification Plan that aims to meet our growing customer expectations around electric vehicles, reduce transportation related GHG emissions, expand our charging infrastructure, promote education and outreach, and support related programs for regional electric transportation growth. We anticipate launching additional customer programs in the near future including installation services that will take the hassle out of getting an electric vehicle charger installed at our customers' home or business. Avista is well positioned to support and benefit from these electric transportation opportunities through increased electrical loads and billing revenue and a significant reduction of transportation related GHG emissions in our region.

Avista's commitment to electric transportation is also evidenced by our support and use of electric vehicles for Company use. At a growing number of our own facilities, we have installed electric vehicle charging stations to support the acquisition of electric vehicles by our employees. We have similarly offered employees the opportunity to experience electric vehicles firsthand to increase their understanding and support of this important technology. Employees have benefited from these opportunities by serving as unofficial ambassadors promoting electric vehicle use in our service territories when interacting with our customers and other members of the community.

The Company first launched a Green Fleet Program back in 2010 to research and implement cleaner vehicle technologies to support a sustainable fleet management program. Since then, we have managed our fleet resources with a focus on emerging electric vehicle and equipment acquisition opportunities and have recently announced a new commitment of converting 25% of our fleet's light duty pickup trucks to all electric pickup trucks by 2030. Our light duty pickup trucks average 9,000 miles per year and by electrifying 25% of these trucks in our fleet, we will eliminate 700 tons of CO2 emissions over the coming decade. We anticipate that electrified light duty pickup trucks will become commercially available and suitable for our utility needs in the coming years and will continue to develop and improve their capabilities and performance through the remainder of this decade.

Smart Grid

Our energy industry, associated technologies and customer expectations continue to evolve and demand more of Avista. We know that our customers and communities are relying on us and we are committed to meeting these challenges with imaginative thinking, adaptive approaches and innovative energy solutions for today and for the future. Avista has been a progressive proponent for the development of a digital and intelligible grid which enhances the product and services our customers desire in order to achieve a sustainable energy future.

Avista's deployment of Advanced Metering Infrastructure, otherwise known as smart meters, will bring significant improvements to our customers. Smart meters provide for two-way communication between Avista and our customers for operational efficiencies and improved customer usage information, and likewise provides a platform for

accommodating new and emerging technologies in conjunction with the smart grid of the future. With a smart grid, digital technologies are applied to every aspect of the industry, from generation, to transmission, to distribution, to the customer interface. This will enable the grid to sense current conditions in energy flow, improve reliability and energy efficiencies. The smart grid will also contribute to a more sustainable energy future by integrating more renewables, helping to reduce our region's carbon footprint. Our partnership with Urbanova and the creation of Avista's Eco-District are further examples of how we are preparing for and defining the smart grid of the future. We are currently testing new and emerging technologies that will aid in the transition to a low carbon future. This includes the efficient integration of energy assets, from large utility scale renewable energy projects to smaller home scale distributed energy projects, rooftop solar and battery storage projects, electric vehicle charging solutions and building energy management systems. Together, these projects will yield more efficient energy use and additional products and services for our customers in pursuit of their clean energy demands.

Avista's Eco-District executes on a desire to create "the five smartest blocks in the world" and will allow us to shape the smart grid of the future in order to realize how shared energy resources may be used in the most efficient manner possible. These efforts will make the electric grid more reliable, efficient and flexible for our needs and the needs of our customers in the future. The Company's current smart grid efforts demonstrate our commitments to investing in bold ideas, new technologies and innovative partnerships to leverage the opportunities made available by the smart grid of the future for a more sustainable and lower carbon future.

Risk Management

Climate change related risks are fundamental risks to our industry and have been shaping its evolution for an extended period of time, as witnessed by the shift from fossil fuel generation to renewables, growth in conservation and demand response, technological innovation for a smarter grid and additional products and services to our customers, and the advancing regulatory and policy frameworks supporting transition to a lower carbon future. Avista's management team utilizes an enterprise risk management (ERM) process throughout all levels of the organization to identify and assess all relevant business risks, including those related to the climate change. The ERM process supports management in identifying, assessing, quantifying, managing and mitigating our risks. In addition to climate change related risks, the Company also evaluates other sustainability and ESG factors in its integrated ERM processes as well due to the high degree of interrelationships between these subjects and our other business risks.

Avista's risk management department facilitates the collection and analysis of risk information across all areas of the Company through the application of their ERM framework methodology. The Company's ERM process includes guidance to promote a consistent risk assessment process throughout all levels of the organization. When assessing risks, each risk undergoes an assessment process to determine time horizons, as well as the likelihood and severity of potential impacts to which the Company may be exposed to. The ERM process also includes periodic review with the business of potential future potential risks in addition to the current risks. Climate change related risks are assessed using the same methodology as all other risks to which the Company is exposed.

Following the ERM risk identification and assessment processes, the risk management department reviews the business units' risk mitigation and monitoring activities. This risk management process also considers the risk appetite of the organization when determining the appropriate risk mitigation criteria, including whether to accept, avoid, transfer or reduce the potential impact of the risk to the Company. The business is responsible for implementing and ensuring that the appropriate risk mitigation activities are being executed as designed. Regular reviews and assessments of risk mitigation effectiveness occur through ongoing ERM processes, which may require the business to implement revised mitigation activities if the desired risk reduction has not been realized upon subsequent risk assessments. Climate change related risks undergo these same ERM processes for the development, execution, monitoring and assessment of risk mitigation activities.

In addition to the ongoing ERM process of gathering, assessing, monitoring and assessing risks throughout the organization, the Company's risk management department performs an annual risk review with Company officers. This formal review process serves to ensure that the ERM processes are identifying the relevant risks facing the organization, including the identification of pending and future potential risks. The risk management department facilitates the review of the organization's top risks with the officer team to enable a portfolio level review. This risk management process is designed to ensure that risks and interrelated risks are correctly identified, assessed and prioritized, to ensure alignment to Company strategy and to ensure support and budget and resources are available to successfully carry out the implementation of the risk acceptance activities.

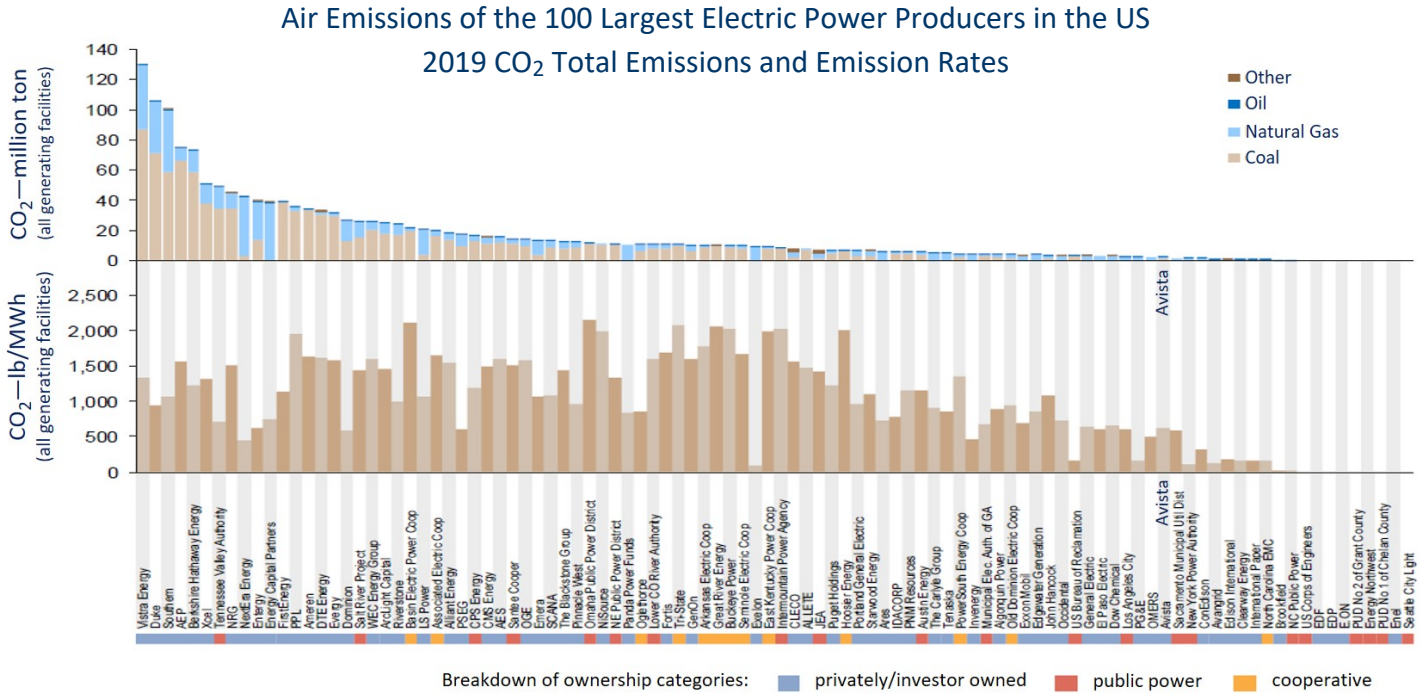
The risk management department is responsible for presenting the risks assessed through its ERM processes to which the organization is exposed, including climate change related risks, to the Company's Risk Management Committee. The Committee is an interdisciplinary team of Company officers, management and other employees which regularly meets to review current and emerging risks across the organization. Collectively, risk information is organized among the Company's primary categories of risk exposure (utility regulatory, operational, cyber and technology, strategic, external mandates, financial, energy commodity, and compliance) of which climate change related risks are embedded. The Risk Management Committee reviews the top risks across these primary categories of risk exposure to Company management and to the Audit Committee of the Board on a quarterly basis. On a quarterly basis, or more often if needed, Company officers will similarly report on top business risks, including climate change related risks, to the appropriate Board committee or to the full Board.

Metrics & Targets

Avista has utilized the Sustainability Accounting Standards Board (SASB) standards for the Electric Utilities and Power Generators industry and the SASB standards for the Gas Utilities and Distributors industry to prepare our disclosures based on the risk discussions in the preceding Governance, Strategy, and Risk Management sections of this report. The methodologies underlying these Metrics & Targets disclosures are detailed in the Electric Utilities and Power Generators and the Gas Utilities and Distributors sustainability accounting standards available at www.sasb.org The Company's disclosed SASB metrics are presented in the concluding section of this report.

The Company has also adopted the Edison Electric Institute's (EEI) and the American Gas Association's (AGA) environmental, social, governance (ESG) and sustainability reporting templates that were developed to provide the financial sector with more uniform and consistent ESG and sustainability data and information relevant for the electric utility and natural gas utility industries. Additional information regarding the EEI and AGA ESG and sustainability reporting template is available at www.eei.org These adopted ESG and sustainability reporting templates are another way that Avista captures sustainability data in alignment with our Corporate Responsibility commitments promoting transparency, accountability and engagement with our stakeholders. Please visit www.myavista.com to access Avista's EEI and AGA ESG and sustainability metrics based for the 2018 and 2019 reporting timeframes.

In April 2019, Avista announced clean electricity goals of serving our customers with 100 percent clean electricity by 2045 and to have a carbon-neutral supply of electricity by the end of 2027. We were founded in 1889 on clean, renewable hydro power and, since then, environmental stewardship has meant conducting our business in ways that honor the integrity of the natural resources in the areas we serve. This philosophy has allowed us to keep our carbon emissions among the lowest in the nation. We have long been recognized by the Natural Resources Defense Council as one of the cleanest power producers in the country when it comes to greenhouse gases. Over half of our generation capability consists of renewable energy, including hydroelectric, biomass, solar and wind resources.



Natural Resources Defense Council: Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States (July 2020) www.nrdc.org

We have long been committed to meeting the need for reliable and affordable energy while advancing environmental stewardship, and our actions demonstrate these values. Building upon our strong hydroelectric and biomass renewable energy base and to help achieve our clean electricity goals, we have recently implemented the following renewable energy projects on behalf of our customers:

2012	Palouse Wind 105 MW 30-year Power Purchase Agreement
2015	Community Solar Array 0.4 MW owned by Avista
2018	Lind Solar Farm 28 MW 20-year Power Purchase Agreement
2020	Rattlesnake Flat Wind 144 MW 20-year Power Purchase Agreement
2020	Renewable Energy Request for Proposal (RFP) for 120 aMW

Our 2020 renewable energy RFP is designed to offset market purchases and fossil-fuel thermal generation consistent with Avista's 2020 Electric Integrated Resource Plan (IRP) and reinforces our clean electricity goals. The IRP, refreshed every two years, shapes our generation resource strategy and planned generation procurements for the following 20 years, resulting in a Preferred Resource Strategy (PRS). The PRS is a reasonable low-cost plan balancing cost, reliability, and environmental goals and mandates. Some highlights of the 2020 IRP and PRS include:

Emissions	Reduce greenhouse gas emission by 80-90% from 2018 levels through 2045
Renewables	As much as 300 MW of new renewable energy generation added by 2023
Fossil Fuel Exits	Colstrip Units 3 & 4 (coal generation) and Lancaster PPA (natural gas generation) exit electric generation portfolio by 2026, significantly reducing Avista's greenhouse gas emissions
Renewables	An additional 200 MW of renewable energy generation added by 2027

We are well on our way to achieving our goal of having a carbon-neutral supply of electricity for our customers and communities by the end of 2027. The acquisition of additional renewable energy generation, the departure of our sole coal-fired thermal generating resource (Colstrip Units 3 & 4), the expiration of a natural gas-fired thermal generating resource (Lancaster PPA) and upgrades to our existing hydroelectric and biomass plants, as detailed in Avista's 2020 Electric IRP, provides a pathway to balancing cost, reliability, and our environmental goals. We believe that our commitments to the environment and to clean energy should not come through the sacrifice of affordability to our customers and communities, and we will continue to engage with all our stakeholder to make these goals a reality.

Avista CO_2e Emissions in Metric Tons Associated with Electric Power Deliveries						
Category	2005	2017	2018	2019	2028	2045
Scope 1 - Generation	2,371,430	2,093,789	2,072,194	2,371,368	Carbon Neutral Electricity Supply	100% Clean Electricity Supply
Scope 2 - Purchases	1,934,684	1,155,543	1,267,028	1,231,046		
Total	4,306,114	3,249,332	3,339,222	3,602,413		
Emission calculations adhere to the World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Corporate Protocol Standard.						

In the years past 2030, as we pursue our 100 percent clean electricity goal by 2045, we expect that technologies such as long-term energy storage, which are either not currently available or are not cost-effective, will advance such that we can meet our goals while also maintaining reliability and affordability for our customers. If the required technology is not available or not affordable in the future, we may not meet our predetermined goals in the timeframe we have forecasted. Engaging stakeholders in the IRP updates every two years will help inform specific resource decisions and adjustments in our plans. Meeting our clean energy goals may also require accommodation from economic regulatory agencies insofar as the Company may need to acquire emission offsets to meet its goals. For further review of Avista's clean electricity goals and of scenario constraints and assumptions, please refer to our 2020 Electric IRP and our most recent Annual Report on Form 10-K which is accessible at www.avistacorp.com

SASB Standards

Electric Utilities and Power Generators Standard[2]

SASB Code	Accounting Metric	Avista Utilities	
Greenhouse Gas Emission & Energy Resource Planning			
IF-EU-110a.1	Gross global Scope 1 emissions (metric tons CO_2e)	2,371,368	
	Percentage covered under emissions-limiting regulations	71.1	
	Percentage covered under emissions-reporting regulations	100	
IF-EU-110a.2	Greenhouse gas (GHG) emissions with power deliveries (metric tons CO_2e)	3,602,413	
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards	257,394	
	Percentage fulfillment of RPS target by market	100	
Air Quality			
IF-EU-120a.1	NOx emissions (metric tons); percentage of each in or near areas of dense population	1,684	3.5
	SOx emissions (metric tons); percentage of each in or near areas of dense population	675	0.1
	Particulate matter emissions (metric ton); percentage of each in or near areas of dense population	814	1.4
	Lead emissions (metric tons); percentage of each in or near areas of dense population	Not Available	
	Mercury emissions (metric tons); percentage of each in or near areas of dense population	0.1	0
Water Management			
IF-EU-140a.1	Total water withdrawn (thousand cubic meters); percentage of each in regions with High or Extremely High Baseline Water Stress	43,989,620[3]	0
	Total water consumed (thousand cubic meters); percentage of each in regions with High or Extremely High Baseline Water Stress	23,380	0
IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	0	
Coal Ash Management			
IF-EU-150a.1	Coal combustion residuals generated (metric tons)	77,170	
	Percentage of coal combustion residuals recycled	0	
IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	1x Incised, N/A 1x Significant, Satisfactory	

[2] Data provided for Avista Utilities only, 2019 operating data

[3] 99.99% of water withdrawals represent non-consumptive use by hydroelectric plants

SASB Standards

Electric Utilities and Power Generators Standard (Continued)

SASB Code	Accounting Metric	Avista Utilities	
Energy Affordability			
IF-EU-240a.1	Average retail electric rate for residential customers (USD/kWh)	$0.098	
	Average retail electric rate for commercial customers (USD/kWh)	$0.100	
	Average retail electric rate for industrial customers (USD/kWh)	$0.056	
IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh (USD)	$49.00	
	Typical monthly electric bill for residential customers for 1,000 kWh (USD)	$98.01	
IF-EU-240a.3	Number of residential customer electric disconnections for non-payment	13,439	
	Percentage of residential customer electric disconnections for non-payment reconnected within 30 days	80	
Workforce Health & Safety			
IF-EU-320a.1	Total recordable incident rate (per 100 full-time workers)	3.21	
	Total fatality rate (per 100 full-time workers)	0	
	Total near miss frequency rate (per 100 full-time workers)	Not Available	
End-Use Efficiency & Demand			
IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are decoupled	85	
	Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	0	
IF-EU-420a.2	Percentage of electric load served by smart grid technology	99	
IF-EU-420a.3	Customer electricity savings from efficiency measures (MWh), by market	WA	47,492
		ID	25,231
Nuclear Safety & Energy Management			
IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Avista Corporation does not own or operate any nuclear power units	
IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness		
Grid Resiliency			
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	8	
IF-EU-550a.2	System Average Interruption Duration Index (SAIDI) inclusive of major event days	209	
	System Average Interruption Frequency Index (SAIFI) inclusive of major event days	1.14	
	Customer Average Interruption Duration Index (CAIDI) inclusive of major event days	183	

SASB Standards

Electric Utilities and Power Generators Standard (Continued)

SASB Code	Accounting Metric	Avista Utilities
Activity Metrics		
IF-EU-000.A	Number of residential customers served	345,064
	Number of commercial customers served	42,930
	Number of industrial customers served	1,305
IF-EU-000.B	Total electricity delivered to residential customers (MWh)	3,766,048
	Total electricity delivered to commercial customers (MWh)	3,170,031
	Total electricity delivered to industrial customers (MWh)	2,047,228
	Total electricity delivered to all other retail customers (MWh)	32,682
	Total electricity delivered to wholesale customers (MWh)	2,942,248
IF-EU-000.C	Length of transmission lines (km)	3,653
	Length of distribution lines (km)	30,738
IF-EU-000.D	Total electricity generated by Hydropower (MWh)	3,519,884
	Total electricity generated by Natural Gas (MWh)	2,155,469
	Total electricity generated by Coal (MWh)	1,582,048
	Total electricity generated by Biomass (MWh)	316,112
	Percentage of total electricity generated in regulated markets	100
IF-EU-000.E	Total wholesale electricity purchased (MWh)	5,340,504

SASB Standards

Gas Utilities and Distributors Standard[4]

SASB Code	Accounting Metric	Avista Utilities	
Energy Affordability			
IF-GU-240a.1	Average retail gas rate for residential customers (USD/MMBtu)	$0.849	
	Average retail gas rate for commercial customers (USD/MMBtu)	$0.643	
	Average retail gas rate for industrial customers (USD/MMBtu)	$0.371	
	Average retail gas rate for transportation services (USD/MMBtu)	$0.044	
IF-GU-240a.2	Typical monthly gas bill for residential customers for 50 MMBtu of gas delivered per year (USD)	$42.47	
	Typical monthly gas bill for residential customers for 100 MMBtu of gas delivered per year (USD)	$84.95	
IF-GU-240a.3	Number of residential customer gas disconnections for non-payment	3,525	
	Percentage of residential customer gas disconnections for non-payment reconnected within 30 days	52	
End-Use Efficiency & Demand			
IF-GU-420a.1	Percentage of gas utility revenues from rate structures that are decoupled	96	
	Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	0	
IF-GU-420a.2	Customer electricity savings from efficiency measures (MMBtu), by market	WA	50,411
		ID	21,696
		OR	39,120
Integrity of Gas Delivery Infrastructure			
IF-GU-540a.1	Number of reportable pipeline incidents	0	
	Number of Corrective Action Orders	0	
	Number of Notices of Probable Violation	10	
IF-GU-540a.2	Percentage of distribution pipeline that is cast and/or wrought iron	0	
	Percentage of distribution pipeline that is unprotected steel	0	
IF-GU-540a.3	Percentage of gas transmission pipelines inspected	100% Leak Survey Inspections	
	Percentage of gas distribution pipelines inspected	40% Leak Survey Inspections	

[4] 2019 operating data

SASB Standards

Gas Utilities and Distributors Standard (Continued)

SASB Code	Accounting Metric	Avista Utilities
Activity Metrics		
IF-GU-000.A	Number of residential customers served	321,343
	Number of commercial customers served	35,833
	Number of industrial customers served	257
IF-GU-000.B	Total natural gas delivered to residential customers (MMBtu)	231,237,963
	Total natural gas delivered to commercial customers (MMBtu)	145,178,002
	Total natural gas delivered to industrial customers (MMBtu)	10,749,622
	Total natural gas transferred to a third party (MMBtu)	195,420,943
IF-GU-000.C	Length of gas transmission pipelines (km)	146
	Length of gas distribution pipelines (km)	21,679

Forward-Looking Statement

This report contains forward-looking statements, including statements regarding our current expectations, plans or objectives for future operations and other factors, which may affect the company in the future. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in our statements.

For a further discussion of these factors and other important factors please refer to 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 www.avistacorp.com The forward-looking statements contained in this report is current as of December 31, 2020, and should not be relied upon as being current as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New risks, uncertainties and other factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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