Welcome

Fourth Quarter 2022 Earnings Webcast

February 22, 2023

Call Participants

Dennis Vermillion

President and CEO

Mark Thies

Executive VP, CFO, and Treasurer

Kevin Christie

Senior VP, External Affairs, and Chief Customer Officer

Ryan Krasselt

VP, Controller, and Principal Accounting Officer

Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding our current expectations for future financial performance and cash flows, capital expenditures, financing plans, our current 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 the appendix herein and in our Annual Report on Form 10-K for the year ended Dec. 31, 2022. The forward-looking statements contained in this presentation speak only as of the date hereof. 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.


NOVEMBER 3, 2022
AVA
LISTED
NEW YORK STOCK EXCHANGE

Our Focus

Operating a great utility

Provide safe, reliable, responsible energy

Investing in infrastructure

Responsibly deploy capital to utility infrastructure

Constructive regulatory outcomes

Better align earned and authorized returns

Driving Effective Regulatory Outcomes

Washington

- Multiparty settlement in Washington approved and new rates effective 12/2022.
- Base electric revenue increase of $38M (6.9%) in year 1, and $12.5M (2.1%) in year 2. Rate increases are partially offset by remaining customer tax credits for a period of 2 years.
- Base gas revenue increase of $7.5M (6.5%) in year 1, and $1.5M (1.2%) in year 2. Rate increases are partially offset by remaining customer tax credits for a period of 2 years.
- Overall rate of return of 7.03%.

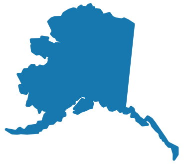
Idaho

- New multiyear GRCs for electric and gas filed 2/1/2023.
- Proposed base electric revenue increase of $37.5M (14.7%) in year 1, and $13.2M (4.5%) in year 2.
- Proposed base gas revenue increase of $2.8M (2.7%) in year 1, and $0.1M (0.1%) in year 2.
- Requesting a 10.25% ROE and a 50% equity ratio.

Oregon

- A revenue increase of $1.6M became effective August 2022, with cost of capital of 7.05%, a 50% equity ratio, and return on equity of 9.4%.
- Tax credits of $3M to mitigate base revenue increase.
- The next general rate case filing in Oregon is targeted for the first half of 2023.

Alaska



- General rate case filed July 2022.
- Permanent rate increase of 9.0% requested (October 2023); interim rate increase of 4.5% was effective September 2022, subject to refund.
- Requesting 13.45% ROE and 60.7% equity ratio.

AVISTA

Our Commitment

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 People

Our Customers and Communities

Our Ethical Governance

Click to download the Full Report

A message from the CEO

Avista serves a diverse customer base of 406,000 electric and 372,000 natural gas customers 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 ›

Earned Recognitions

GOVERNANCE QUALITYSCORE 1 HIGHEST RANKED BY ISS ESG

MSCI ESG RATINGS AA (CCC B BB BBB A AA AAA)

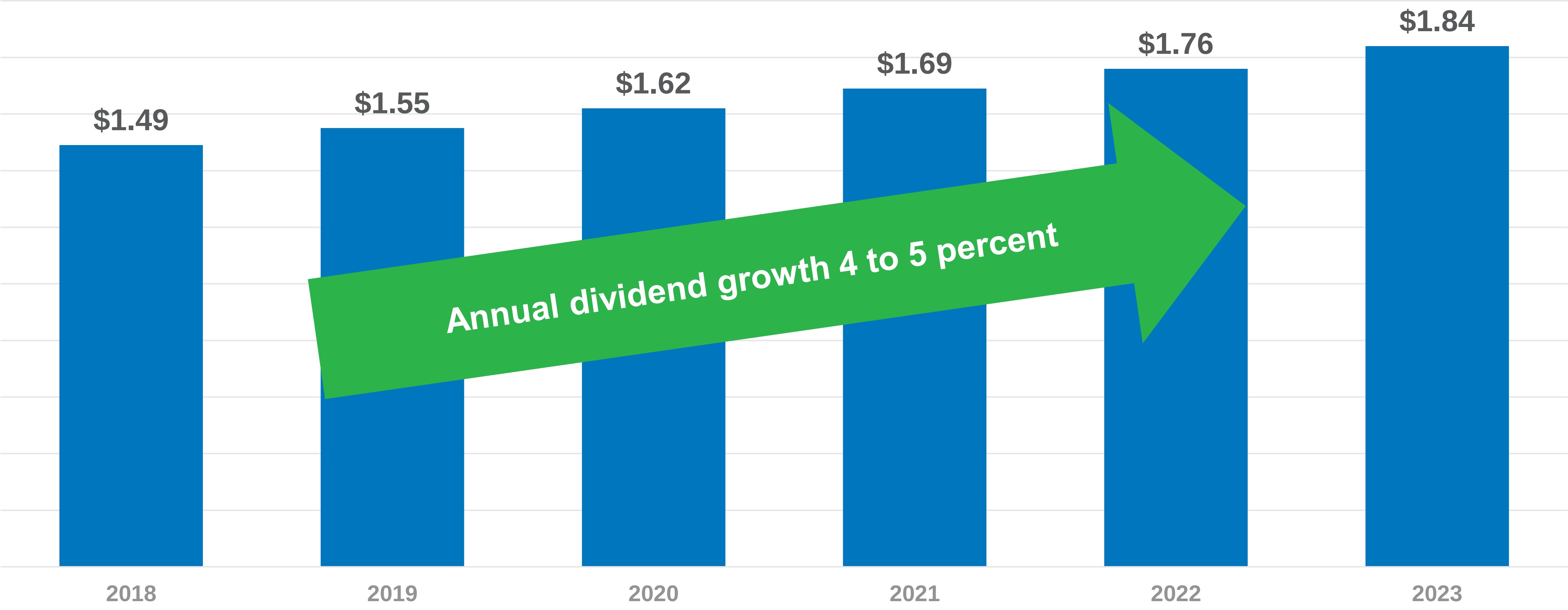
A PUBLIC DISCLOSURE ESG Index 2022 100% Weighting Band — GLOBAL LISTED INFRASTRUCTURE ORGANISATION — GRESB INFRASTRUCTURE

2022 WORLD'S MOST ETHICAL COMPANIES® WWW.ETHISPHERE.COM 3-TIME HONOREE

Additional Disclosures

2021 Avista EEO-1 Workforce Diversity Report
2021 Avista Electric and Natural Gas SASB ESG Metrics
2021 Avista Electric Operations ESG Metrics (EEI Template)
2021 Avista Natural Gas Operations ESG Metrics (AGA Template)
Supporting Documents and Archived Reports

Increased Dividend



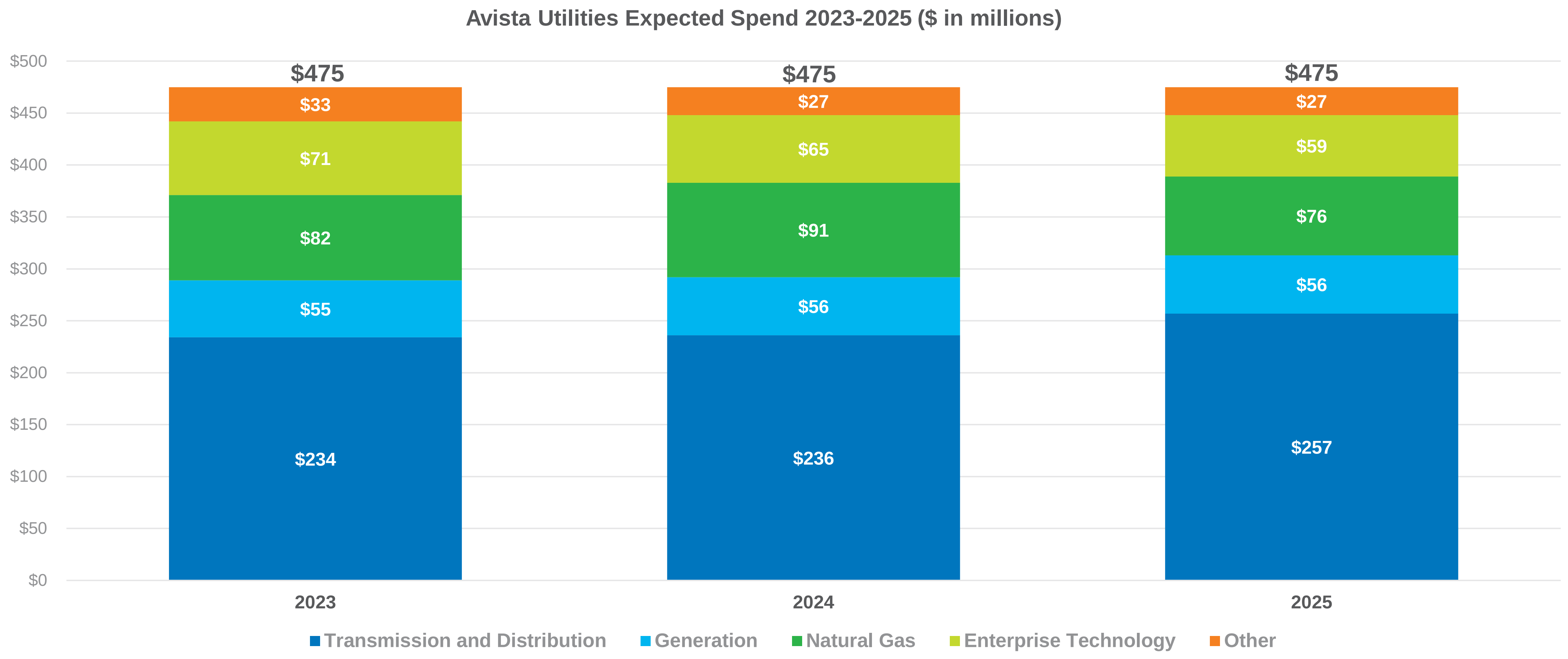
2023 quarterly dividend of $0.46 annualized

Net Income and Diluted EPS

($ in thousands, except per-share data)	**Q4 2022**	**Q4 2021**	**YTD 2022**	**YTD 2021**
Net Income by Business Segment attributable to Avista Corp. Shareholders				
Avista Utilities	$52,660	$44,697	$117,901	$125,558
Alaska Electric Light and Power Company	3,253	2,408	7,545	7,224
Other	22,043	3,772	29,730	14,552
Total Net Income attributable to Avista Corp. Shareholders	**$77,956**	**$50,877**	**$155,176**	**$147,334**
Earnings per diluted share by Business Segment attributable to Avista Corp. Shareholders				
Avista Utilities	$0.71	$0.63	$1.61	$1.79
Alaska Electric Light and Power Company	0.04	0.03	0.10	0.10
Other	0.30	0.05	0.41	0.21
Total earnings per diluted share attributable to Avista Corp. Shareholders	**$1.05**	**$0.71**	**$2.12**	**$2.10**

Investments to Upgrade Our Systems

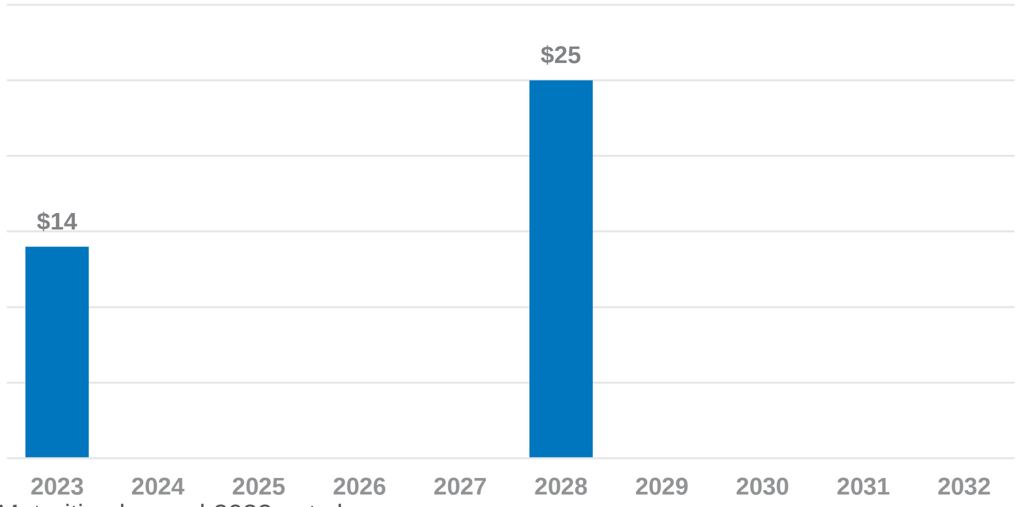
5% rate base growth



Prudent Balance Sheet and Liquidity

- In Q4 2022, we increased our short-term borrowing capacity by $300 million, bringing our total capacity to $700 million. These additional facilities include a $150 million term loan expiring in March 2023, a $100 million revolving line of credit expiring in November 2023, and a $50 million letter of credit facility. At December 31, 2022, we had $517 million outstanding under our short-term credit facilities, with $183 million of available liquidity.
- We expect to reduce our short-term borrowings in 2023 by issuing long-term debt and increased operating revenues, including recovery of deferred power and natural gas costs and a return of margin deposits made with counterparties.
- During 2023, we expect to issue $200 million of long-term debt and up to $120 million of common stock. We also expect to increase the capacity on our $400 million credit facility to $500 million in the second quarter.

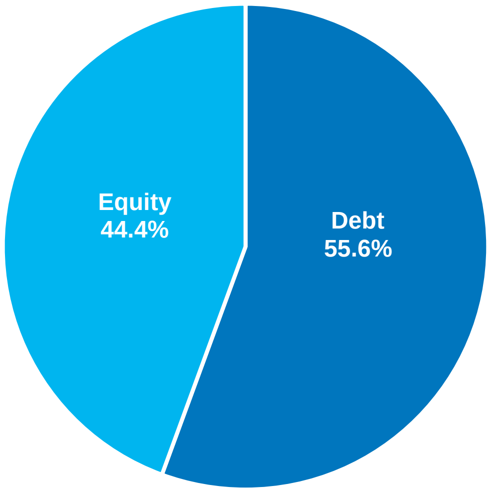
Upcoming debt maturities
($ in millions)



Maturities beyond 2032 not shown.

Excludes $15 million of AERC debt maturing in 2024.

Consolidated capital structure
December 31, 2022



Earnings Guidance

	2023
Avista Utilities	$2.15 - $2.31
AEL&P	$0.08 - $0.10
Other	$0.04 - $0.06
Consolidated	**$2.27 - $2.47**

Guidance Assumptions

- Our earnings guidance assumes timely and appropriate rate relief in our jurisdictions.
- The midpoint of our guidance range does not include any expense or benefit under the ERM. For 2023, we expect to be in the deadband of the ERM, with an increase to earnings of $0.03 per diluted share.
- We expect to manage our operating costs to an increase of 2 percent in 2023. Our 2023 guidance range reflects unrecovered structural costs estimated to reduce the return on equity by approximately 70 basis points, as well as regulatory timing lag estimated to reduce the return on equity by approximately 80 basis points, resulting in a return on equity for Avista Utilities of approximately 7.9 percent in 2023..
- Our outlook for Avista Utilities and AEL&P assumes, among other variables, normal precipitation, temperatures, and other operating conditions.

Questions

Contact Information

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Webcast replay	Archived on investor.avistacorp.com

Appendix

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 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 such statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

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
political unrest and/or conflicts between foreign nation-states, which could disrupt the global, national and local economy, result in increases in operating and capital costs, impact energy commodity prices or our ability to access energy resources, create disruption in supply chains, disrupt, weaken or create volatility in capital markets, and increase cyber security risks. 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 our 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; severe weather or natural disasters, including, but not limited to, avalanches, wind storms, wildfires, earthquakes, extreme temperature events, 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; pandemics, 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, losses or disruptions in our workforce due to vaccine mandates, 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; 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; changes in the availability and price of purchased power, fuel and natural gas, as well as transmission capacity; 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; increasing operating costs, including effects of inflationary pressures; 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 overbuilding 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 or reservoir regulation or operations at hydroelectric facilities not owned by us, which could impact our hydroelectric facilities downstream;

Climate Change Risk
increasing frequency and intensity of severe weather or natural disasters resulting from climate change, that could disrupt energy generation, transmission and distribution, as well as the availability and costs of fuel, materials, equipment, supplies and support services; change in the use, availability or abundancy of water resources and/or rights needed for operation of our hydroelectric facilities, including impacts resulting from climate change;

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, resulting 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 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, but not limited to, regulatory responses to concerns regarding climate change, efforts to restore anadromous fish in areas currently blocked by dams, more stringent requirements related to air quality, water quality and waste management, 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, including future limitations on the usage and distribution of natural gas; 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; volatility in energy commodity markets that affect our ability to effectively hedge energy commodity risks, including cash flow impacts and requirements for collateral; 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 as well as their increased occurrence and intensity related to changes in climate; 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.