



Customer & Community Commitments

Our Commitment to Our Customers and Community

We are invested in our customers and the communities we serve. We recognize that bringing energy to life extends beyond providing electricity and natural gas for our customers. As employees and as a company, we are an active partner and advocate that brings energy to strengthening the customers and communities in which we live, work, serve and play. Our efforts and commitments include:

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



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■ **Providing safe, reliable service that is there when needed, and that is affordable for our customers and for our region.**

Public Safety

Our commitment to safety encompasses our customers and communities throughout our service territories. The infrastructure of Avista's energy systems is wide-ranging, complex and embedded within our communities, from hydroelectric dams to natural gas pipelines and electric power distribution lines. The design, construction, operation and maintenance of these energy systems is conducted in a manner to continuously improve the safety of our systems and ensure we meet our customers' energy needs safely and reliably. We want everyone who lives or works near our electric and natural gas systems to be safe.

In addition to Avista's public safety programs and materials, we routinely perform system inspections of our electric and natural gas infrastructure, administer natural gas pipeline integrity management programs, implement asset maintenance and replacement programs and provide protection through physical security measures.

Our proactive approach to public safety continues to keep pace with disruptions within our industry and our changing environment as demonstrated through our enhanced [Wildfire Resiliency Plan](#). Utilities are facing the increasing risks of wildfires across our service territories. At the same time, we

are witnessing residential developments expand into forested areas and other higher fire-risk locations. Avista's enhanced Wildfire Resiliency Plan seeks to further minimize the possibilities of wildfires and their related impacts on our customers and communities through the expansion of our current safeguards for preventing, mitigating and reducing the impact of wildfires. This 10-year Wildfire Resiliency Plan emphasizes grid hardening, vegetation management, partnerships with emergency providers and fire agencies, and it provides helpful resources and tips to protect property and prevent wildfires.

Our approach to public safety is not new. In fact, we are nearing the half-way point of an ambitious 20-year natural gas pipeline replacement program. This program is the result of our commitment to maintain a safe and reliable natural gas system by replacing approximately 737 miles of natural gas pipeline which was installed prior to 1987.

We are committed to keeping people, property and our communities safe.

Avista has developed emergency operating plans (EOPs) and emergency action plans (EAPs) to respond to varying types of emergencies such as large utility outages, hydroelectric dam failures, natural disasters, cyber security breaches and more. The EOPs and EAPs are focused on responding to the initial emergency, minimizing potential dangers to people, property and the environment until we can return to normal operations. These plans are regularly exercised internally and in conjunction with local emergency responders and peer utilities. In support of these plans and to ensure proper coordination

Avista's Public Safety Programs & Materials

Dial 811 Before You Dig
Electric Safety
Natural Gas Safety
Dam Safety
Safety Around Trees
Wildfire Resiliency Plan
Beware of Scams
Emergency Responders
Public Officials
Safety Videos
Kid's Center

with local emergency responders, Avista utilizes the Incident Command System (ICS) as the means by which all emergencies are managed. Each of our EOPs and EAPs align with the use of ICS.

Reliable Service

For more than 130 years, Avista has been committed to providing safe and reliable energy to those we serve. Whether we are upgrading our hydroelectric facilities or electrical substations, maintaining trees and other vegetation near electrical lines, inspecting and replacing aging natural gas pipelines or installing new smart meters to enhance reliability, we are hard at work all day, every day, doing what's right for our customers and our communities.

To help ensure reliability, we continue investing capital to operate and maintain our current electric and natural gas utility infrastructure. This solid foundation enables Avista to plan and build for the future, which is increasingly being

influenced by emerging technologies and climate change implications. Prudent and essential capital investments in our existing hydroelectric plants, integrating additional renewable energy projects, upgrading and modernizing our transmission and distribution systems, replacing aging natural gas equipment and pipelines and providing our customers with more energy-related products and services are all part of the complex challenges that we face to ensure the continued delivery of safe and reliable energy to our customers.

Our diverse energy mix is the foundation for providing our customers with clean, reliable power at fair and affordable prices. Avista's electrical generation portfolio, including hydroelectric, biomass, natural gas, coal, wind and solar allows us to keep electricity rates as affordable providing flexibility to shift between generating resources when it makes economic sense, while still maintaining the reliability of the electrical system.

In addition to our customers' direct use of natural gas, which is more efficient and clean compared to other energy choices such as wood or oil, natural gas is also used to generate electricity and is often relied upon as a flexible resource that supports the integration of renewable generation such as wind

and solar. When the wind dies down and the sun doesn't shine as bright, our natural gas generation can immediately ramp up to balance this unanticipated dip in renewable generation. We're committed to our natural gas operations and generation and are excited to continue to share the value and benefits that natural gas provides our customers and communities today and into the future.

In April of 2022, Avista will begin operating within the Western Energy Imbalance Market (EIM) operated by the California Independent System Operator (CAISO) in the western United States. Most investor-owned utilities in the Pacific Northwest are either participants in the Western EIM or plan to integrate into the market in the near future. 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 and more diverse footprint 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 resources while maintaining the reliability

of the electrical grid. [Learn more about our participation in the Western EIM.](#)

Avista's biennial Integrated Resource Plan (IRP) for electric and natural gas services guides our energy resource acquisition strategies over a 20-year planning horizon. It is also a part of how we plan for and determine how to meet the future energy needs of our customers in a reliable manner.

The IRP is a Public Process

The development of an IRP for our electric and natural gas utilities is guided by a Technical Advisory Committee (TAC). TAC members include customers, Avista staff, consumer advocates, academics, utility peers, government agencies, environmental groups, public utility commission staff and other interested parties. The TAC provides significant input on modeling, resource assumptions and the general direction of the planning process. Public participation is an important part of the IRP development process. The experience of this group provides a robust forum for the exchange of ideas and discussion of issues and risks that affect the planning process. Regulators in Washington, Idaho and Oregon ensure that reliability, environmental impact, conservation, efficiency and cost are factored into the IRP forecasting and the decisions that we implement to support our customers and communities.

Reliability Metric	2019	2018	2017	2016	2015
SAIDI Outage Time / Customer (Minutes)	137	126	183	121	163
SAIFI Sustained Outages / Customer	0.94	0.81	1.20	0.79	1.05
CAIDI Average Restoration Time (Minutes)	145	155	153	153	155

Energy Affordability

Since 1889, we have been committed to providing safe, reliable and affordable energy services to our customers. Throughout this time, we have remained steadfast in our approach to maintaining competitive energy prices for our customers to balance the financial needs of our company and that of our customers and communities. Avista recognizes that strong financial performance is achieved in tandem with strong communities who are able to leverage our safe, reliable and affordable energy for their own economic vitality.

Avista is overseen and regulated by public utility commissions in the states in which we operate. Unlike most companies, who can change their prices whenever they want, Avista must engage in a public and transparent rate case process to explain why our expenses are outpacing our income and the need for additional capital investments. It is only after a thorough review, including potential revisions to our request, that we may change our prices following approval from the state public utility commissions. This rate case process is highly regulated and typically takes numerous months to complete affording interested parties, such as customers and consumer advocates, the opportunity to participate and provide feedback. [Learn more about how our prices are set by state public utility commissions.](#)

Across the nation, all communities and utilities are dealing with a similar reality of rising energy costs. Delivering safe and reliable energy includes operating, maintaining and upgrading massive infrastructure made up of pipes, poles, wires,

meters, dams and substations. Many parts of our system are more than 30, 40 or 50 years old and need physical replacement, as well as upgrades to keep pace with emerging technologies and customer expectations. Avista will need to continue to invest hundreds of millions of dollars in our system every year to keep pace and continue providing safe and reliable service for our customers.

We work hard every day to plan, build, operate and maintain our energy systems with an eye toward the future and seeking innovative ways to be more efficient and meet customer expectations. This hard work is paying off in terms of keeping our energy prices affordable. Our customers pay some of the lowest energy prices in the nation. On average, the total monthly cost of Avista's residential electric service is 33% lower than the national average for investor-owned utilities.

Our diverse energy mix is the foundation for providing our customers with clean, reliable power at fair and affordable prices. Avista's electrical generation portfolio, including hydroelectric, biomass, natural gas, coal, wind and solar allows us to keep electricity rates affordable by providing flexibility to shift between generating resources when it makes economic sense while still maintaining the reliability of the electrical system. When making decisions about our energy mix, Avista must balance safety and reliability, environmental implications and the cost impact to our customers.

With the growing emphasis on climate change and demands for action, we are witnessing numerous and often competing measures arising from consumer advocacy groups, environmental groups,



federal, state and local governments and legislative actions that may affect Avista and our customers’ energy prices.

Through active monitoring and engagement of these emerging initiatives, we seek to represent our stakeholders’ 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. This is especially important when these proposed measures have a direct bearing on future costs of our customers’ energy prices. We are there to ensure that all parties understand and recognize the economic realities facing our customers and communities.

Despite these and other efforts to keep our prices affordable, we recognize that energy prices and the ability to pay is a serious issue for many of our customers. We care deeply about all of our customers and keep their energy costs at the forefront of our decisions. Within Avista’s service

territories, there are many individuals and families living on fixed or limited incomes, including seniors and individuals with disabilities. These members of our communities may rely on assistance to maintain essential needs such as food on their tables or gasoline in their vehicles, access to healthcare or communication and utility services. Avista is committed to reducing the energy burden for our customers most affected by rising costs of household goods and services. To assist our customers, we focus on actions and programs in four primary areas:

- Advocacy for and support of energy assistance programs that provide direct financial assistance
- Low income and senior outreach programs
- Energy efficiency and conservation education
- Support of community programs that increase customers’ ability to meet the basic costs of living

Avista’s Low-Income Rate Assistance Program (LIRAP) is funded through a tariff surcharge program approved by the Washington Utilities and Transportation Commission and is designated for bill payment assistance for our Washington electric and natural gas customers.

A similar program approved by the Oregon Public Utility Commission operates for the benefit of our natural gas customers in Oregon. We partner with local community action agency to distribute these funds to our customers.

Low Income Heating Assistance Program (LIHEAP) is a federally funded program to help low-income households with home-heating and cooling costs, emergency situations and weatherization services. Avista is active in advocating for these federal funds each year, and through our partnerships with local community agencies, ensure that funds are distributed to qualifying residential customers across our service territories.

Project Share provides emergency energy assistance grants for limited-income and low-income residential customers in Washington, Idaho and Oregon. Project Share is funded through contributions from our customers, employees and Avista. These funds are distributed to qualifying residential customers in partnership with local community action agencies.

We have also launched a new rate discount program for income-eligible residential customers with disabilities and seniors (age 60+) who reside in

Education—Energy Efficiency & Conservation	2019	
	Number of Events	Number of Participants
Energy Fairs	5	3,977
Workshops	52	1,873
Mobile Outreach	77	5,024

Washington. The rate discount is approved by the Washington Utilities and Transportation Commission and can be applied to either electric or natural gas bills for qualifying individuals. [Learn more about our energy assistance programs.](#)

We actively engage with low-income, senior and vulnerable customers through recurring energy efficiency and conservation education events throughout our service territories. These education events demonstrate energy savings tips, provide free samples, distribute energy usage guides, share information about utility payment options

and our energy assistance programs. They also provide valuable community resources including safety and independent living resources for seniors, employment and financial counseling services, and connections to local community food banks. Recognizing that many of this target audience may be reliant on medical equipment or living with chronic health conditions, we also review power outage preparedness and encourage individuals to create a plan should an outage occur.

- Energy Fairs are held in neighborhood community centers and other locations recognized as core gathering locations to a given neighborhood.
- Conservation workshops are held in convenient locations such as senior centers and community meal sites.
- Mobile outreach serves to reach our more remote locations across our service territories and coordinate with other mobile community agency outreach programs to present additional resources.

[Learn more about our energy efficiency and conservation education events.](#)

Energy Assistance ¹	2018 / 2019	2017 / 2018	2016 / 2017	2015 / 2016	2014 / 2015
LIRAP Grants Awarded ²	\$6,496,448	\$6,455,456	\$6,717,231	\$5,311,324	\$4,671,950
Project Share Grants Awarded	\$240,699	\$256,705	\$264,399	\$290,833	\$242,019
Avista Contributions to Project Share ³	\$454,849	\$472,172	\$478,930	\$506,222	\$540,920
LIHEAP Grants Awarded ⁴	\$4,627,719	\$4,655,439	\$4,831,868	\$4,874,660	\$4,700,054

1. The energy assistance program year is October 1 through September 30

2. LIRAP is only available in Washington and Oregon

3. 2018 and 2019 Project Share donations data is calendar year

4. Avista is an active partner in advocating for and facilitating the distribution of federal Low Income Heating Assistance (LIHEAP) funds

2 ■ Bringing value to our customers through services, programs and methods for using energy efficiently, and that otherwise help to enrich customers' lives.

Energy Efficiency & Conservation Program

Help the environment and save money at the same time? It may sound too good to be true, but it isn't. When our customers choose to participate in energy efficiency programs with Avista, they help by consuming less energy and save on future utility bills.

For more than 40 years Avista has been offering Demand Side Management (DSM) or energy efficiency programs, creating shared value for all our customers. [Learn more about our energy efficiency programs.](#)

For our customers, DSM means managing your own energy use. For Avista, it also means implementing programs that help customers use less energy as well as ways Avista can generate energy, through better equipment and processes. It's how we plan, implement, measure and monitor energy efficiency as a way to ensure it's being used wisely.

At Avista, we make choices everyday about the best and most affordable source of energy to deliver to our customers. Energy efficiency gives us one more choice—and one that is lower cost. This is why it is an important element of our [Integrated Resource Plan](#) as we look to the future.

Our approach to energy efficiency is based on two key principles: to pursue cost-effective electric and natural gas energy savings by offering financial incentives for qualifying energy saving measures, and to use the most effective means to deliver energy efficiency services to customers.

Energy Saving Advice

[Click here](#) for more information and energy saving advice.



Electricity Conservation in kWh				
Year	Idaho	Washington	Annual	Cumulative
2010	25,605,000	77,112,000	102,741,000	102,717,000
2011	34,395,000	97,579,000	131,874,000	234,691,000
2012	20,431,000	60,371,000	80,802,000	315,493,000
2013	18,341,000	49,663,000	68,004,000	383,497,000
2014	15,744,000	56,593,000	72,337,000	455,834,000
2015	17,141,000	56,343,000	73,484,000	529,318,000
2016	50,765,000	71,572,000	122,337,000	651,655,000
2017	42,373,000	64,666,000	107,247,000	758,694,000
2018	29,805,000	46,442,000	76,247,000	834,941,000
2019	25,231,000	41,741,000	66,972,000	901,913,000

Energy Saving Advice

[Click here](#) for more information and energy saving advice.

Cumulative reduction in electricity consumption over the past 10 years is more than the annual electricity usage of 82,000 of our customers' homes.

Natural Gas Conservation in Therms					
Year	Idaho	Washington	Oregon	Annual	Cumulative
2010	460,500	1,396,000	312,400	2,168,900	2,168,900
2011	281,000	905,500	312,274	1,498,274	3,667,174
2012	228,000	612,000	277,402	1,117,402	4,784,576
2013	19,00	518,000	217,177	817,177	5,601,753
2014	0*	615,000	192,955	807,955	6,409,708
2015	0*	920,000	210,738	1,130,738	7,540,446
2016	189,000	546,000	230,503	965,503	8,505,949
2017	306,000	1,046,000	347,324	1,699,324	10,205,273
2018	248,000	737,000	415,818	1,400,818	11,606,091
2019	217,000	504,000	391,204	1,112,204	12,718,295

* Avista's Idaho natural gas energy efficiency programs were suspended in 2013, 2014, and 2015 (2013 saw some activity due to prior commitments). Avista filed for and was approved to reinstate Idaho Natural Gas energy efficiency programs January 1, 2016.

Cumulative reduction in natural gas consumption over the past 10 years is more than the annual natural gas usage of 17,000 of our customers' homes.



Smart Meters

One of the largest capital projects in Avista's history puts customers at the center of our focus and our operations. The deployment of Advanced Metering Infrastructure (AMI), otherwise known as smart meters, across our Washington service territory is a game changer for our customers. Smart meters open the door to two-way communication between Avista and our customers for operational efficiencies and improved customer usage information. Smart meters also provide a platform for accommodating new and emerging technologies in the future.

Conventional meters do not have any communication capabilities, so we often rely on customers to report an outage to us. Now with smart meters, we can detect the outage right away without any customer intervention and often before a customer even knows of the outage. In addition to faster outage detection and restoration efforts, smart meters can relay energy data directly to Avista, meaning no more on-site meter reads by Avista employees. Not only do smart meters lower our meter reading costs, but it also increases our customer's privacy as our meter readers will no longer make their monthly treks onto our customers' premises to read their meter.

Smart meters give our customers greater control over their energy bills by providing detailed information about their energy consumption. Smart meters enable our customers to view their energy data across different intervals (monthly, daily and hourly) and provide trending and comparison data. This highly detailed information will provide customers with more information about their energy use so

they can make decisions about how best to manage their energy consumption and reduce their own bills going forward. Additionally, customers will receive more personalized service as our representatives will have more information available to provide solutions unique to specific needs. Soon, it will be possible for our customers' to receive automatic alerts (via emails or text messages) regarding unusual energy consumption or when it exceeds their pre-determined threshold.

Smart meters are the foundation for new and emerging technologies associated with smart grid and modernizing the utility infrastructure. With a smart grid, digital technologies are applied to every aspect of the industry, from generation, to transmission, to distribution and the customer interface. This will help the grid sense what is happening to the energy flow, keep it in balance, improve reliability and make the grid more resilient to outages and other problems.

The smart grid of the future will also contribute to a more sustainable community. With this technology, we'll be able to integrate more renewables on our system and help reduce our region's carbon footprint.

The energy industry, associated technologies, and customer expectations keep evolving and demanding more of Avista. We know that our customers and communities rely on us, and we are committed to continue raising the bar with imaginative thinking, adaptive approaches and innovative energy solutions. [Learn more about our smart meter program.](#)

Electrical Transportation

As battery and electric-drive technologies continue to improve, moving people and goods using clean and affordable electricity is becoming a reality for a growing number of customers. Avista is laying the foundation for accelerating this transition, through a comprehensive [Transportation Electrification Plan](#) that aims to meet customer expectations, reduce transportation-related greenhouse gas emissions and provide value beyond traditional energy services. [Learn more about the benefits of electric vehicles.](#)

From 2016 through 2019, Avista conducted a pilot program involving the installation of Electric Vehicle (EV) charging infrastructure to collect and analyze data and to position the Company for the future. This program, the first of its kind in Washington state and one of just a few in the nation, resulted in the installation of 439 EVSE charging ports at residential and commercial customer locations. During the pilot, we experimented with cutting-edge load management technologies and customer preferences, as well as innovative education and outreach activities and programs benefiting disadvantaged customers and communities. Through this pilot, Avista was able to better understand how EVs could affect the grid, the economy and the environment, while providing early support for EV adoption in our region.

Building on what we learned, the [Transportation Electrification Plan](#) lays out a roadmap for transitioning to a better energy future, where by mid-century the majority of transportation is powered by clean electricity. This will save our region over \$1 billion per year in overall fuel and maintenance costs, while eliminating more than 80% of harmful air pollution and greenhouse gases in the transportation sector that currently account for the largest source of emissions in our area. The Transportation Electrification Plan accomplishes this through a number of programs and activities, including ongoing investments in charging infrastructure, education and outreach, support for low-income communities and customers, commercial and public fleet electrification and optimally integrating transportation loads with the grid to maximize benefits for all customers.

Avista is committed to supporting transportation electrification through innovative and cost-effective solutions, in partnership with industry partners, community leaders, regulators, and customers.

[Avista customer options for a more sustainable future:](#)

- Generate your own renewable energy
- Purchase renewable energy
- Participate in community renewable options
- Compressed natural gas





3 ■ Building value for our customers and communities through active involvement in organizations, causes and engagement with local stakeholders to grow jobs and improve the quality of life in our region.

University District

Our purpose goes beyond providing the energy that powers the daily lives of our customers. We're here to improve the quality of life and to enhance the strength, health and vitality of the communities we serve and call home.

One way we are strengthening the Spokane area is through the continued transformation of the University District and the positive impact these collective efforts have on our local and regional economies. The University District is home to six higher education campuses, two medical schools, a research facility and more.

The knowledge and innovation growing here is shaping the future of energy, driving economic development, and attracting students and businesses. We are proud to play a key role in the vibrant growth of the University District.

When Avista Chairman Scott Morris envisioned creating the five smartest blocks in the world, we provided an under-utilized piece of land, recruited the right partners and through intentional growth and development, we are creating space for innovation that will drive business and enhance the economic vitality of our region. The result is the Catalyst building and the adjacent Scott Morris Center for Energy Innovation which together anchor the South Landing of the University District.

The five-story, 150,000 square foot Catalyst building aims to be one of the largest zero energy and first zero carbon buildings in North America. It is planned to become an innovation hub where industry and academia intersect to foster innovation and collaboration within dry labs, offices, classrooms and common study areas. The four-story, 40,000 square foot Scott Morris building houses a shared-energy plant that will provide centralized heating, cooling and electricity for multiple buildings in the South Landing development. This innovative shared-energy model could transform how the electrical grid operates. In this living laboratory, we can re-imagine our future and what it can bring.

A gateway bridge was built by the City of Spokane connecting the South Landing and the University District creating a pathway where people, ideas, research, education and business are linked in unique and innovative ways. [Learn more about the South Landing development.](#)

Regional Efforts

Avista's Regional Business Managers (RBMs) are actively involved with local government, businesses and civic organizations across the Northwest and focus on improving quality of life, economic growth strategies, sustainability efforts and other local infrastructure and construction projects. RBMs also facilitate the identification of philanthropy and sponsorships opportunities that support education, economic and cultural vitality of the communities that we serve.

Meet Your RBMs

We are a founding investor of Inland Northwest Partners (INP), a non-profit organization focused on enhancing the long-term vitality of our service territory communities in Washington and Idaho. The INP facilitates knowledge-sharing to build strong economic bases among member communities. Collectively, the INP represents a deep pool of economic development know-how and experience. Educational meetings, programs and seminars are the core offering. These forums provide a means to share ideas and experiences and form new partnerships. Topics include technology, financing community initiatives, forging regional partnerships, local business expansion and retention, job recruitment and much more. More than 300 business and community leaders from eastern Washington and northern Idaho are members of the INP. Our RBMs play an active role in support of the INP and currently hold multiple board positions, including chairman. Through these efforts, the INP

plays an important role in enhancing the long-term economic vitality of all communities in our region.

[Learn more about Inland Northwest Partners.](#)

We are also active in our Oregon service territory through our involvement with the Southern Oregon Regional Economic Development Inc. (SORED), a non-profit organization dedicated to increasing the long-term prosperity of Jackson and Josephine Counties, which are home to most of our Oregon communities. Through engagement, education and outreach, SORED aims to improve the region's quality of life by deploying economic growth strategies and sustainability efforts to help local businesses prosper. We are an active contributor and leader with SORED, and currently hold a board position. [Learn more about Southern Oregon Regional Economic Development Inc.](#)

Avista is also in the middle of a rural vitality initiative currently being led by our RBMs. Beginning in 2019, we began approaching small rural communities in our service territories to offer interactive workshops and assessments designed to help local leaders gain fresh perspectives and new insights and challenge their current vision in order to explore a new future vision for their community. The workshops and assessment are an effective and efficient way to gain a clear understanding of each community so that it may begin plotting a new course for its future. Initial results were delivered to the communities, and our RBMs will continue to work with these communities in 2021 to assist in developing and implementing their action plans. Each participating rural community is eligible to apply for a Rural Vitality grant from Avista to support their efforts.



Supply Chain

We are committed to maximizing the value created through effective supply chain services to meet our operational needs and to provide value through efficiencies and cost savings that we can pass along to our customers. Our internal processes ensure a competitive contracting environment while developing strong partnerships with our suppliers. We also focus on developing and maintaining supplier engagements among organizations that self-identify as women-owned, minority-owned, small business, veteran-owned and disadvantaged. In addition to supporting diversity among our supplier relationships, we also seek to engage with local and small businesses when their products and services meet our supply chain requirements. Avista conducts and attends local events that allow us to engage with diverse and local businesses, provide resources and educational materials, establish contacts and lists of potential suppliers and share information about current bidding opportunities.

Beginning in 2015, we implemented a Supplier Relationship Management program to annually evaluate and recognize our top performing suppliers. Implementation of this program was

also designed to formally embed and promote Avista’s values in our supply chain processes. For our Tier 1 vendors (vendors or suppliers with annualized spend in excess of \$2M million, or who may be of particular strategic importance to Avista operations, or who may be difficult or potentially costly to replace), their commitments to our values are tracked and evaluated alongside their business results as part of our annual scorecard process. This scorecard includes an analysis of safety, quality and service, collaboration, schedule performance, risk mitigation, innovation and technology, sustainability, environmental practices and diversity spend programs, among others.

In addition, we provide ongoing assistance to our suppliers to support them in developing or maintaining a formal sustainability or social responsibility program. Through the sharing of best practices from peer Tier 1 vendor scorecards and by providing examples of sustainability programs and relevant metrics, Avista has strongly promoted the advent of sustainability programs and metrics with our vendors and suppliers. [Learn more about how to do business with Avista.](#)

As one of the largest taxpayers in the region, paying approximately \$100 million in taxes annually, our economic impact supports family-wage jobs in rural, suburban and urban communities in our 30,000 square-mile service territory in eastern Washington, northern Idaho and parts of southern and eastern Oregon and Sanders County, Montana.

Supply Chain Spend Breakdown		2019
Total Diversity Spend		\$6.9M
% of Goods and Services Total Spend		1.4%
Total Small Business Spend		\$23.9M
% of Goods and Services Total Spend		4.9%
Total Local Community Spend		\$90.1M
% of Goods and Services Total Spend		18.4%

4. **Providing meaningful philanthropic support to our communities without impacting customer rates, recognizing that these efforts help to strengthen our communities, broaden the reach of local organizations, and improve our local economies.**

Avista Foundation

Our vision for giving back means that we invest in organizations and causes in ways that can be transformational and have long-lasting impact. Avista community investments are made through corporate and foundation donations and are not included in customer rates. Rather, we give back a portion of the profits that we are allowed to earn from our state utility commissions and reinvest in the communities we serve. We believe that bringing value to our customers and communities and attaining our business goals go hand-in-hand.

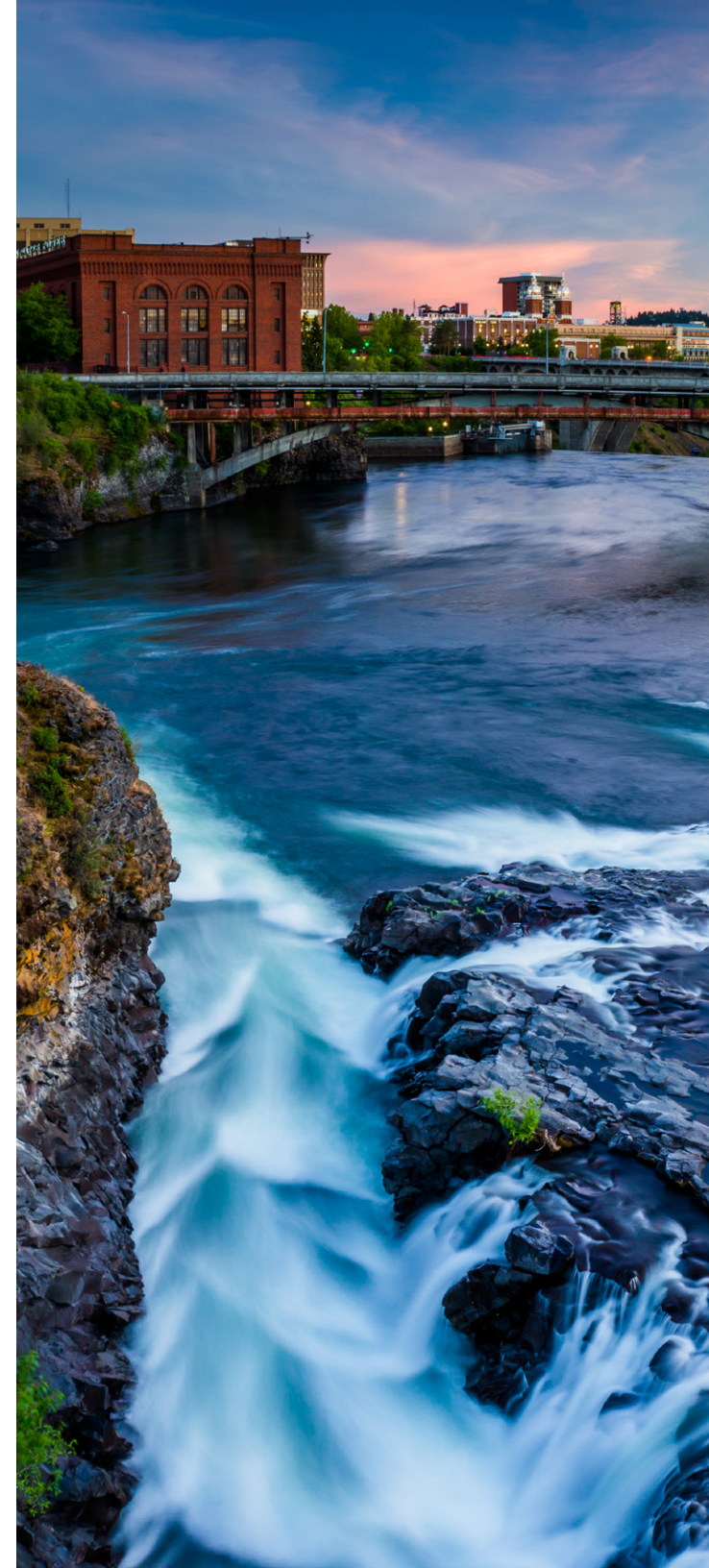
Since its founding in 2002, the Avista Foundation has created a legacy of investments for our local communities and continues to serve as the primary charitable vehicle for our Company. The Avista

Foundation focuses its giving on grants that strengthen communities and enhance the quality of life for those we serve. Emphasis is in the areas of:

- Education—supporting K-12 education particularly in the fields of science, math and technology; and higher education including scholarships.
- Vulnerable and limited income populations — providing assistance to those on limited incomes and support for initiatives to reduce poverty.
- Economic and cultural vitality—supporting projects that help our communities and citizens to grow and prosper. Avista corporate donations focus primarily on energy assistance and economic vitality-related initiatives that benefit our customers and communities.

In 2019, our Company celebrated its 130th anniversary by committing to a \$7 million investment in the Avista Foundation. This investment is being targeted to assist our local communities to prevent homelessness, promote youth education, and support small communities. During 2019, the Avista Foundation provided grants totaling \$3.4 million for community vitality, education, health and human services, arts and culture, and youth organizations and programs throughout our service territories.

[Learn more about the Avista Foundation.](#)



Scholarships

Planning for our future is not limited to our utility infrastructure. It also entails growing and supporting our future workforce. As part of our focus and efforts to support our communities and reach of local organizations, we partner with colleges and universities throughout our service territories to provide several different scholarship opportunities for students. Our aim for these scholarships is to promote excellence in the STEM fields of science, technology, engineering and math. Our hope is that

students will become innovators, problem solvers and part of a diverse and talented generation of new workers, ensuring a skilled and local workforce for our future.

Avista scholarships are offered at select colleges and universities across Washington, Oregon, and Idaho:

- Community Colleges of Spokane
- Eastern Oregon State College
- Eastern Washington University
- Gonzaga University

- Lewis and Clark State College
- North Idaho College
- Oregon Institute of Technology
- Southern Oregon State College
- University of Idaho
- Walla Walla Community College
- Washington State University

[Learn more about Avista's scholarship opportunities.](#)

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

* The majority of Avista's support for environmental stewardship comes through the millions spent each year in meeting the federal license requirements for our projects on the Clark Fork and Spokane rivers. Please see our Environmental Commitments sections of this report for more information.



5 ■ Supporting and encouraging our employees to help local charities and community organizations in the regions in which we operate.

Employee Giving

Human powered is more than our brand promise. It's the consistent way that our employees interact, innovate, and lead meaningful change in our local communities. Wherever and whenever there is a major event, it's a given that Avista will be there. Our employees embrace the spirit and can-do attitudes of our customers and our communities and embrace the many opportunities to serve in volunteer capacities for personal growth, camaraderie, fun and to serve others. Often, our employees are leading local organizations that support and impact the towns they call home throughout our service territories.

Avista actively encourages our employees to engage in external volunteer and leadership capacities throughout the regions we serve.

Hundreds of Avista employees are in volunteer leadership roles in Washington, Idaho, Oregon and Montana. These may include health and human services organizations, civic organizations, environmental and non-governmental groups (NGOs), economic development organizations, educational institutions and industry groups. These external interactions provide unique insights into local community needs, establish important contacts and identify new resources, potential partners and ways to solve new problems.

For over 130 years, we have been an active partner with our local communities, not just with safe, reliable and affordable energy, but with our spirit of service and putting the interests of our customer and our communities at the heart of our actions. Our employees are dedicated to the communities they call home and participate in numerous opportunities. In 2019, their generosity resulted in over 12,000 hours of volunteer service to more than 250 organizations, both large and small, across our service territory. Avista is truly grateful for these exceptional efforts by our employees.

Employee Gift Matching

Our employee gift matching program is an intentional and meaningful way for Avista to support and recognize the dedication and generosity of our employees who make personal donations to non-profit organizations in our local communities. Often, when our employees make donations, they have a personal connection to the non-profit organization, perhaps through regular volunteering or knowing someone who was positively impacted by the support or services being provided. Regardless of the reason, it is our privilege to increase the impact of that personal donation to those non-profit organizations that are so valued by our employees through the matching gifts program of the Avista Foundation.

All eligible gifts up to \$200 each year receive a dollar-for-dollar match. Funding for this program is from the Avista Foundation and is not included in customer rates. We appreciate the opportunity to join with our employees to give generously to causes and local organizations that make meaningful impacts for our children, families, and communities.

In 2019, employees generously gave \$30,902 to non-profit organizations that are important to them, their families, and their community. Avista was able to match those contributions for a total of \$61,804 distributed to local non-profits through the Avista Foundation's employee gift matching program.

Employee Gift Matching Program Metrics					
	2019	2018	2017	2016	2015
Employee Gifts	\$30,902	\$30,150	\$24,443	\$29,464	\$24,454
Company Match	\$30,902	\$30,150	\$24,443	\$29,464	\$24,454
Total Program Gifts	\$61,804	\$60,300	\$48,886	\$58,928	\$48,908

Employee Volunteering Metrics		2019
Total Volunteer Hours		12,988
# of Organizations Impacted		253



6 ■ Holding our customers and communities' interests at the forefront of our decisions, operating our business with transparency, genuine care, and ease of conducting business—our customers can rely on us.

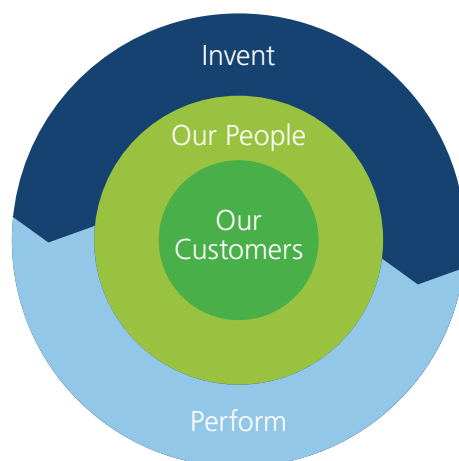
Customers at the Core

Throughout Avista's history we have focused on providing safe, reliable and affordable energy service. Over these past 130 years, we have witnessed and experienced a lot of change and tackled the issues of our times with a determined commitment to serve the best interests our customers and communities. Today, we are faced with a growing number of challenges that span our operations and impact all our stakeholders. Transforming industries and economies, rapidly evolving technologies, rising consumer expectations, increasing growth in urban communities, emerging racial and social justice reform demands and the growing list of environmental concerns related to climate change are just a few of the challenges at our doorstep. When challenges present themselves, so do opportunities.

Our employees are poised to tackle these challenges head-on to continue and build upon the legacy of our past employees by holding our customers and communities' interests at the forefront of our actions and demonstrating our values of trust, collaboration and innovation. The new generation of technologies being implemented provides our customers and

communities with more efficient ways to use and manage their energy. We continue making investments in the smart grid of the future, which enables us to reliably integrate renewable energy sources and pursue additional energy efficiency and conservation measures within our own utility systems, together reducing costs and future emissions. By taking advantage of these technology opportunities, we are positioning ourselves and our customers and communities for a cleaner and more vibrant future.

Avista is committed to conducting our business ethically and being transparent about our actions. 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 important issues such as climate change.



We are committed to working together with our customers, communities and regulators to address the challenging issues of climate change, and aid in the transition to a lower-carbon future in ways that make technological, environmental and economic sense. Our efforts include:

- Integrating renewables as part of our commitment to clean energy and the overall efforts to reduce carbon emissions without asking customers to compromise on reliability or cost.
- Engaging in and influencing climate policies that promote environmental stewardship while considering the economic realities of our customers.
- Driving innovation and technologic advancements to increase energy efficiency, reduce operating costs or reduce emissions.
- Leading with energy efficiency and conservation and promoting these for our customers and our own system.



In a world characterized by an expanding array of options competing for attention, our focus is to offer solutions and to conduct ourselves with integrity and genuine care that will benefit our environment, provide value to our customers and contribute to healthy and vibrant communities in the areas we serve. In 2020, Avista was recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the 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 an ethical corporate culture built on trust, collaboration and innovation. [Learn more about Ethisphere and their World's Most Ethical Companies award.](#)

Our mission is to improve our customers' lives through innovative energy solutions. We do this safely, responsibly and affordably. We also put those we serve at the center of everything we do. By placing our customers and communities at the center of everything we do, we ultimately hold their interests at the forefront of our decisions. Avista's four strategic focus areas serve to guide and reinforce our commitments to the customers and local communities that we serve:

Focus Areas

Our Customers

We must hold our customers interests at the forefront of all our decisions, operating our businesses by showing that we are transparent, genuinely care, and are easy to do business with.

Our People

Our employees are essential: Through them we deliver value to our customers and the continuities we serve.

Perform

Our focus on performance today is critical to serving our customers well and unlocking pathways to growth.

Invent

The activities that yielded yesterday's successes will not be sufficient to meet the challenges of tomorrow.

The one constant throughout our history has been our focus on our customers and communities. We are a part of our communities and are woven into the fabric of the everyday lives of our customers and area businesses. Working together, we will continue to find new ways to grow and learn and to co-create the utility of the future with an innovative and pioneering vision—Better energy for life.



Customer Satisfaction

Our customers are at the center of everything Avista does. We hold ourselves accountable to meeting their customer service expectations, as well as our own. All facets of Avista's operations either directly interact and provide services to our customers, or support and enable the services that our customers are receiving. From our call center representatives who seek to answer all calls in under 60 seconds, to electrical and natural gas field workers responding to service requests or outages, and accounting staff keeping track of our books and records, every Avista employee has an impact on our ability to serve our customers.

We set clear customer service goals through our Service Quality Measures (SQM) program. These ambitious goals are tracked with metrics, and internal processes and controls are designed to support our employees and in achieving them. In some instances, if we miss our goals, we may incur financial penalties which are payable to our customers in the form of bill credits. On an annual basis, we compile the results of the SQM program and make a public filing with the Washington and Idaho public utility commissions for their review. We also send our Washington and Idaho customers an annual SQM report card detailing the results of our efforts and serves to highlight our ongoing commitments to customer satisfaction.

Embedded within Avista's SQM program is a key customer service satisfaction metric called the Voice

of the Customer (VOC) survey. The VOC survey is administered by a third-party vendor to measure and track the satisfaction of customers who interact with us either through one of our contact centers or who had work performed through one of our construction offices. Customers are asked to rate the importance of several service attributes (time for connection to representative, representative being courteous and friendly, representative being knowledgeable, being informed of job status, leaving property in condition found, etc.) and then to rate our performance in these same areas. Customers are then asked to rate their overall satisfaction with the services they normally receive from Avista throughout the year. We also record and analyze any customer-provided comments that are recorded verbatim. Often these comments shed light on new opportunities to learn and explore different perspectives regarding our products and services and how we may further improve our offerings and customer satisfaction.

We are extremely proud of our customer service efforts and the dedication and contributions of all employees who stand ready to serve our customers with genuine care and professionalism. We live, work and share the same communities as our customers, and we treat them as if they are family, friends, neighbors or coworkers—because often, they are. For each of the past 20 years, our Voice of the Customer satisfaction ratings have exceeded 90%.

WA 2019 Service Quality Measures Report Card

Each year, Avista measures how well we perform in meeting our goal to provide the best customer service possible. In line with that tradition, we've established a set of service quality measures in collaboration with the Washington Utilities and Transportation Commission (WUTC) and others. We provide an annual report card to customers showing how we are doing on meeting our goals. For more information, [visit myavista.com](https://www.avista.com/myavista).

Customer Service Measures	Benchmark	2019 Performance	Achieved
Percentage of customers satisfied with our Contact Center services, based on survey results	At least 90%	94.4%	YES
Percentage of customers satisfied with Field Services, based on survey results	At least 90%	94.4%	YES
Number of complaints filed with the WUTC per 1,000 customers, per year.	Less than 0.40	0.13	YES
Percentage of calls answered live within 60 seconds by our Contact Center.	At least 80%	80.7%	YES
Average time from customer call to arrival of field technicians in response to electric system emergencies, per year	No more than 80 minutes	44.3 minutes	YES
Average time from customer call to arrival of field technicians in response to natural gas system emergencies, per year	No more than 55 minutes	43 minutes	YES
Electric System Reliability	5-Year Average (2015–2019)	2019 Result	Change in 5-Year Average
Frequency of non-major-storm power interruptions, per year, per customer (SAIFI)	0.97	0.94	-0.04
Length of power outages, per year, per customer (SAIDI)	151 minutes	137 minutes	2 minutes

Stakeholder Engagement

Our 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. In order to understand the unique perspectives and needs of those who rely on us, Avista proactively engages with our stakeholders through a variety of communication methods, partnerships, committees and recurring meetings, research and surveys, employees who are directly responsible for specific stakeholder engagements and by monitoring emerging initiatives and regulatory proceedings. Our stakeholders include:

- our residential, commercial and industrial customers,
- investors, financial analysts, credit rating and financial institutions,
- current and retired employees,
- residents of the communities we serve and those of neighboring cities and towns,
- non-profit and low income advocates,
- environmental groups,
- federal, state and local regulators,
- vendors and contracted employees,
- elected officials,
- media channels,
- other companies in the energy industry among others.

Public policy plays an important role in shaping the economic environment of our local communities

and operations. As an energy company, we are affected by the decisions made by federal, state and local officials. In turn, these decisions also affect our customers, communities, employees and investors. We have both a Government Relations department and a Regulatory Affairs department who monitor and participate in the public policy and regulatory arenas for the benefit of all our stakeholders. Avista works hard to develop our collaborative and respectful approach to these issues so that we have a seat at the table and continue to best represent the interests of our stakeholders.

Avista's Regional Business Managers (RBMs) actively engage with local government, businesses and civic organizations across the Northwest and focus on improving quality of life, economic growth strategies, sustainability efforts and other local infrastructure and construction projects. RBMs also facilitate the identification of philanthropy and sponsorships opportunities that support education and economic and cultural vitality of the communities that we serve.

Over 25 years ago, Avista established an American Indian Relations department to enhance our partnerships with local Tribes. As key stakeholders and business partners, Avista recognizes the strategic importance of building and maintaining strong relationships with our local Tribes. Together, we work to support operations on tribal reservations, maintain compliance with tribal and federal regulations, pursue potential business opportunities with Tribes and partner on employment and educational opportunities. Our local American Indian Tribes appreciably contribute to, and influence, our regional



economy, highlighting our intentional commitments to these relationships for the mutual benefit of the communities we serve.

Our Corporate Communications department engages with our customers, communities, employees, local media, regional and national media and investors through a variety of communication channels, including issue-focused emails, social media channels such as Facebook, Twitter and Instagram, listening posts, focus groups, surveys, community meetings, print and digital media, electronic and print newsletters, bill inserts, press releases and regular meetings with media editors and news staff.

Throughout our company, we encourage stakeholder engagement in our planning and implementation activities on a regular basis, including electric and natural gas construction projects, long range Integrated Resource Planning (IRP) for electric and natural gas resources, energy efficiency programs, vegetation management programs, emergency response exercises, and the requirements of our hydroelectric licenses, among others.

Dam Licensing Information

Avista works with federal and state agencies, conservation organizations, and area tribes to bring a variety of perspectives and interests to the table in implementing federal and state mandated environmental measures associated with our hydroelectric dams on the Spokane and Clark Fork rivers. Representatives of federal and state agencies address issues such as water quality, endangered species and fish passage. Tribal representatives are concerned with protecting the area's cultural and natural resources. Other stakeholders represent local non-profits, community groups and customers.



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.