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IDaho PUBLIC UTILITIES COMMISSION



February 28, 2006

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

RE: Avista's 2005 Annual Report on Optional Alternative Renewable Energy

Dear Ms. Jewell:

Pursuant to Order No. 28948 in Case No. AVU-E-01-16, Avista Utilities provides this report on the Company's alternative energy resources offered as options to customers in 2005 under Schedule 95—Optional Wind Power Rate. Avista Utilities' voluntary program, marketed as the "Buck-A-Block" program, for wind resources was initiated on February 1, 2002.

Avista Utilities offers an alternative renewable energy rate in the form of a wind power option to residential and commercial electric customers in both Washington and Idaho. The program offers blocks of 300 kWh for \$1.00 each, paid in addition to their regular rates. Customers may purchase as many blocks as they would like. Customers subscribe on a monthly basis and can cancel and re-subscribe at anytime by either phone, internet, or bill inserts. Avista Utilities purchases the power and associated environmental benefits from PPM Energy and the Stateline Energy Center, located along the Washington-Oregon border to supply the program. The Company marketed the program through billing inserts, earned media, local public radio, selected fairs, and print media.

Two attachments are included. These show the rate of customer participation, the amount of qualified alternative energy resources purchased by customers, and the amount of utility investments in qualified alternative energy resources, plus other program information.

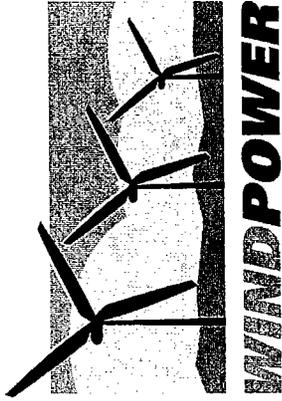
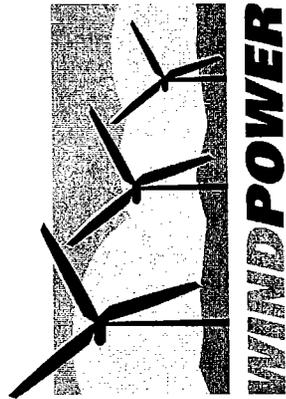
Please direct questions on this matter to me at (509) 495-8706 or Chris Drake at (509) 495-8624.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Folsom".

Bruce Folsom
Manager, Regulatory Compliance

attachments



		All				RES. (~285,000)				C&I (~37,000)			
01-05-2006		Total	WA	ID	RES	WA	ID	C&I	WA	ID	C&I		
Customers		3,373	2,387	907	3,294	47	32	79					
Blocks		14,780	9,941	3,461	13,402	747	631	1,378					
Average Purchase		4.38	4.2	3.8	4.1	15.9	19.7	17.4					
% of Wind Customers		--	71%	27%	98%	1%	1%	2%					
% of Electric Customers		1.0%	1.2%	1.0%	1.2%	0.2%	0.2%	0.2%					
% of Total Purchases		--	67%	23%	91%	5%	4%	9%					

Utility Green Power Program Questionnaire (2005 Data)

Instructions – Please fill out a different form for each green power program offered. Please enter data for calendar year 2005.

Confidentiality – Individual utility responses to this survey regarding customers, sales, and marketing information will be held confidential. Data are used to prepare NREL's list of top ten utility green power programs and to provide aggregate industry data to the U.S. DOE and the general public.

1. Program and Contact Information

a. Utility Name	Avista Utilities
b. Name of Green Power Program	Buck-A-Block
c. Name of Respondent	Chris Drake
d. Phone and e-mail of Respondent	(509) 495-8624 chris.drake@avistacorp.com
e. Year Program Launched	2002
f. States in which Program is Offered	Washington and Idaho
g. Name of Third-party Marketer, if any	N/a
h. Certifying Organization, if Certified	Certified in 2002 by Renew 2000. Currently purchase Green-E tags from PPM Energy for the program.

2. Participation. In the table below, please provide participation data as of December 31, 2005. If data are provided for a different time period, please indicate.

a. Total number of residential green power participants	3,294
b. Total number of non-residential green power participants	79
c. Number of new residential green power participants in 2005 (do not subtract dropouts)	757
d. Number of new non-residential green power participants in 2005 (do not subtract dropouts)	12
e. Total number of residential customers (or members) eligible to participate	~290,000
f. Total number of non-residential customers (or members) eligible to participate	~35,000
g. Is the program currently open to new customers? Yes/No	Yes
h. Number of customers on waiting list	N/a
i. Number of participants who have dropped out of the program this year	402
j. Minimum period of time residential customers must participate (e.g., 1 year)	1 month
k. Minimum period of time non-residential customers must participate (e.g., 2 years)	1 month

3. Programs Offered Through Distribution Utilities. For programs that are offered through multiple distribution cooperatives or municipal utilities, please list the number of distribution utilities that offer the program and utilities that have achieved participation rates of 4% or higher. Please add more space, if necessary.

Number of Distribution Utilities That Offer Program	Utilities with >4% Participation	Participation Rate
N/a		

4. Pricing. Please indicate the price premium as of the end of 2005.

Sector	Price Premium (¢/kWh)	Are Participants Exempt from Fuel Charge? Y/N If yes, what was fuel charge in Dec 2005? (¢/kWh)	Change in Premium in 2005? Y/N*	Block Size, if applicable (kWh)	Minimum Purchase (e.g. 25% or kWh)
a. Residential	0.3 ¢/kWh	N	N	300	1 block for \$1
b. Non-Residential	0.3 ¢/kWh	N	N	300	1 block for \$1

*If there was a change in the price premium during 2005 or if you anticipate a price premium change in 2006, please explain.

5. Renewable Energy Sales for 2005. In the table below, please indicate the total annual sales of green power to customers during 2005. If sales are reported for a different period other than January through December 2005, please indicate.

Green power sales for 2005	TOTAL 2005 Sales (kWh)
a. Green power sales to residential customers	45,436,200
b. Green power sales to non-residential customers	5,414,100

Please email or fax this questionnaire by **Tuesday, January 31, 2006** to: Lori Bird, lori_bird@nrel.gov, Fax (303) 384-7449. If you have any questions, please call Lori Bird at (303) 384-7412.

c. Total retail electricity sales to eligible residential customers	3,409,325,562
d. Total retail electricity sales to eligible non-residential customers	5,105,640,219

6. Renewable Energy Mandates. Does your utility count the green power sold to customers through your green pricing program toward compliance with a state-imposed renewable portfolio standard? **Yes / No**

7. Sales by Renewable Resource. In the table below, list the percentage of sales supplied by each of the following renewable resources in 2005. Also, please indicate the percentage of sales supplied by new renewable energy sources, if different.

Resource	Percent of Sales Supplied by Resource Type	Percent of Sales Supplied by New* Resources
Biomass: Landfill Gas	%	%
Biomass: Biogas	%	%
Biomass: Wood or Other	%	%
Geothermal	%	%
Hydroelectric	%	%
Solar	%	%
Wind	100 %	100 %

**New resources defined as those in service or repowered after January 1, 1997.

8. Renewable Energy Supplies. Of the renewable energy used to supply your program, what percentage came from the following?

Renewable projects owned or partially-owned by your utility	%
Renewable energy purchases from other suppliers/producers	%
Renewable energy produced by utility customers (e.g. PV)	%
Renewable certificate purchases	100 %
Total	100 %

9. Renewable Energy Projects Supplying Program. In the table below, please indicate the type and amount of renewable resources **used to supply participants in your green pricing program** during 2005.

Name(s) of Renewable Energy Project Used to Supply Program	Resource Type (e.g., Wind, PV)	Nameplate Capacity Installed (kW)	Year Installed	2005 Energy or REC Purchases (kWh/yr)

10. Planned Renewable Energy Supplies. In the table below, please indicate any planned renewable energy projects that will be **used to supply participants in your green pricing program**.

Name(s) of Planned Renewable Energy Projects to Supply Program in Future	Resource Type (e.g., Wind, PV)	Nameplate Capacity Planned (kW)	Year Planned

11. Program Research. Have you performed (in 2005 or earlier) market research to aid in the design of your green power program or have you performed a program evaluation?

Research Category	Did you Perform? Y/N	In what year(s) was research performed?	Type of Research or Evaluation Performed
a. Market Research	Y	2001-ongoing	Subscription to 3 rd party research services
b. Program Evaluation			

12. Customer Enrollment. In which ways can customers sign up for your program? (check all that apply) Also, please rate the effectiveness of each method on a scale of 1 to 5, with 5 being the most effective.

	Check (x)	Effectiveness Rating (1-5 scale, 5 =most effective)
Utility Web site	X	4
By returning a mail-in card/bangtail	X	5
Checking a box on their electric bill		
Sign up at special events	X	1
By phone through the utility call center	X	3
Other? (specify) C&I Account Execs	X	2

13: Value-Added Products. What other value-added products or services do you provide to customers that enroll in your green power program? (check all that apply)

Compact fluorescents or efficiency products		Decals for display in store windows	
Recognition of business customers in program ads or local media	X	Education programs/school installations	
Discounts or promotions at local businesses		Plaques, certificates or other recognition	X
Newsletters that provide program updates	X	Protection from fuel cost increases	
Tours to renewable energy project sites		Exemption from environmental fees	
Welcome Kit/Thank you letter		Other (List):	

14. Marketing and Administration Spending. Please indicate below how much you spend annually on marketing and administration of your green power program. (check the appropriate boxes below)

	Marketing Costs (excluding staff time)	Administrative Costs (including staff time)
Less than \$10,000		
\$10,000-\$49,999	X	X
\$50,000-\$99,999		
\$100,000-\$249,999		
\$250,000-\$499,999		
\$500,000-\$749,999		
\$750,000-\$999,999		
\$1,000,000 or more		

15. Distribution of Costs.

What percentage of your green power premium was attributable to marketing and administrative costs in 2005?	27.5 %
Are all program costs borne by program participants? Circle one.	Y / N
If no, please explain	
On average, how much did you spend in 2005 to sign up each residential customer (\$/customer)?	~\$20

16. Marketing Strategies. In the table below, please indicate which marketing strategies you used for your green power program in 2005. (check all that apply) Also, please rate the cost-effectiveness of those strategies utilized based on a scale of 1 to 5, with 5 being the most cost-effective.

	Check (x)	Rating (1-5)		Check (x)	Rating (1-5)
Bill inserts	X	5	Publicity/feature stories (non-paid)	X	3
Television			Events/Presenting to groups	X	2
Telemarketing			Community challenges		
Direct mail			Partner with environmental orgs.		
Radio			Retail partners (co-branding)		
Billboards			Web-based marketing	X	4
Utility newsletter	X	3	Direct sales to commercial accts.	X	1
Bangtails			Door-to-door residential		
Newspaper/other print ads			Kiosks		
Other (please list):					