

Appendix B

June 1, 2016 Incremental Cost Calculations

Avista Corporation

Energy Independence Act (EIA) **Renewable Energy Report 2016**

Utility	Avista
Report Date	June 1, 2016
Utility Contact Name/Dept	John Lyons, Energy Resources
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Loads and Resources	
2014 Annual Load (MWh)	5,685,958
2015 Annual Load (MWh)	5,732,025
Average of 2013 & 2014 Annual Loads (MWh)	5,708,992
2016 Renewable Target (% of load)	9%
2016 Eligible Renewable Energy Target (MWh)	513,809
Eligible Renewable Resources and RECs	541,122

2016 Compliance Method:

- RPS Target [RCW 19.285.040(2)(a)]
- Resource Cost [RCW 19.285.050]
- No Load Growth [RCW 19.285.040(2)(d)]

Expenditures on Renewable Resources and RECs - 2016	
Amount invested in incremental cost of eligible renewable resources and the cost of RECs	\$5,611,410
Total annual retail revenue requirement - 2016	\$491,872,000
Investment in renewables and RECs as a percent of retail revenue requirement	1.1%

	Water	Wind	Solar	Geothermal	Landfill Gas	Wave, Ocean, Tidal	Gas from Sewage Treatment	Biodiesel	Biomass	Qualified Biomass	Apprentice Labor Credit	Distributed Generation Credit
Eligible Renewable Resources (MWh)	171,482	239,050	-	-	-	-	-	-	33,163	-	47,810	-
Renewable Energy Credits	-	49,617	-	-	-	-	-	-	-	-	-	-
Total Renewables (MWh+RECs)	171,482	288,667	-	-	-	-	-	-	33,163	-	47,810	-

2016 Reporting Year:

This renewable energy report summarizes the eligible renewables resources and renewable energy credits (RECs) that the utility has acquired by January 1, 2016 for the purpose of meeting its Energy Independence Act (EIA) renewables target for 2016. The actual resources and RECs used to comply with the 2016 EIA target may vary from those reported here. Utilities will report in June of 2018 on the actual results for 2016.

Compliance Methods:

The EIA provides three compliance methods for utilities:

- Meet the renewable energy target using any combination of renewable resources and RECs. The target for 2015 is 3% of the utility's load
- Invest at least 4% of the utility's annual revenue requirement in the incremental cost of renewable resources and RECs.
- Invest at least 1% of its annual revenue requirement in renewable resources and RECs. This option is available only to certain utilities that are not growing.

All utilities must report the renewable resources and RECs acquired for the 2016 target year. Utilities that elect to use a compliance method based on renewable investments must provide additional information demonstrating compliance with that method. Refer to WAC 194-37-110(2) and (3) for specific requirements.

NOTE: This is a general explanation of the renewable energy requirements of the Energy Independence Act, intended to help members of the public understand the information reported by the utility. Consult Chapter 19.285 RCW and Chapter 194-37 WAC for details.

Renewable Resources

Utility	Avista
Compliance Year	2016

Facility Name	WREGIS ID	Resource Type	Apprentice Labor Eligibility	Generation Amount (MWh)	Apprentice Labor Amount (MWh equiv.)	Explanatory Notes (as needed)
Long Lake #3	W2103	Water	No	14,197	-	
Little Falls #4	W2102	Water	No	4,862	-	
Cabinet Gorge #2	W1560	Water	No	29,008	-	
Cabinet Gorge #3	W1561	Water	No	45,808	-	
Cabinet Gorge #4	W1562	Water	No	20,517	-	
Noxon Rapids #1	W1530	Water	No	21,435	-	
Noxon Rapids #2	W1552	Water	No	7,709	-	
Noxon Rapids #3	W1554	Water	No	14,529	-	
Noxon Rapids #4	W1555	Water	No	12,024	-	
Wanapum Fish Bypass	N/A	Water	No	-	-	
Palouse Wind	W2906	Wind	Yes	239,050	47,810	
Nine Mile #1	W249	Water	No	416	-	
Nine Mile #2	W216	Water	No	977	-	
Kettle Falls	W130	Biomass	No	33,163	-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	

Utility	Avista
Compliance Year	2016

Other notes and explanations:

Used the 2015 Washington revenue requirement. 2016 revenue requirement has not been updated pending the current general rate case