

Agenda Date: February 15, 2019
Item Number: A4

Docket: **UE-180738**
Company: **Avista Corporation**

Staff: Kathi Scanlan, Acting Integrated Resource Planning Manager
Jennifer Snyder, Regulatory Analyst

Recommendation

Issue an order granting Avista Corporation a temporary exemption from rule, extending the 2019 electric Integrated Resource Plan filing deadline from August 31, 2019, to February 28, 2020, subject to the condition that the company file an update to its 2019 IRP work plan no later than February 28, 2019.

Background

Pursuant to WAC 480-07-110, the Utilities and Transportation Commission (commission) has the authority to grant a petition for exemptions to its rules. The commission may grant petitions for exemptions or modify application of its rules in individual cases if such petitions are “consistent with the public interest, the purposes of underlying regulations, and applicable statutes.”¹ WAC 480-07-110 is also directly referenced for the chapter governing filing requirements for electric IRPs at WAC 480-100-008.

Due to recent legislative uncertainties that could change the region’s resource mix in the near- and long-term, Avista Corporation (Avista or company) proposes a petition to extend its IRP filing deadline by six months. The proposed extension will also impact Avista’s 2019 Biennial Conservation Plan (BCP) filing.

RCW 19.285 and WAC 480-109-120 require electric utilities to submit their 2020-2021 BCP on or before November 1, 2019. The BCP outlines each utility’s approach to acquiring electric energy efficiency (conservation) savings, which is derived from its most recently completed Conservation Potential Assessment (CPA). The IRP modeling, including the CPA modeling, will not be completed by November 2019. As highlighted below, Avista addresses related impacts to the 2019 IRP filing delays, including issues involving BCP target-setting.

On January 29, 2019, Avista filed a petition in Docket UE-180738 to extend the deadline for submission of its electric 2019 IRP for six months, from August 31, 2019, to February 28, 2019. Staff supports the one-time extension and believes it is reasonable and in the public interest.

¹ WAC 480-07-110(1).

Discussion

In its petition, Avista asserts that IRP modeling at this time would be premature with pending legislation in Washington, Oregon, and Montana, which, if passed, could fundamentally change Avista's resource mix. To the extent any of the potential legislation is enacted, staff agrees that *new assumptions and models* would need to be developed and run in the IRP in order to account for the actual impacts of such legislation.

Avista's petition does not address the permanence of the scheduling change. Staff recommends the commission maintain the current odd number year schedule, where the 2021 electric IRP is due on or before August 31, 2021.

On January 28, 2019, the company informed its IRP Technical Advisory Committee of its proposed IRP extension and there were no objections. Avista also discussed the need and merits of the time extension with staff prior to filing its petition. If the extension is approved, staff recommends the company file an updated work plan, including an updated IRP stakeholder meeting schedule.

Biennial Conservation Plan Impacts. Under Avista's proposal to extend the deadline, the conservation potential assessment and IRP modeling will not be completed by November 2019. To address this issue, Avista proposes to use its 2017 Electric IRP for compliance with its 2020-2021 BCP targets, which must be filed on or before November 1, 2019, and believes the targets would not be dramatically different than the current pro rata share in its 2018-2019 BCP. Staff agrees that Avista's proposal to use the most recently acknowledged 2017 IRP in the development of its next ten-year conservation potential and 2020-2021 biennial conservation target is consistent with the commission's rules.²

Prospective legislation may also affect the BCP target calculation. Staff expects Avista to consult with its conservation advisory group to determine if, and when, it would be appropriate to petition the commission for a modification of the 2020-2021 biennial conservation target and ten-year conservation potential.

Public Comments

No interested parties filed comments in this docket.

Conclusion

The petition filed by Avista to extend its IRP deadline is consistent with the public interest. Pursuant to WAC 480-07-110, staff recommends the commission issue an order granting Avista Corporation a temporary exemption from rule, extending the 2019 electric IRP deadline from August 31, 2019, to February 28, 2020, subject to the condition that the company file an update to its 2019 IRP work plan no later than February 28, 2019.

² WAC 480-109-100(2)(b) The ten-year conservation potential projection must be derived from the utility's most recent IRP.