

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES

Respondent.

DOCKETS UE-240006 & UG-240007 (*Consolidated*)

**CROSS-EXAMINATION EXHIBIT OF SCOTT J. KINNEY
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

SJK-__X

Avista's Response to Public Counsel Data Request No. 305

September 16, 2024

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/24/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Scott J. Kinney
REQUESTER:	Public Counsel	RESPONDER:	Clint Kalich
TYPE:	Data Request	DEPT:	Energy Supply
REQUEST NO.:	PC – 305	TELEPHONE:	(509) 495-4532
		EMAIL:	clint.kalich@avistacorp.com

SUBJECT: Power Supply/ Energy Recovery Mechanism (ERM)

REQUEST:

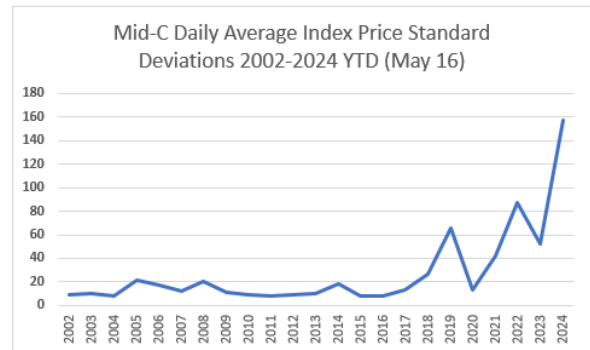
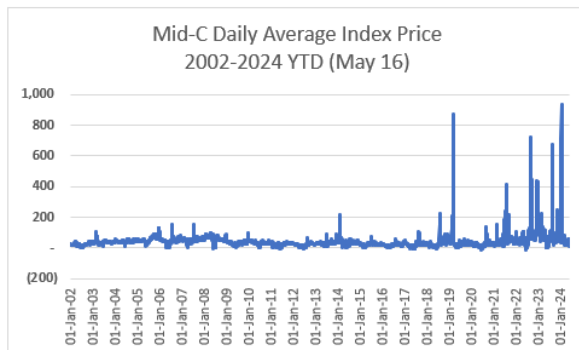
Re: Direct Testimony of Scott J. Kinney, Exh. SJK-1T at 53:1–4.

- Please provide evidence including any and all available documentation along with any data and calculations in Excel format that “volatile market price and liquidity conditions...are now even greater than when the ERM was first enacted.”
- Please provide a quantitative measure of market price volatility for each year from when the ERM was enacted through 2023. Please include supporting workpapers in Excel format.
- Please provide a quantitative measure of market liquidity for each year from when the ERM was enacted through 2023. Please include supporting workpapers in Excel format.

RESPONSE:

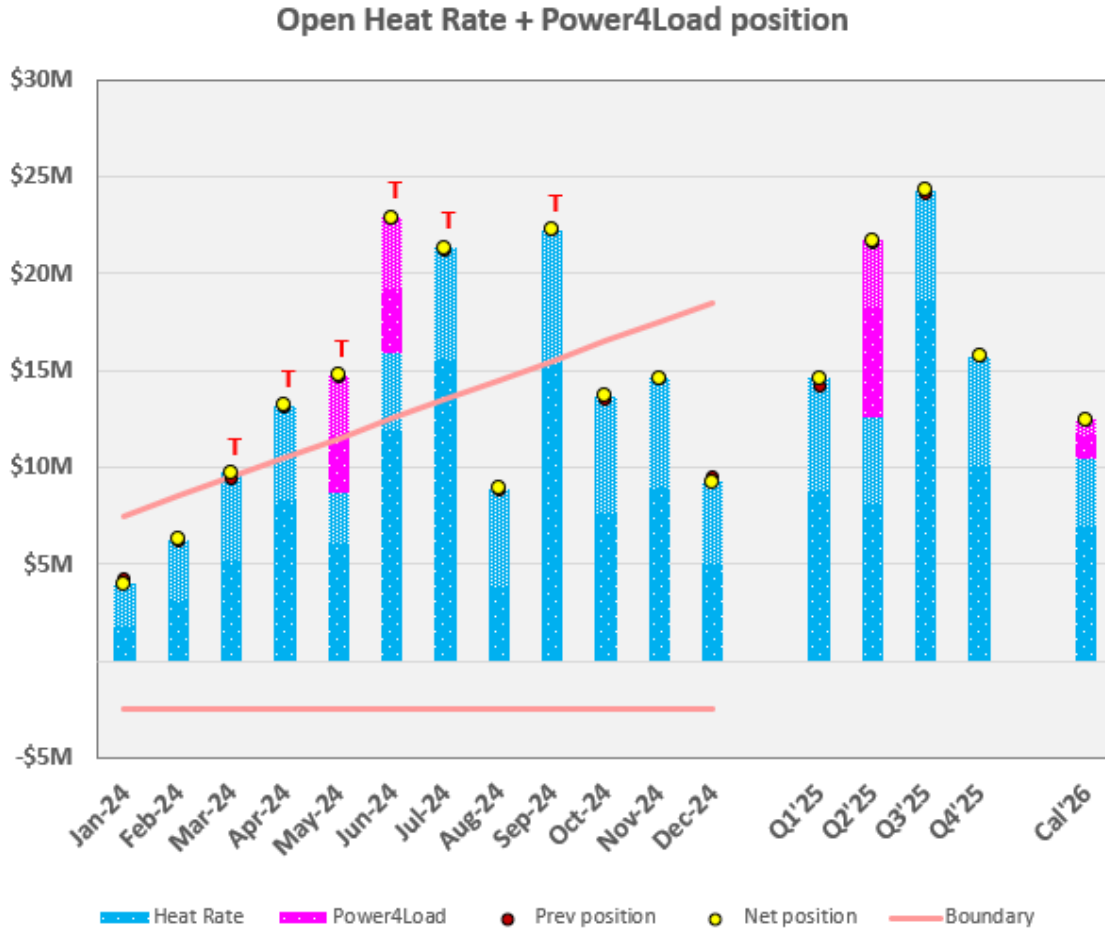
Please see Avista’s **CONFIDENTIAL** response to data request PC-DR-305C. Please note that Avista’s response to PC-DR-305C is **Confidential per Protective Order in UTC Dockets UE-240006 and UG-240007**.

- This statement was based on the experience of Mr. Kinney, not on specific analyses or datasets. This said, Avista offers the following illustrations based on daily Mid-C market prices as recorded by the Intercontinental Exchange (ICE) since 2002. The data show clear increases in volatility since 2002. The data for the graphics may be found in the confidential file “PC-DR-305C Confidential Attachment A - MIDCPrices2002-2024.xlsx.”



- See a.
- This statement was based on the experience of Mr. Kinney and conversations with Avista traders in his roles managing Avista’s trading floor as both Energy Supply Director and Vice President of Energy Resources.

To further illustrate, please see the following graphic of our position report on December 1, 2023 showing our open heat rate and power for load positions at that time.



Our hedging/optimization strategy, as shown in our risk policy, directs us to close open positions. However, as shown by the level of triggered open positions we were struggling to close those positions based on the market conditions of that time because we could not find available buyers.

Please refer to the screen shot from the ICE trading platform in PC-DR-305C Confidential Attachment B – ICE Screen Shot for another look at this issue from the trading end. This screen shot is indicative of the lack of trading on ICE in the forward periods. The bids and offers are wide apart outside of the front one or two months, and there are no bids and offers past the front six months on ICE.