

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of the need of information	)	
about Actual Cost and Customer	)	DOCKET UE-011591
Participation in Green Tariff Program	)	
	)	ORDER DIRECTING AVISTA
	)	UTILITIES TO FILE A SPECIAL
AVISTA CORPORATION, d/b/a	)	REPORT ON ITS GREEN TARIFF
AVISTA UTILITIES	)	BY MAY 15, 2002
.....	)	

**BACKGROUND**

- 1 In 2001, the Washington legislature approved EHB 2247, Chapter 19, Laws of 2001, adding a new section to Chapter 19.29A RCW that established, beginning January 1, 2002, a requirement that each electric utility provide to its retail customers a voluntary option to purchase qualified alternative energy resources. The Act defines “green” generation as facilities that are fueled by: (a) wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; (f) gas produced during the treatment of wastewater; (g) qualified hydropower (generated by fish-friendly facilities); or (h) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives.
  
- 2 The new law allows customers to purchase green energy resources at fixed or variable rates and for fixed or variable periods of time. A utility may provide qualified alternative energy resource options through either resources it owns or contracts for or the purchase of credits issued by a clearinghouse or other system that is verified by a second party.
  
- 3 The new statute also directs all costs and benefits associated with the green option be allocated only to the customers who voluntarily choose the green option. Each investor-owned utility must report annually to the Commission, beginning October 1, 2002, until October 1, 2012, describing the option offered, the rate of customer participation, the amount of qualified alternative resources purchased by customers, and the amount of utility investments in qualified alternative energy resources.

- 4 Avista Corporation, d/b/a Avista Utilities (Avista or Company) proposes a new Schedule 95, Optional Wind Power Rate – Washington. Under this schedule, Avista will sell wind power, priced in blocks of \$1.00, with the name “buck-a-block.” Each \$1.00 block equals 55 kilowatt hours (kWh). Under this program, customers may consider one of two purchase approaches. They may elect to purchase wind power in one or two dollar monthly amounts with no linkage to their energy usage. Alternatively, customers can buy a selected percentage to serve their average monthly load. All customer classes may participate in this program.
- 5 The Company will contract with PacifiCorp Power Marketing to purchase output from its Stateline Wind Facility on the Oregon-Washington border. This sales agreement would specifically provide for the delivery of wind power to Avista’s system to support customer purchases under this program. Wind power will be delivered to the Company within one year of when the energy was purchased by the customer.
- 6 Avista is seeking “certification” of the program as renewable energy from Renew 2000. Renew 2000 is an accreditation group of environmental organizations, utilities, and other interested parties.
- 7 Commission Staff recommended the Company be required to file an interim report of actual costs of the program for consideration within Avista’s general rate case (Docket UE-011595). Staff requested that the report include data through April 30, 2002, and that it be filed no later than May 15, 2002.

## FINDINGS

### THE COMMISSION FINDS:

- 8 (1) Avista is an electric company and is a public service company subject to the jurisdiction of the Commission.
- 9 (2) The tariff revisions filed by Avista on November 30, 2001, in Docket UE-011591 were approved at the Commission’s regular open meeting of December 28, 2001.
- 10 (3) On December 3, 2001, Avista filed a general rate case (Docket UE-011595), requesting an average rate increase over business revenues of 37.4% for electric services. At the regular open meeting of December 12, 2001, the Commission suspended Docket UE-011595 and ordered a provision that places all the Company’s existing tariffs at issue as to whether they are fair, just, reasonable and sufficient. By this Order we incorporate the tariff in this Docket as part of that review.

**O R D E R**

11 THE COMMISSION ORDERS:

- 12 (1) Avista Corporation, d/b/a Avista Utilities must report the actual costs of the  
program and the rate of customer participation in Schedule 95, Optional Green  
Power Rate – Washington, through April 30, 2002. The report must be  
submitted to the Commission by May 15, 2002.
- 13 (2) For purposes of Avista's general rate case in Docket No. UE-011595, Avista's  
Optional Green Power Rate in Schedule 95 is considered to be an *existing*  
tariff.

DATED at Olympia, Washington, this 28th day of December of 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner