



Work Plan for Avista's 2025 Electric Integrated Resource Plan

**For the
Technical Advisory Committee,
Washington Utilities and Transportation Commission,
&
Idaho Public Utilities Commission**

Updated on February 26, 2024

2025 Electric Integrated Resource Planning (IRP) Work Plan

This plan outlines the process Avista will follow to develop its 2025 Electric IRP for filing with the Washington and Idaho Commissions by January 1, 2025. Avista uses a transparent public process to solicit technical expertise and stakeholder feedback throughout the development of the IRP through a series of Technical Advisory Committee (TAC) meetings and public outreach to ensure its planning process considers input from all interested parties prior to Avista's decisions on how to meet future customer electric needs. Avista posts all meetings announcements, meeting minutes, videos, final IRP documents and data on its website at <https://www.myavista.com/about-us/integrated-resource-planning>. Avista will communicate with its TAC members through email and Microsoft Teams for any meeting information and data sharing outside of TAC meetings. Avista will provide all information related to TAC meeting content prior to, or shortly after, each TAC meeting if any updates to presentations or data have been made. Final data and documents will be made available upon filing of the IRP.

The 2025 IRP process will be similar to previous IRPs, although Avista intends to include new modeling processes in this IRP cycle. Avista recently acquired the PLEXOS model from Energy Exemplar. PLEXOS will be used to model resource dispatch, resource option valuation, and market risk analysis. Avista plans to continue to use PRiSM¹ for resource selection but intends to investigate the ability of PLEXOs to provide this functionality in a timely manner for both jurisdictions while handling energy efficiency selection. IRP modeling with PLEXOS has the potential to handle more complex resource decisions but it may limit transparency and speed compared with the PRiSM model. Avista will continue to use Aurora for electric market price forecasting although Avista intends to evaluate options for electric market price forecasting for the 2027 Progress Report/IRP.

Avista contracted with Applied Energy Group (AEG) to assist with key activities including the energy efficiency and demand response potential studies. AEG will also provide the IRP with long-term energy and peak load forecast using end use techniques to improve estimates for building and transportation electrification scenarios. AEG is also leading a distribution energy resource (DER) potential study for Avista. This study includes locational forecasts for electric vehicles, roof-top solar, energy storage, energy efficiency, and demand response. The Distribution Planning Advisory Group (DPAG) will use this study for its planning process. Avista also intends to align the IRP's load forecast and resource options with this study.

Avista intends to use both detailed site-specific and generic resource assumptions in the development of the 2025 IRP. The assumptions will utilize Avista's research of similar generating technologies, engineering studies, vendor estimates, Pacific Northwest National Lab (PNNL), and the Northwest Power and Conservation Council's studies to estimate resource costs. Avista will rely on publicly available data where possible and provide its cost and operating characteristic assumptions and model for review and input by stakeholders. The IRP may model certain resources as Power Purchase Agreements (PPA) rather than Company ownership if third party ownership is likely to be lower cost. Avista will likely not model potential contracts with existing regional generating resources due to the lack of price certainty. Future Requests for Proposals (RFP) will

¹ PRiSM is Avista's proprietary model it uses to select new resources. Avista first developed this tool for use in the 2003 IRP.

ultimately decide final resource selection and ownership type based on third party resource options and potential self-build resources specific to Avista’s service territory.

Avista intends to create a Preferred Resource Strategy (PRS) using market and policy assumptions based on final rules from the Clean Energy Transformation Act (CETA) and the Climate Commitment Act (CCA) for Washington and using the least cost planning methodology in Idaho. For Washington resource selection, Avista will solve its PRS to include least reasonable cost for meeting state energy policies including energy costs, societal externalities such as the Social Cost of Greenhouse Gas, and the non-energy impacts of resources on public health (air emissions), safety, and economic development. Resource selection will solve for state clean energy requirements, capacity requirements using Western Resource Adequacy Program (WRAP)² metrics, and Avista’s energy and capacity planning standards.

The plan will also include a chapter outlining the key components of the PRS with a description of any state policy driving each resource need. The IRP will include a limited number of scenarios to address alternative futures in the electric market and public policy, such as transportation and building electrification. TAC meetings help determine the underlying assumptions used in the IRP including market scenarios and portfolio studies. Avista will also engage customers using a public outreach and an informational event as well as provide transparent information on the IRP website. The IRP process is technical and data intensive; public comments are encouraged as timely input and participation ensures inclusion in the process resulting in a resource plan submitted according to the proposed schedule in this Work Plan to meet regulatory deadlines. Avista will make all data available to the public *except* where it contains market intelligence or proprietary information. The planned schedule for this data is shown in Exhibit 1. Avista intends to release slides and data five days prior to its discussion at TAC meetings and expects any comments within two weeks after the meeting.

The following topics and meeting times may change depending on the availability of presenters and requests for additional topics from TAC members. The timeline and proposed agenda items for TAC meetings follows:

- **TAC 1: Tuesday, September 26, 2023: 8:30 am to 12:00 pm (PTZ)**
 - WA CEIP Biannual Update
 - Available Resource Options Discussion
 - PLEXOS Overview and Backcast Analysis
 - TAC feedback on changes to process, methods, assumptions
 - Work Plan and IRP Process Review

- **TAC 2: Tuesday, January 30, 2024: 8:30 am to 12:00 pm (PTZ)**
 - How Avista includes Equity Principles
 - Customer Benefit Indicators
 - How Avista Practices Equitable Outcomes
 - Equity Planning in the IRP

² Avista proposes to use the same methodology as described in the 2023 IRP for capacity planning until the WRAP provides estimates for long range resource Qualifying Capacity Credits (QCC) and the WRAP becomes binding for their proposed Planning Reserve Margin (PRM).

- **TAC 3: Thursday, March 21, 2024: 8:30 am to 10:00 am (PTZ)**
 - MLK Weather Event
 - Natural Gas Market Overview and Price Forecast
 - Wholesale Electric Price Forecast
 - Portfolio/Market Scenarios

- **Wednesday, March 27: 9:00 am to 11:00 am – Joint Meeting with Distribution Planning Advisory Group**
 - **TAC 4: Tuesday, April 9, 2024: 8:30 am to 10:00 am (PTZ)**
 - Future Climate Analysis
 - Economic Forecast & Five-Year Load Forecast

 - **TAC 5: Tuesday, April 23, 2024: 8:30 am to 10:00 am (PTZ)**
 - Long run Load Forecast (AEG)
 - Review Planned Scenario Analysis

 - **TAC 6: Tuesday, May 7, 2024: 8:30 am to 10:00 am (PTZ)**
 - Conservation Potential Assessment (AEG)
 - Demand Response Potential Assessment (AEG)

 - **TAC 7: Tuesday, May 21, 2024: 8:30 am to 10:00 am (PTZ)**
 - Variable Energy Resource Study
 - Portfolio/Market Scenarios

 - **TAC 8: Tuesday, June 4, 2024: 8:30 am to 10:00 am (PTZ)**
 - Load & Resource Balance and Methodology
 - Loss of Load Probability Study
 - New Resources Options Costs and Assumptions

 - **TAC 9: Tuesday, June 18, 2024: 8:30 am to 10:00 am (PTZ)**
 - IRP Generation Option Transmission Planning Studies
 - Distribution System Planning within the IRP & DPAG update

 - **Technical Modeling Workshop: Tuesday, June 25, 2024: 9:00 am to 12:00 pm (PTZ)**
 - PRiSM Model Tour
 - ARAM Model Tour
 - New Resource Cost Model

 - **TAC 10: Tuesday, July 16, 2024: 8:30 am to 10:00 am (PTZ)**
 - Preferred Resource Strategy Results
 - Washington Customer Benefit Indicator Impacts
 - Resiliency Metrics

- **TAC 11: Tuesday, July 30, 2024: 8:30 am to 10:00 am (PTZ)**
 - Preferred Resource Strategy Results
 - Portfolio Scenario Analysis
 - LOLP Study Results

- **TAC 12: Tuesday, August 13, 2024: 8:30 am to 10:00 am (PTZ)**
 - Preferred Resource Strategy Results (continued)
 - Portfolio Scenario Analysis (continued)
 - LOLP Study Results (continued)
 - QF Avoided Cost

Tuesday, September 2, 2024 - Draft IRP Released to TAC.

- ***Virtual Public Meeting- Natural Gas & Electric IRP (September 2024)***
 - Recorded presentation
 - Daytime comment and question session (12:00 pm to 1:00 pm- PTZ)
 - Evening comment and question session (6:00 pm to 7:00 pm- PTZ)

2025 Electric IRP Report Outline

This section provides a draft outline of the expected major sections in the 2025 Electric IRP.

Executive Summary

- 1. Introduction, Stakeholder Involvement, and Process Changes**
- 2. Economic and Load Forecast**
 - a. Economic Conditions
 - b. Avista Energy & Peak Load Forecasts
 - c. Load Forecast Scenarios
- 3. Existing Supply Resources**
 - a. Avista Resources
 - b. Contractual Resources and Obligations
 - c. Customer Generation Overview
- 4. Long-Term Position**
 - a. Regional Capacity Requirements
 - b. Energy Planning Requirements
 - c. Reserves and Flexibility Assessment
- 5. Distributed Energy Resources Options**
 - a. Energy Efficiency Potential
 - b. Demand Response Potential
 - c. Generating and Energy Storage Resource Options and Potential
 - d. Named Community Actions
 - e. Distributed Energy Resources Study Conclusions
- 6. Supply-Side Resource Options**
 - a. New Resource Options
 - b. Avista Plant Upgrade Opportunities
 - c. Non-Energy Impacts
- 7. Transmission Planning & Distribution**
 - a. Overview of Avista's Transmission System
 - b. Transmission Construction Costs and Integration
 - c. Merchant Transmission
 - d. Overview of Avista's Distribution System
- 8. Market Analysis**
 - a. Wholesale Natural Gas Market Price Forecast
 - b. Wholesale Electric Market Price Forecast
 - c. Scenario Analysis
- 9. Preferred Resource Strategy**
 - a. Preferred Resource Strategy
 - b. Market Exposure Analysis
 - c. Avoided Cost
- 10. Portfolio Scenarios**
 - a. Portfolio Scenarios
 - b. Market Scenario Impacts
- 11. Washington Clean Energy Action Plan (CEAP)**
 - a. Decision Making Process
 - b. Resource Need
 - c. Resource Selection
 - d. Customer Benefit Indicators
- 12. Action Plan**

The draft IRP will be available to the public on September 2, 2024, and the final IRP filed with the Idaho and Washington Commissions on January 2, 2025. Comments from TAC members are expected back to Avista by November 15, 2024, or through Washington’s public comment timeline. Avista’s IRP team will be available for conference calls or by email to address comments with individual TAC members or with the entire group if needed.

Exhibit 1: Major 2025 Electric IRP Assumption Timeline

<u>Task</u>	<u>Target Date</u>
Market Price Assumptions	December 2023
CCA/Other GHG Pricing Assumptions	
Natural gas price forecast	
Regional resources and roads forecast	
Electric price forecast	March 2024
New Resource Options Cost & Availability	March 2024
AEG Deliverables	April 1, 2024
Final Energy & Peak Load Forecast	
Energy Efficiency and Demand Response Potential Assessment	
Locational Energy Efficiency and Demand Response Potential	
Transmission & distribution studies completed	April 2024
Due date for study requests from TAC members	March 20, 2024
Determine portfolio & market future studies	May 2024
Finalize resource selection model assumptions	June 2024

Preliminary 2027 Progress Report/IRP Outline

Avista intends to replicate the 2025 IRP process for the 2027 Progress Report/IRP. Avista intends to file this IRP on January 2, 2027, with a public draft available October 15, 2026, Avista will file a complete workplan for this process by October 1, 2025.

Equity Advisory Group Tentative Schedule 2023-2024

Avista is currently working with EAG members on the tentative schedule for 2024 which is shown in Exhibit 2. The Company continues to take a proactive approach in selecting discussion topics with the EAG versus a prescriptive approach with their time and efforts. Once meeting dates/times and agenda topics are solidified for 2024, Avista will post the meeting information, along with how to join, on its clean energy webpage.

Exhibit 2: Equity Advisory Group Schedule

Date	Time	Topic
October 20, 2023	7:30 – 9:00 am	Named Communities Investment Fund Rates
November 17, 2023	7:30 – 9:00 am	Clean Energy Benefits Customer Benefit Indicators
December 2023	EAG Break	
January 17, 2024 January 19, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	Transportation Electrification, CEIP Customer Survey, Energy Equity in Utility Operations
February 21, 2024 February 23, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	Determinants of Equity
March 20, 2024 March 22, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	Named Communities Investment Fund – Project Updates
April 17, 2024 April 19, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	Customer Benefit Indicators – All day, in person session
May 15, 2024 May 17, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
June 19, 2024 June 21, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
July 17, 2024 July 19, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
August 21, 2024 August 23, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
September 18, 2024 September 20, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
October 16, 2024 October 18, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
November 13, 2024 November 15, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD
December 18, 2024 December 20, 2024	12:00 – 1:30 pm 7:30 – 9:00 am	TBD