



Avista Corp.

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October 23, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: UE-190663 - Avista Utilities' Schedule 62 – Standard Power Purchase Agreement

Dear Mr. Johnson:

Avista Corporation, dba Avista Utilities, (Avista) submits the attached revised proposed standard power purchase agreement (Standard PPA) to be used for Qualifying Facilities (QFs) that are 5 MWs or less.

The Company has corrected the definition of “Base Energy” and removed the definition of “Monthly Net Output Estimate” to reflect the removal of the 90-110 performance band.

The open issues, as Avista understands it, are: (1) ability to cure a delay in achieving a commercial operating date (COD) beyond three years from the Effective Date, (2) the ability for a QF to expand their facility beyond 5 MWs (see “Excess Energy” and Section 11.8), and (3) the need to provide any scheduling changes no later than 90 minutes prior to the hour.

The first two issues are governed by the Commission’s regulations, WAC 480-106. As Avista has previously explained, allowing a cure to a delay in COD beyond three years would necessarily result in a violation of the Commission’s regulations prescribing a maximum 15-year term with at least 12 years after COD. Similarly, allowing a QF to expand beyond 5 MWs would allow QFs larger than 5 MWs to take advantage of the standard PPA except for price, which would be inconsistent with the Commission’s regulation prescribing that the standard PPA is available to QFs 5 MWs or smaller. The Commission’s regulations do not say that a QF that is larger than 5 MWs is entitled to the standard PPA terms if it starts out as a QF that is smaller than 5 MWs and expands beyond 5 MWs later. Simply stated, if the QF is larger than 5 MWs, it is not entitled to the very favorable terms in the standard PPA. More fundamentally, a QF that is larger than 5 MWs

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is not entitled to the standard rates for any of its capacity. Allowing a QF that is larger than 5 MWs to get the standard rates for the first 5 MWs and a different rate for everything above 5 MWs is inconsistent with the fact that standard rates are only available for QFs that are 5 MWs or smaller. Also, parsing QFs so that any capacity above 5 MWs gets a different rate would be difficult, if not impossible, and therefore unduly burdensome. Finally, allowing QFs to stage development by initially sizing themselves to be 5 MWs or smaller, and then expanding later to take advantage of standard contract terms, is inconsistent with sound public policy.

With regard to scheduling, Avista understands that currently generators can change schedules up to 20 minutes prior to the hour. However, after Avista enters the EIM, Avista will be required to balance its generation mix at 75 minutes prior to the hour. As a result, Avista needs all schedule changes no later than 90 minutes prior to the hour. With the removal of the 90-110 performance band Avista can no longer enforce any schedule or scheduling error. While this may result in operational issues for Avista, it also should provide the QFs comfort with the 90 minute deadline for schedule changes.

If you have any questions regarding this filing, please contact Michael Andrea at (509) 495-2564, or michael.andrea@avistacorp.com, or me at (509) 495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy

Enclosures

