

<p>Energy Independence Act (I-937) Report Workbook Instructions</p> <p>Revised 3/31/2015</p> <p>Deadline: Monday, June 1, 2015</p> <p>Submission: Email this workbook and all supporting documentation to EIA@commerce.wa.gov</p> <p>Questions: Glenn Blackmon, State Energy Office, (360) 725-3115</p> <p>The Energy Independence Act (EIA) "RCW 19.285.070, Reporting and public disclosure" requires each qualifying utility to submit an annual report describing compliance with the law. This template implements the public reporting requirement. Additional documentation may be necessary to demonstrate full compliance with EIA. The EIA reports will be made available to the public via Commerce's website, http://www.commerce.wa.gov/eia.</p> <p>Excel Report Workbook: Contains one worksheet for Conservation, one worksheet for Renewables, and one worksheet for Renewable Cost.</p> <p>Green-shaded cells are for data input.</p> <p>Blue-shaded cells are calculated amounts and formulas. No data entry required in blue cells.</p> <p>The workbook requests numeric summaries as well as narratives and supporting notes. Commerce relies on the utilities to provide enough detail in the written section to ensure members of the public understand the data provided. Submit this Workbook in Excel format (i.e., do not submit in PDF format).</p> <p>Attachments: If you provide supporting documentation, Commerce will post that material along with your Excel Workbook. Please provide a reference to any attachments in the Excel workbook.</p> <p>RENEWABLE ENERGY WORKSHEET</p> <p>This worksheet covers the renewable energy reporting requirements that apply to all qualifying utilities, regardless of its method of compliance. A utility electing to comply using the "no load growth" approach or the "cost cap" approach must submit additional documentation.</p> <p>Reporting Context: The June 1, 2015, renewable energy report summarizes the eligible renewables resource and renewable energy credits that the utility has acquired and or has under contract by January 1, 2015. This describes the renewables acquisitions and investments made prior to the beginning of the target year to meet the requirements of the EIA.</p> <p>Worksheet Organization: The first page of the renewables worksheet includes targets and summarizes detailed reporting from pages 2 and 3. Page 2 provides facility level reporting for renewable resources. Page 3 provides facility level reporting for renewable energy credits. Page 4 provides a text box where the utility may include explanatory statements, references or web links to supporting information.</p> <p>Compliance Method: Select one of the three compliance methods that the utility intends to use. The EIA provides three compliance methods. A utility must make that determination by January 1, 2015 and must include information establishing its compliance method in this report.</p> <p>Renewable Expenditures</p> <p>Utilities must report the percentage of retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits.</p> <p>Renewable Cost Report is used to document and report renewable expenditures. For each renewable resource, report the total cost in 2015 of energy used for EIA compliance, the substitute resource associated with the renewable resource, and the total cost in 2015 that the utility would have incurred for the substitute resource.</p> <p>Note for Investor Owned Utilities (IOUs): Details on page 2 and 3 are designed to meet reporting requirements for consumer-owned utilities. The Utilities and Transportation Commission and IOUs have developed their own report form that details renewable energy achievements. Commerce requests that IOUs complete page 1 of the renewable worksheet, including rows 21 and 22. When completed, Commerce will attach the reports provided under 480-109-120 WAC to complete the details.</p> <p>[Page 2] Renewable Resources: This table provides reporting of renewable resource generation (MWh) by facility and renewable energy type. It includes facility level entries for additional credits for Apprentice Labor, where applicable. For each facility, enter the renewable energy generation in the appropriate column by type. If generation is eligible for Apprentice Labor credits enter the amount in the appropriate column. For example, a wind facility meeting the apprentice labor requirements will report wind generation in column (b) and apprentice labor MWh equivalents in column (k).</p> <p>[Page 3] Renewable Energy Credits: This table provides reporting of renewable energy credits (one REC represents one MWh) by facility and renewable energy type. It includes facility level entries for Apprentice Labor and Distributed Generation credits. Report the facility name, the WREGIS generating unit identification number (GUID) and the vintage of the renewable energy credits (RECs). For facilities where RECs from two different years from the same facility are used, enter each vintage on a separate row.</p> <p>Additional reporting for compliance option 19.285.040(2)(d), "no load growth"</p> <p>Utilities electing to comply using the no-load growth method should attach a separate report with the data elements specified in WAC 194-37-110(5). Investor owned utilities should provide a summary of documentation required by the Utilities and Transportation Commission.</p> <p>Additional reporting for compliance option RCW 19.285.050, "cost cap"</p> <p>Utilities electing to comply using the cost cap method should attach a separate report with the data elements specified in WAC 194-37-110(4). Investor owned utilities should provide a summary of documentation required by the Utilities and Transportation Commission.</p> <p>[Page 4] Notes: Provide any additional information needed to support your renewables data.</p>
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RENEWABLE ENERGY WORKSHEET – REVISIONS TO 2013 REPORT

In addition to submitting the 2015 report, each qualifying utility should review the renewable energy report it submitted in 2013. In many cases, the specific resources and quantities actually used to comply with the 2013 target differ from what the utility reported in June 2013. Utilities should submit a revised 2013 report if the actual values differ from the values reported in 2013.

WAC 194-37-110(4): Final compliance report. A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report. (Effective April 6, 2015)

Please use the 2013 template and mark it as "revised." Contact Commerce to obtain a copy of the 2013 reporting template if necessary.

Energy Independence Act (EIA) **Renewable Energy Report 2015**

Utility	Avista
Report Date	June 1, 2015
Utility Contact Name/Dept	John Lyons, Energy Resources
Phone	509-495-8515
Email	john.lyons@avistacorp.com

- 2015 Compliance Method:** RPS Target [RCW 19.285.040(2)(a)]
 Resource Cost [RCW 19.285.050]
 No Load Growth [RCW 19.285.040(2)(d)]

Loads and Resources	
2013 Annual Load (MWh)	5678868
2014 Annual Load (MWh)	5685958
Average of 2013 & 2014 Annual Loads (MWh)	5682413
2015 Renewable Target (% of load)	3%
2015 Eligible Renewable Energy Target (MWh)	170472.39
Eligible Renewables Acquisitions / Investments (MWh)	622438.2

Expenditures on Renewable Resources and RECs - 2015	
Amount invested in incremental cost of eligible renewable resources and the cost of RECs	\$7,585,415
Total annual retail revenue requirement - 2015	\$486,512,449
Investment in renewables and RECs as a percent of retail revenue requirement	1.6%

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Water	Wind	Solar Energy	Geothermal Energy	Landfill Gas	Wave, Ocean, Tidal	Gas from Sewage	Biodiesel	Biomass Energy	Apprentice Labor	Distributed Generation
	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh	MWh equiv.	MWh equiv.
Eligible Renewable Resources (MWh)	170,089	335,291	-	-	-	-	-	-	-	67,058	-
Renewable Energy Credits (MWh)	-	50,000	-	-	-	-	-	-	-	-	-
Total Renewables (MWh)	170,089	385,291	-	-	-	-	-	-	-	67,058	-

2015 Reporting Year:

This renewable energy report summarizes the eligible renewables resources and renewable energy credits (RECs) that the utility has acquired by January 1, 2015 for the purpose of meeting its Energy Independence Act (EIA) renewables target for 2015. The actual resources and RECs used to comply with the 2015 EIA target may vary from those reported here. Utilities will report in June of 2017 on the actual results for 2015.

Compliance Methods:

The EIA provides three compliance methods for utilities:

- Meet the renewable energy target using any combination of renewable resources and RECs. The target for 2015 is 3% of the utility's load
- Invest at least 4% of the utility's annual revenue requirement in the incremental cost of renewable resources and RECs.
- Invest at least 1% of its annual revenue requirement in renewable resources and RECs. This option is available only to certain utilities that are not growing.

All utilities must report the renewable resources and RECs acquired for the 2015 target year. Utilities that elect to use a compliance method based on renewable investments must provide additional information demonstrating compliance with that method.

NOTE: This is a general explanation of the renewable energy requirements of the Energy Independence Act, intended to help members of the public understand the information reported by the utility. Consult Chapter 19.285 RCW and Chapter 194-37 WAC for details.

Utility	Avista
Target Year	2015

Documentation of the calculation and inputs for percentage of revenue requirement invested in renewables:

Other notes and explanations:

There are no RECs to report for the Wanapum Fish Bypass because the water level for the hydroelectric project was lowered from February 2014 through March 2015 to facilitate repairs to the spillway.

In 2008, Avista purchased 50,000 renewable energy certificates per year generated from the Stateline Wind Project for the 2012 through 2015 period to comply with RCW Chapter 19.285 requirements. Avista sold the renewable energy certificates for 2012 through 2014 because they became surplus of the Company's needs in 2011 with the acquisition of the Palouse Wind Power Purchase Agreement and decisions concerning the need for reserves for qualifying hydroelectric upgrades. Avista retained the 2015 renewable energy certificates since they are eligible for 2016 compliance obligations. The 50,000 renewable energy certificates purchased from the Stateline Wind Project for 2014 are not included in this filing because they have already been sold and are not being submitted for compliance.

Washington revenue requirement is from 2014, which is the current revenue requirement in place at the time this report was developed. This number is adjusted to account for the transfer to Idaho for incremental hydro and Palouse RECs.

Energy Independence Act (EIA) **Incremental Cost and REC Cost Report 2015**

Incremental Cost of Renewable Resources

Utility	Avista
Compliance Year	2015

Facility Name	WREGIS ID	MWh	Renewable Resource Annual Cost in 2015	Renewable Resource Cost per MWh	Description of Substitute Resource	Substitute Resource Annual Cost in 2015	Substitute Resource Cost per MWh	Incremental Cost of Renewable Resource in 2015
Little Falls #4	W2102	4862	\$112,198	23	P assumptions, levelized upgrades uses	\$269,451	55	-
Long Lake #3	W2103	14197	\$92,282	7	P assumptions, levelized upgrades uses	\$1,141,013	80	-
Cabinet Gorge #2	W1560	29008	\$663,840	23	P assumptions, levelized upgrades uses	\$3,233,260	111	-
Cabinet Gorge #3	W1561	45808	\$861,603	19	P assumptions, levelized upgrades uses	\$3,663,667	80	-
Cabinet Gorge #4	W1562	20517	\$494,522	24	P assumptions, levelized upgrades uses	\$2,451,932	120	-
Noxon Rapids #1	W1530	21435	\$1,780,183	83	n made in 2008, adjusted for inflation), le	\$2,367,976	110	-
Noxon Rapids #2	W1552	7709	\$887,937	115	n made in 2008, adjusted for inflation), le	\$1,570,262	204	-
Noxon Rapids #3	W1554	14529	\$867,560	60	n made in 2008, adjusted for inflation), le	\$1,982,089	136	-
Noxon Rapids #4	W1555	12024	\$782,277	65	n made in 2008, adjusted for inflation), le	\$1,948,060	162	-
Wanapum Fish Bypass	N/A	0	\$0		es zero as LT avoided cost cannot be cal	\$0		-
Palouse Wind	W2906	335291	\$26,265,655	78	ion made in 2011, adjusted for inflation)	\$19,405,240	58	6,860,415
0	0	0						-
0	0	0						-
0	0	0						-
0	0	0						-
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0	0	0						-
0	0	0						-
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0	0	0						-
0	0	0						-
Totals		505,380	\$32,808,057			\$38,032,951		\$6,860,415

Cost of Renewable Energy Credits

Utility	Avista
Compliance Year	2015

Facility Name	WREGIS ID	REC Year	Number of RECs	Annual Cost of Renewable Energy Credits	Cost per REC
Stateline Wind Project	W249	2015	50000	\$725,000	15
0	0	0	0		
0	0	0	0		
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Total				\$725,000	

Notes and explanations for reporting incremental costs and cost of RECs:
 Avista calculated the incremental cost of investments made to meet RCW Chapter 19.285, by taking the annual levelized revenue requirement (\$/MWh) for each qualifying project compared to the cost of alternative power over the same period. Each qualifying resource is compared to a combined cycle combustion turbine (CCCT). To estimate the annual levelized cost of the CCCT, cost assumptions are used based upon the IRP from the time of the resource decision with costs split between energy (\$/MWh) and capacity (\$/kW-year). Avista includes any REC sales as a reduction to the incremental cost calculation. The Company also includes an adjustment to account for the value of RECs transferred from Idaho to Washington. In total, the change in revenue requirement is -0.72 percent due to the savings in hydro upgrade investments. Appendix B shows the calculation of this incremental cost for the qualified renewable resources. The supporting

documentation and spreadsheets are located in the confidential work papers for this filing.