

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of
Avista Corporation, d/b/a Avista Utilities,
Petitioner,
Seeking Exemption from the Provisions
of WAC 480-90-238(4) Relating to
Submission of Company's 2020
Integrated Resource Plan (IRP)

DOCKET UG-190724

ORDER 01

GRANTING PETITION FOR
EXEMPTION FROM RULE

BACKGROUND

- 1 On January 15, 2020, Avista Corporation, d/b/a Avista Utilities, (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an exemption from WAC 480-90-238(4) (Petition). Avista revised its Petition on January 21, 2020.
- 2 WAC 480-90-238(4) requires natural gas companies to file an Integrated Resource Plan (IRP) within two years after the date on which the previous plan was filed with the Commission “[u]nless otherwise ordered by the Commission.” Avista last filed a gas IRP on August 31, 2018. Currently, Avista’s deadline to file a new IRP in this Docket is August 31, 2020.
- 3 In its Petition, Avista seeks to delay the filing of its next IRP until April 1, 2021. Avista filed its revised workplan on January 28, 2020; the revised plan has a draft IRP due date of January 4, 2021, which aligns with its electric IRP deadline.
- 4 The Company cites the numerous pieces of legislation that were passed in 2019 in both Washington and Oregon to support its request. In Washington, Engrossed 3rd Substitute - E3SHB 1257 and 2nd Substitute - 2SHB 1444 created new energy efficiency requirements and appliance standards for natural gas companies, most notably requirements that natural gas companies have conservation potential assessments approved by the Commission, and that companies have biennial conservation plans in place for the first time by 2022. Final rules for all these bills, which could impact the Company’s IRP processes, are not expected until mid-2021. Moreover, the proposed extension of the gas

IRP will make it due concurrent with the Company's electric IRP, which will provide Commission staff (Staff) with greater efficiency during its review process.

5 Staff reached out to several stakeholders in the natural gas IRP process, including the Northwest Energy Coalition (NVEC), Alliance of Western Energy Consumers (AWEC), and the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel). AWEC and Public Counsel had no concerns with the Petition. NVEC did not express immediate concerns, but did note that early 2021 will be a very busy time for Staff given that all five natural gas and electric companies would be submitting IRPs in that time period if the Commission approves the three natural gas petitions. Staff understands these concerns, but believes that having fresh data for the plan and the Company's conservation potential assessment is critical. Additionally, Staff believes reviewing the three IRPs together could aid in its comparison and analysis.

6 Commission Staff reviewed the request and recommends granting Avista's Petition for exemption. Staff further recommends the Company's due dates for all future IRPs be calculated from April 1, 2021.

DISCUSSION

7 We grant Avista's request for an exemption from WAC 480-90-238(4) and require the Company to file its draft IRP on January 4, 2021, and its final IRP by April 1, 2021. We agree with Staff that Avista's request is reasonable to ensure that the Company's IRP incorporates the most recent requirements into its modeling process.

8 We also agree with Staff that granting the Petition is in the public interest. On August 27, 2019, we issued our Energy Legislation Implementation Plan in Docket U-190485 for developing rules to address these new statutes. Natural gas IRP and conservation rulemakings are set to commence in the second quarter of 2020 and be completed by the second quarter of 2021. The results of such rulemakings could have significant impact on the modeling required by the IRP process, potentially including re-running models to incorporate the full impact of the legislation. Additionally, delaying Avista's IRP is consistent with action we have previously taken with respect to the Washington electric utilities at the Commission's November 7, 2019, Open Meeting,¹ and action we are currently considering for other Washington natural gas utilities.²

¹ Docket UE-180259 (Pacific Power); Dockets UE-180607 and UG-180608 (Puget Sound Energy); and Docket UE-180738 (Avista Corporation).

² Docket UG-190711 (NW Natural) and Docket UG-190714 (Cascade Natural Gas).

9 The upcoming IRP will provide the basis for determining the amount of conservation
Avista will be statutorily obligated to acquire in the 2022-2023 biennium. If the current
timing for the IRP is retained, the conservation potential assessment (CPA) will
necessarily rely on market data that will be inappropriately out of date for setting binding
acquisition targets. Avista's Petition allows the CPA to incorporate updated market and
savings data, thereby allowing the IRP to integrate the most recent requirements into its
modeling process.

10 Additionally, extending the deadline for Avista to file its natural gas IRP will make the
due date concurrent with the Company's electric IRP. The Company plans to file its draft
natural gas IRP by January 4, 2021, which aligns with the draft electric IRP due date.

11 Accordingly, we find that granting the Company's Petition for an exemption is in the
public interest, and is consistent with both the purposes underlying the rule and
applicable statutes.

FINDINGS AND CONCLUSIONS

12 (1) The Commission is an agency of the State of Washington vested by statute with the
authority to regulate the rates, rules, regulations, practices, accounts, securities,
transfers of property and affiliated interests of public service companies, including
natural gas companies.

13 (2) Avista is engaged in the business of providing natural gas services within the state
of Washington and is a public service company subject to Commission jurisdiction.

14 (3) Avista is subject to WAC 480-90-238(4), which requires natural gas companies to
file an Integrated Resource Plan (IRP) within two years after the date on which the
previous plan was filed with the Commission.

15 (4) Under WAC 480-90-008, the Commission may grant an exemption from the
provisions of any rule in WAC 480-90 if doing so is consistent with the public
interest, the purposes underlying regulation, and applicable statutes. See also WAC
480-07-110.

16 (5) This matter came before the Commission at its regularly scheduled meeting on
February 6, 2020.

- 17 (6) After reviewing the Petition filed in Docket UG-190724 by Avista and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Avista Corporation's petition for an exemption from WAC 480-90-238(4) is granted.
- 19 (2) The Commission retains jurisdiction over the subject matter and Avista Corporation, d/b/a Avista Utilities, to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective February 6, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary