

**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

Received  
Records Management  
May 10, 2023

May 10, 2023

Ms. Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**RE: Docket U-230161 - Avista's Comments Regarding Commission-led Workshop Series on Climate Commitment Act**

Dear Ms. Maxwell:

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments (Notice) issued in Docket U-230161 on April 10, 2023, regarding the Commission-led workshop series on the Climate Commitment Act (CCA). Avista appreciates the Commission initiating the CCA workshop series to discuss a number of important issues relating to the implementation of the CCA for investor-owned utilities (IOUs) under the Commission's regulation. Many key questions and topics need guidance from the Commission for the utilities to move forward.

The following are the Company's responses to the specific questions posed in the Notice:

1. Do you have any thoughts, concerns, or suggestions on the proposed work plan?

**Response:** Yes, we do. First, with all due respect, waiting until December 2023 for the final proposed action plan for Commissioner considerations may be too late, as the CCA will have been in effect for a full year at that point. Overall, the timeline of the workplan should be greatly accelerated with guidance and actions taking place through the workshop series, rather than waiting until the end. Utilities are already spending millions of dollars on allowances to comply with the CCA and making implementation decisions that cannot wait until December. Ideally, the second and third workshop would be in May and June to speed up this process. And the workshops will likely need to be much longer than two hours to ensure sufficient time to discuss the issues and questions.

Second, it would be helpful to understand what actions the Commission may take as a result of the workshop series. For example, will the Commission be issuing informal guidance on the topics discussed, a formal policy statement, considering their own rulemaking on additional rules for implementing the CCA, or waiting on individual utilities to bring forth proposals on CCA

implementation items. In any event, having a clear understanding up front of the outcomes of this workshop series will be helpful in understanding how utilities may proceed with implementation decisions, needed tariffs, development of customers programs, and cost recovery.

2. What are the most important issues for the Commission to address during this proceeding?

**Response:** There are many important issues and questions for the Commission to consider and address during this proceeding. The following represent the most important issues to Avista for this proceeding:

- i. How should the CCA be treated on electric dispatch? This question in particular has effects on Avista's customers in both Washington and Idaho.
- ii. How should exports to the EIM be treated under the CCA? This may be a question better suited for the Department of Ecology but of interest to the Commission.
- iii. How should revenues from no cost natural gas allowances be allocated?
- iv. How should low-income customers be defined? Should the definition be the same as what is used in WAC 480-100-128(6)(d), which references a customer who has received low-income assistance in the prior two years?
- v. If natural gas utilities use revenues from consigned allowances as described in WAC 173-446-300(2)(iii)(A), which reads as follows,

*(A) Revenues from allowances consigned by natural gas utilities and sold at auction must be returned by providing nonvolumetric credits on ratepayer utility bills, prioritizing low-income customers, or used to minimize cost impacts on low-income, residential, and small business customers through actions that include, but are not limited to, weatherization, decarbonization, conservation and efficiency services, and bill assistance. Investor-owned utility compliance with this subsection will be determined by the utilities and transportation commission. Nothing in this subsection amends the utilities and transportation commission's jurisdiction over investor-owned utilities.*

- on decarbonization efforts, what is the Commission's expectations for how utilities develop and implement such programs?
- vi. How should utilities treat voluntary renewable programs, particularly voluntary renewable natural gas programs when it comes to charging customers for CCA costs and passing back revenues from consigned allowances?
  - vii. What is the Commission's role in utilities compliance with WAC 173-441, Reporting of greenhouse gases, as it relates to WAC 173-446, the CCA program rule?
  - viii. What is the Commission's expectation regarding utilities' participation in CCA allowance auctions and utilities' handling of allowances?
  - ix. What is the Commission's view on book-and-claim accounting of renewable natural gas (RNG) to be used for CCA compliance and will the Commission' support the utilities in seeking guidance from the Department of Ecology that does not geographically limit where RNG is sourced from?
  - x. What is the Commission's view on how RNG should be handled as it pertains to House Bill 1257, which allows utilities to spend up to 5% of their revenue requirement on RNG to be included in their Purchased Gas Adjustment and in utilizing revenues from the consignment

of no cost allowances towards the purchase of RNG as a pathway to comply with the CCA? This question specifically relates to WAC 173-446-300(2)(b)(iii)(C), which states,

*The customer benefits provided from allowances consigned to auction by natural gas utilities under this section must be in addition to existing requirements in statute, rule, or other legal requirements, as determined for investor-owned utilities by the utilities and transportation commission.*

Given this language, the question then is, can the revenues from consigned allowances be used toward the purchase of RNG or the environmental attributes associated with RNG as a means of decarbonizing the gas supply, thereby lowering emissions and reducing the amount of allowances that must be procured?

3. Do you have any other comments you would like to offer on the implications of the CCA for IOUs and ratepayers?

**Response:** Not at this time.

If you have any questions regarding these comments, please contact me at 509-495-2782 or [shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com).

Sincerely,

/s/ *Shawn Bonfield*

Shawn Bonfield  
Sr. Manager of Regulatory Policy & Strategy