

**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 480-106-040(1)(b)(i) Relating to  
Avoided Capacity Costs Based on the Most  
Recently Acknowledged Integrated  
Resource Plan

DOCKET UE-200903  
  
ORDER 01  
  
GRANTING EXEMPTION FROM  
RULE WAC 480-106-040(1)(b)(i)

**BACKGROUND**

- 1 On October 29, 2020, Avista Corporation, d/b/a Avista Utilities, (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a tariff revision to its Schedule 62 “Small Power Production and Cogeneration Schedule” and included a request for an exemption from WAC 480-106-040(1)(b)(i).
- 2 WAC 480-106-040(1)(b)(i) requires electric companies to use capacity calculations based on their most recently acknowledged integrated resource plan (IRP) or the most recent project proposals received pursuant to a Request for Proposals. Avista’s 2017 IRP is the Company’s most recently acknowledged plan.<sup>1</sup>
- 3 On March 12, 2020, the Commission granted Avista an exemption from WAC 480-106-040(1)(b)(i) in Order 01 in Docket UE-190663, which allowed Avista to use its 2019 IRP Progress Report rather than its most recently acknowledged IRP to develop its avoided cost of capacity.<sup>2</sup> In this Docket, Avista seeks Commission approval to extend this practice.
- 4 Commission staff (Staff) reviewed Avista’s filing and recommends granting Avista’s request for exemption. The most current avoided cost information is found in the 2019

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<sup>1</sup> Docket UE-161036, 2017 IRP Acknowledgment Letter, May 7, 2018.

<sup>2</sup> Docket UE-180738, 2019 IRP Progress Report, February 28, 2020.

IRP Progress Report, not Avista's 2017 IRP. Staff therefore believes it is in the public interest to use the capacity contribution values as presented in the Company's 2019 IRP progress report.

### DISCUSSION

- 5 We grant Avista's request for an exemption from WAC 480-106-040(1)(b)(i) and allow the Company to calculate capacity contribution values for various fuel types based on the Company's 2019 IRP progress report. Pursuant to WAC 480-07-110, the Commission may, in response to a request or on its own motion, grant an exemption from its own rules when "consistent with the public interest, the purposes underlying regulation, and applicable statutes."<sup>3</sup>
- 6 We agree with Staff that Avista's request is reasonable to ensure that the Company's avoided costs are not calculated using stale data. Accordingly, we find that granting the Company's request for an exemption is in the public interest and consistent with both the purposes underlying the rule and applicable statutes.

### FINDINGS AND CONCLUSIONS

- 7 (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 electric companies.
- 8 (2) Avista is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 9 (3) Avista is subject to WAC 480-106-040(1)(b)(i), which requires electric companies base avoided capacity costs on the most recently acknowledged integrated resource plan.
- 10 (4) Under WAC 480-106-003, the Commission may grant an exemption from the provisions of any rule in WAC 480-106, if consistent with the public interest, the

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<sup>3</sup> Accord WAC 480-106-003 (stating that the Commission may grant exemptions to the rules for purchases from qualifying facilities).

purposes underlying regulation and applicable statutes. *See also* WAC 480-07-110.

- 11 (5) This matter came before the Commission at its regularly scheduled meeting on December 10, 2020.
- 12 (6) After review of the request filed in Docket UE-200903 by Avista on October 29, 2020, 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:**

- 13 (1) Avista Corporation's, d/b/a Avista Utilities, request for an exemption from from WAC 480-106-040(1)(b)(i) is granted. Avista Corporation, d/b/a Avista Utilities, may calculate capacity contribution values for various fuel types based on its 2019 integrated resource plan progress report.
- 14 (2) The Commission retains jurisdiction over the subject matter and Avista Corporation, d/b/a Avista Utilities, to effectuate the provisions of this Order.
- 15 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 December 10, 2020.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**MARK L. JOHNSON**  
Executive Director and Secretary