

October 28, 2019

Utilities and Transportation Commission Hearing: Avista 2019 Rate Case

Docket number: UE-190334 and UG-190335

Comments of Dr. Brian G. Henning, Ph.D., Avista rate-payer and resident of Spokane (2603 N. Atlantic St., Spokane, WA 99205); Professor of Philosophy and Environmental Studies, Gonzaga University

Dear Commissioners, thank you for coming to Spokane and hearing the concerns of Avista rate-payers.

My testimony this evening relates to Avista's requested ^{2 year} 13.7% increase in electricity rates for 2020 & 2021 and its connection to Avista's 15% stake in one of the largest coal-fired electricity generation plants in the west, Colstrip Units 3 and 4.

I am concerned that, despite the 100% clean energy legislation (SB5116) passed last spring by the Washington state legislature, which requires that coal be phased out of our grid by 2025, ratepayers are unfairly being asked to shoulder the cost of this risky and unreliable asset in at least four ways.

First, I am concerned that Avista is pouring millions of dollars into the Colstrip plant to prop up its existence beyond the legal cutoff of 2025 mandated by this new law. It is unreasonable to ask ^{WA} ratepayers to pay for expenses related to extending the life of Colstrip beyond 2025. Why should Washington Avista customers be bearing the cost of investments that will not benefit them? I would hope that the UTC would ask Avista to commit to immediately ramping down all unnecessary operations & maintenance funding and systematically eliminate any new capital expense funding for Colstrip.

Second, Avista should make clear the financial implications to ratepayers of the bankrupt Rosebud mine that supplies Colstrip and the expected cost increases related to the bankruptcy. Again, why should Avista customers have to shoulder the additional costs associated with this increasingly expensive coal asset that Washington is seeking to eliminate entirely from its energy mix?

Third, my understanding is that part of this requested rate increase is to pay for energy that Avista had to purchase when Colstrip was offline last summer ²⁰¹⁹ due to air quality violations. However, I would argue that ratepayers should not be responsible for these costs. I would encourage you and the UTC staff to look closely at the Idaho Commission,

which just recently ruled that ratepayers should not have to pay for these “extraordinary expenses.”

Finally, Avista received a \$103 million dollar windfall from the failed merger with HydroOne. I suggest that Avista should set aside this money to create an orderly plan for the eventual closure of Colstrip. In particular, this money should be a down payment to (1) help provide a just transition to those workers affected by the closure of Colstrip and (2) help pay for the massive cleanup of toxic coal ash onsite. So far Avista has not committed any funds to transition Colstrip workers, whereas Puget Sound Energy has set aside \$10 million for transition costs with half of that money coming from shareholders rather than ratepayers. Similarly, Puget Sound Energy has set aside up to \$350 million for cleanup of Colstrip. A proportional amount for Avista would be \$100 million, yet they have no plan for this large financial burden to future customers, who will gain no benefit from the plant past 2025. Ratepayers should not be on the hook to pay for these costs.

The growing climate crisis requires that our civilization move swiftly away from fossil fuels, especially the most polluting and carbon intensive forms such as coal. Please protect Avista customers from unfair rate increases that support prolonging the life of an expensive and out-dated coal-burning plant while failing to prepare for future clean-up costs. We owe better to the workers and community in Colstrip, Montana who have sacrificed their clean air and water to supply Washington's energy needs. Avista customers rely on your good judgment to protect us from future balloon payments for remediation of defunct energy production sites. Please also consider in your judgment the future generations of Washingtonians' need for and rights to a safe and stable climate in which to prosper.