

WN U-28

AVISTA CORPORATION
dba Avista Utilities

Schedule 62 QF Avoided Costs
Specified Term-Standard Power Energy Rates
Hourly Values (\$/MWh)

Table with columns for months (HLH) from 2021 to 2045 and rows for each month of the year (Jan to Dec). Values represent hourly avoided costs in \$/MWh.

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By Patrick Ehrbar, Director, Regulatory Affairs

Patrick Ehrbar

- 1. New resources must sign contracts through the end of 2035. Existing resources must execute 10-year contracts. Resources not RCW 80.80-40 compliant must execute 5-year contracts. All new resource contracts must begin delivery within 3 years of execution; renewal QF contract terms must begin at time of existing contract expiration.
2. HLH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LLH (light load-hours) are defined as all other hours.
3. QF may cease deliveries during periods where prices are negative.

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Schedule 62 QF Avoided Costs
Specified-Term Standard Power & Short-Term Time of Delivery Capacity Rates
Hourly Values (\$/MWh)

RCW 80.80.40 Compliant Resources - Contracts Ending after 15 Years									
First Delivery Year	Hourly Capacity Value <3 Year History								3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Wood Biomass	Geothermal (off sys)	Other	
2022	1.67	7.56	0.88	6.89	17.19	13.56	11.39	10.48	7.65
2023	1.86	8.41	0.98	7.67	19.12	15.08	12.67	11.66	8.51
2024	2.06	9.28	1.08	8.46	21.11	16.65	13.99	12.87	9.39
2025	2.39	10.78	1.25	9.83	24.51	19.33	16.24	14.94	10.91

RCW 80.80.40 Compliant Resources - Renewal Contracts Ending after 10 Years									
First Delivery Year	Hourly Capacity Value <3 Year History								3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Wood Biomass	Geothermal (off sys)	Other	
2022	1.28	5.77	0.67	5.26	13.12	10.35	8.69	8.00	5.84
2023	1.54	6.98	0.81	6.36	15.86	12.51	10.51	9.67	7.06
2024	1.82	8.21	0.95	7.48	18.66	14.72	12.37	11.38	8.31
2025	2.30	10.40	1.21	9.48	23.65	18.66	15.67	14.42	10.53

RCW 80.80.40 Non-Compliant Resources - Renewal Contracts Ending after 5 Years									
First Delivery Year	Hourly Capacity Value <3 Year History								3+ Year History \$/kW-mo
	On-System Wind	Montana Wind	Solar	Solar + 4Hr Batt	Hydro	Wood Biomass	Geothermal (off sys)	Other	
2022	0.08	0.38	0.04	0.34	0.86	0.68	0.57	0.52	0.38
2023	0.59	2.65	0.31	2.41	6.01	4.74	3.98	3.67	2.68
2024	1.10	4.97	0.58	4.53	11.30	8.91	7.49	6.89	5.03
2025	2.01	9.08	1.05	8.28	20.65	16.28	13.68	12.59	9.19

- Capacity payments are based on an annual capacity value multiplied by the standardized on-peak capacity contribution divided by a standardized capacity factor. Once QF output exceeds that of the assumed capacity factor level, capacity payments will cease until the next contract year.
- Existing resources with 3 years of operating history will receive a \$/MWh payment derived using the \$/kW-mo rate. To convert the \$/kW-mo rate to a per-MWh rate, multiply the \$/kW-mo rate by 12 months and multiply it again by the capacity contribution factor defined in tariff and then divide that figure by the average capacity factor over the same number of years used to define the capacity contribution factor.
- On-Peak Capacity Contribution Assumptions <3 Years Operating History:
On-System Wind: 5% Montana Wind: 30% Solar: 2% Solar + 4Hr Battery: 15%
Hydro: 61% Other: 100%
- Standardized Capacity Factor Assumptions <3 Years Operating History:
On-System Wind: 31% Montana Wind: 49% Solar: 24% Solar + 4Hr Battery: 23%
Hydro: 37% Wood Biomass: 77% Geothermal (off-sys): 92%
- Fixed rate is for contracts ending in 2035. Shorter terms will receive capacity payment based on value provided over the term of the contract.
- Capacity contribution payment with batteries is based on the size of the resource itself, not the summation of the battery and resource. Battery size is assumed to be equal to a multiple of the underlying resource capacity (e.g., 2 MW solar + 4 hr battery = 8 MWh battery).

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Estimated Avoided Costs
Combined Energy and Capacity Value Assuming Flat Delivery All Hours in a Year - Example Rates For Large OF Resources, Not Applicable to Small OF
Hourly Values (\$/MWh)

Table with columns for months (Jan-Dec) and years (2021-2045). Values represent hourly avoided costs in \$/MWh. The table shows a general upward trend in costs over the period, with a notable dip in 2023.

1. HLH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LLH (light load-hours) are defined as all other hours.
2. After 15 years rates are escalated using growth rate between year 14 and year 15.
3. Rate does not include adjustments for variable energy resource integration changes.

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Estimated Avoided Costs
Energy Only Value Assuming Flat Delivery All Hours in a Year - Example Rates For Large QF Resources, Not Applicable to Small QF
Hourly Values (\$/MWh)

Table with columns for months (Jan-Dec) and years (2021-2045) showing hourly values for avoided costs. Values range from approximately 11.27 to 66.23 \$/MWh.

Capacity Only Value Assuming Flat Delivery All Hours in a Year - Example Rates For Large QF Resources, Not Applicable to Small QF
Hourly Values (\$/MWh)

Table with columns for months (Jan-Dec) and years (2021-2045) showing hourly values for capacity costs. Values are constant at 16.46 \$/MWh for all years.

- 1. LH (heavy load-hours) are defined as 6:00 am until 10:00 pm all days. LH (light load-hours) are defined as all other hours.
2. Rate does not include adjustments for variable energy resource integration charges.
3. Capacity value is applied to all delivered energy during a calendar year.

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