



Avista Corp.

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August 6, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: UE-200455 - Avista Utilities' Petition – Revised Exhibit A

Dear Mr. Johnson:

On May 22, 2020, Avista Corporation, dba Avista Utilities (“Avista” or “the Company”), filed with the Commission a Petition for an Order approving the Company’s avoided cost rate methodology for power purchases from large qualified facilities per WAC 480-106-050(5). Based on discussions with interested stakeholders regarding contracting procedures for Qualifying Facilities, the Company identified an issue within the proposed methodology described in its Petition related to the treatment of environmental attributes.

The proposed methodology states that “QF projects either retain their environmental attributes when Avista’s next planned capacity addition is not a renewable resource, or grant them to the utility at no additional cost when Avista’s next planned capacity addition is a renewable resource.” The Company identified that this language fails to address situations when there is a mix of renewable and non-renewable capacity needs over the term of an agreement and how environmental attributes will be treated in such situations. To address this issue Avista proposes adding a new a section to the methodology further describing how environmental attributes will be treated. Specifically, the proposed methodology in regard to environmental attributes now states, “the amount of environmental attributes claimed shall be the simple average of the percentage of renewable resource nameplate capacity contained in the Peaking Capacity Value.” The new

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proposed provision provides flexibility such that a percent of environmental attributes can be granted to Avista, rather than all or none, based on its actual capacity needs. This approach will lend to the fair treatment of environmental attributes to both Qualifying Facilities and the Company.

If you have any questions regarding this filing, please contact me at (509) 495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy

Enclosure

