

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Schedule 62 Tariff Revisions and Request
for Exemption from WAC 480-106-
040(1)(b)

DOCKET UE-230870

ORDER 01

GRANTING EXEMPTION FROM
WAC 480-106-040(1)(b);
ALLOWING TARIFF TO GO INTO
EFFECT BY OPERATION OF LAW

BACKGROUND

- 1 On October 23, 2023, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to Tariff WN U-28, Schedule 62, Small Power Production and Cogeneration, which governs the avoided cost rates paid to qualifying facilities (QFs) with a nameplate rating of five (5) megawatts or less within the meaning of the Public Utility Regulatory Policies Act of 1978 (PURPA).
- 2 Avista also filed a petition requesting a five-year exemption from WAC 480-106-040(1)(b) (Petition), which requires utilities to file a schedule of estimated avoided costs that includes specific items based on the utility's most recently acknowledged Integrated Resource Plan (IRP). Avista requests a five-year exemption because on July 25, 2023, the Commission issued a Notice of Change to the Electric Integrated Resource Plan Process (Notice) stating, "[a]s part of the Commission's effort to reduce unnecessary administrative burden and duplicative processes, we are discontinuing our practice of issuing acknowledgment letters for electric IRPs in all cases."¹ A five-year exemption was suggested by Commission Staff (Staff) in discussion ahead of this filing to eliminate the need for annual waiver requests. For purposes of estimating the avoided cost of capacity in this 2023 tariff revision, Avista requests to use a combination of information from

¹ Commission letter referenced in Dockets UE-200420, UE-200305, and UE-200301

two more recent sources, the Company's 2023 Electric Integrated Resource Plan and its 2022 All-source Request for Proposals (RFP).²

3 Staff reviewed Avista's Petition and recommends granting the Company's request for exemption and allowing the tariff filing to go into effect by operation of law.

DISCUSSION

4 We grant Avista's request for a five-year exemption from WAC 480-106-040(1)(b). Under WAC 480-106-003, the Commission may grant an exemption from the provisions of any rule in WAC 480-106 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes.

5 We find that granting the Company's request for a five-year exemption is in the public interest and consistent with both the purposes underlying the rule and applicable statutes. We further agree the tariff filing should be allowed to go into effect by operation of law.

FINDINGS AND CONCLUSIONS

- 6 (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.
- 7 (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.
- 8 (3) Avista is subject to WAC 480-106-040(1)(b), which requires electric companies to calculate the avoided cost of capacity based on its most recently acknowledged IRP.
- 9 (4) Under WAC 480-106-003, the Commission may grant an exemption from the provisions of any rule in WAC 480-106 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. See also WAC 480-07-110.

² The Commission approved Avista's 2022 Draft All-source RFP via Docket UE-210832, [Order 02](#) on February 10, 2022.

- 10 (5) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 11 (6) After review of the tariff revision and request for exemption filed in Docket UE- 230870 by Avista on October 23, 2023, 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. The tariff should be allowed to go into effect by operation of law.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Avista Corporation d/b/a Avista Utilities' request for a five-year exemption from WAC 480-106-040(1)(b) is granted.
- 13 (2) Avista Corporation d/b/a Avista Utilities' tariff filed on October 23, 2023, in this docket, is allowed to go into effect by operation of law.
- 14 (3) 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 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER
Acting Executive Director and Secretary