

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION d/b/a  
AVISTA UTILITIES

2022-2023 Biennial Acquisition Target  
Under RCW 80.28.380

DOCKET UG-210827

ORDER 01

ACCEPTING 2022-2023 BIENNIAL  
ACQUISITION TARGET, SUBJECT TO  
CONDITIONS

**BACKGROUND**

- 1 On November 1, 2021, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed its 2022-2023 Biennial Conservation Plan (BCP or Plan) identifying a 2022-2023 biennial acquisition target of 2,192,434 therms.
- 2 Pursuant to Revised Code of Washington (RCW) 80.28.380, natural gas companies must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.

**Table 1 Natural Gas Savings and Budgets from Avista’s 2020-2021 and 2022-2023 BCPs.**

<b>Program</b>	<b>2020-2021 Projected Savings (therms)</b>	<b>2020-2021 Budget</b>	<b>2022-2023 Projected Savings (therms)</b>	<b>2022-2023 Budget</b>
Residential Total	1,336,937	\$9,298,257	1,492,000	\$14,230,554
<i>Low-income</i>	<i>51,487</i>	<i>\$3,292,071</i>	<i>49,000</i>	<i>\$3,484,000</i>
Non-Residential	537,454	\$1,429,931	812,000	\$2,546,500
NEEA	-	\$410,000	-	\$812,000
Administration/Other	-	\$838,516	-	\$1,248,705
<b>Total</b>	<b>1,874,391</b>	<b>\$11,976,703</b>	<b>2,304,000<sup>1</sup></b>	<b>\$18,837,759</b>

3 As with previous biennia, Commission staff (Staff), the state’s five electric and gas utilities, and various stakeholders have negotiated a set of conditions that Avista agrees to adhere to throughout the biennium. These are included as Attachment A to this Order.

4 On December 17, 2021, The Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel), The Energy Project (TEP), and the NW Energy Coalition (NWEK) submitted comments on the Plan. All three stakeholders recommended approval of the Plan, subject to the conditions noted in Attachment A.

5 NWEK and TEP additionally discussed the conservative nature of the non-energy impact study that Avista commissioned DNV to undertake, as well as the potential for positive results from Avista’s newly restarted on-bill repayment program (OBR). Staff agrees with the concerns around the DNV study. TEP also expressed potential concerns that Avista’s energy burden study undercounted highly burdened households, and that an OBR can present extra risks for low-income customers and particularly for customers that rent their homes.

6 NWEK further highlighted some external and policy influences underscoring Avista’s gas portfolio. Staff agrees that greater conversation is necessary around implementing and

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<sup>1</sup> The difference between this figure and that in Table 2 in Staff’s comments is a small amount of additional savings that Avista believes it can realize during the 2022-2023 biennium. This additional savings is beyond that which is accounted for in its calculated Biennial Acquisition Target.

evaluating natural gas measures in the current and future environmental and political framework.

7 Staff also filed responsive comments on the Plan on December 17, 2021.<sup>2</sup> Those comments detailed Avista’s expected electric and gas savings in the 2022-2023 biennium, some of the programs the Company will run to achieve those savings, and an analysis of the Plan.

8 Staff recommends the Commission issue an order accepting Avista’s Two-Year Conservation Target of 2,192,434 therms; Two-Year Decoupling Commitment of 109,622 therms, pursuant to Order 05 in Docket UG-140189; total Two-Year Utility Conservation Goal of 2,302,056 therms; and subject to the conditions set out in detail in Attachment B to Staff’s memo.<sup>3</sup> In summary, the conditions require the Company to:

- Continue to invest in regional studies and market transformation, in collaboration with funding from other parties and with other strategic market partners in this biennium, that complements Avista’s energy efficiency programs, planning, services, and measures.
- Participate in the Northwest Energy Efficiency Alliance’s (NEEA) gas market transformation program through the end of NEEA’s 2020-2024 funding cycle.
- Retain sole responsibility for complying with RCW 80.28.380.
- Follow the Conservation Potential Assessment provisions.
- Follow the provisions for acquiring, planning, and reporting all conservation resources.

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<sup>2</sup> Dockets UE-210822 and UG-210823, “Commission Staff Comments Regarding Gas and Electric Utility Conservation Plans Under RCW 19.285 and 80.28 and WAC 480-109 (2022-2023 Biennial Conservation Plans),” filed Dec. 17, 2021.

<sup>3</sup> Docket UG-170034, Order 08, ¶250, 261.

The Total Two-Year Utility Conservation Goal incorporates the Two-Year Conservation Target, the Decoupling Commitment, projected Northwest Energy Efficiency Alliance (NEEA) savings (if any), and any additional conservation savings that PSE expects to achieve above and beyond these targets, such as pilots or other savings.

- Continue to use its advisory group, including notifying and consulting with the group in a variety of circumstances.
- Provide Annual Budgets in a detailed format including energy savings and a reasonable allocation towards pilot programs, research, and data collection.
- Maintain and provide specific program details in its conservation tariffs and notify Advisory Group of filings.
- Follow approved strategies for selecting and evaluating energy conservation savings.
- Follow program design principles.
- Use the modified Utility Cost Test (UCT).
- File recovery through a Gas Conservation Service Rider.
- Demonstrate progress towards equitable distribution of nonenergy benefits.
- Consult with the Advisory Group to determine implementation of RCWs 80.28.260(2) and 80.28.300.

### DISCUSSION AND DECISION

9 We agree with Staff's recommendation and accept Avista's BCP subject to certain conditions. We accept Avista's calculation of its Two-Year Conservation Target of 2,192,434 therms; Two-Year Decoupling Commitment of 109,622 therms, pursuant to Order 05 in Docket UG-140189; total Two-Year Utility Conservation Goal of 2,302,056 therms, subject to the conditions attached to and incorporated into this Order as Attachment A for the reasons explained below.

10 The Company, in collaboration with Staff and advisory groups, developed a BCP using methodologies consistent with the Northwest Power and Conservation Council's most recent final Power Plan,<sup>4</sup> which proposed appropriate program changes. The Plan also

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<sup>4</sup> RCW 19.285.040(1)(a).

complies with the statutory requirement to “pursue all available conservation that is cost-effective, reliable, and feasible.”<sup>5</sup>

11 We agree with Staff that the public interest requires imposing additional conditions to accept the Company’s 2022-2023 BCP. The gas plans filed by the utilities, coupled with the proposed conditions, will serve to demonstrate that the gas conservation target will result in the acquisition of all resources identified by the utility as available and cost-effective as required by RCW 80.28.380. These conditions are outlined in detail in Attachment A to this Order.

12 Accordingly, we accept Avista’s calculation of its Two-Year Conservation Target of 2,192,434 therms; Two-Year Decoupling Commitment of 109,622 therms, pursuant to Order 05 in Docket UG-140189; total Two-Year Utility Conservation Goal of 2,302,056 therms; subject to the conditions attached to and incorporated into this Order as Attachment A.

### FINDINGS AND CONCLUSIONS

13 (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 natural gas companies.

14 (2) Avista is a natural gas company and a public service company subject to Commission jurisdiction.

15 (3) RCW 80.28.380 requires natural gas companies to establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective.

16 (4) On November 1, 2021, Avista filed its 2022-2023 BCP identifying 2022-2023 Acquisition Target, and 2022-2023 Decoupling Penalty Threshold.

17 (5) This matter came before the Commission at a specially scheduled recessed meeting on January 18, 2022.

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<sup>5</sup> RCW 19.285.040(1).

- 18 (6) Avista’s calculation of its 2022-2023 biennial acquisition target of 2,192,434  
therms is consistent with RCW 80.28.380.
- 19 (7) Avista’s calculation of its 2022-2023 Decoupling Penalty Threshold of 109,622  
therms is consistent with Order 05 in Docket UG-140189.
- 20 (8) Avista’s calculation of its 2022-2023 Total Two-Year Conservation Goal of  
2,302,056 therms is consistent with RCW 80.28.380.
- 21 (9) It is in the public interest to accept Avista’s biennial conservation target, as  
authorized by RCW 80.28.380, subject to the conditions proposed by Staff, as set  
out in Attachment A to this Order.
- 22 (10) The Commission should accept Avista’s calculation of its Two-Year Acquisition  
Target of 2,192,434 therms; Two-Year Decoupling Penalty Threshold of 109,622  
therms; and a Total Two-Year Conservation Goal of 2,302,056 therms; subject to  
the conditions attached to this Order as Attachment A.

## ORDER

### THE COMMISSION ORDERS:

- 23 (1) The Commission accepts Avista Corporation d/b/a Avista Utilities’ Two-Year  
Acquisition Target of 2,192,434 therms; Two-Year Decoupling Penalty  
Threshold of 109,622 therms; and a Total Two-Year Conservation Goal of  
2,302,056 therms; subject to the conditions attached to this Order in Attachment  
A.
- 24 (2) The Commission retains jurisdiction over this matter for purposes of effectuating  
this Order.

DATED at Lacey, Washington, and effective January 18, 2022.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**DAVID W. DANNER, Chair**

**ANN E. RENDAHL, Commissioner**

**JAY M. BALASBAS, Commissioner**