

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-131056
AVISTA CORPORATION’S	ORDER 01
Renewable Energy Target Progress Report under RCW 19.285.070 and WAC 480-109-040	ORDER APPROVING COMPLIANCE WITH ELIGIBLE RENEWABLE ENERGY TARGET REPORTING REQUIREMENTS FOR 2013

BACKGROUND

1 The Energy Independence Act (EIA or Act)¹ requires qualifying electric utilities to obtain certain percentages of their electricity from eligible renewable resources. The Washington Utilities and Transportation Commission (Commission) enforces compliance with the EIA by investor-owned utilities.² Commission rules implementing the Act require that “[b]y January 1 of each year beginning in 2012 and continuing through 2015, each [qualifying investor-owned] utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits (RECs), or a combination of both, to supply at least three percent of its load for the remainder of each year.”³ The Act requires a utility to file a report demonstrating that it met that obligation⁴ and describing “the steps [it] is taking to meet the renewable resource requirements for the current year.”⁵ Ultimately, the Commission must determine “whether the utility complied with its . . . renewable resource targets.”⁶

¹ RCW Chapter 19.285.

² RCW 19.285.060(6).

³ WAC 480-109-020(1)(a). For a detailed discussion of the Commission’s implementation of the EIA and the meaning of the terms used in the statute, see *In re Avista Corporation’s Renewable Energy Target Progress Report under RCW 19.285.070 and WAC 480-109-040*, Docket UE-120791, Order 01, Order Regarding 2012 Renewable Energy Target (Sept. 13, 2012).

⁴ RCW 19.285.070; WAC 480-109-040.

⁵ WAC 480-109-040(1)(d).

⁶ WAC 480-109-040(2)(c).

- 2 The Commission has implemented these requirements by establishing a two-step compliance process.⁷ Because a utility may comply with its renewable portfolio standards (RPS) obligation by using RECs acquired in the year after the target year, ultimate compliance for 2012, for example, may be demonstrated as late as June 1, 2014. Accordingly, there will be two commission decisions for each year's compliance: (1) a determination that the company has enough resources to meet the 3 percent target; and (2) the retrospective compliance decision. Before the Commission is the initial resource-adequacy filing made by Avista Corporation (Avista or Company) for its 2013 obligation. The Commission will consider Avista's compliance with its 2013 target when Avista requests such a finding, which the Company must do no later than June 1, 2015.⁸
- 3 On May 31, 2013, Avista filed with the Commission a compliance report under RCW 19.285.070 and WAC 480-109-040 ("RPS Report"). The Company seeks an order from the Commission confirming that Avista has complied with the Commission's EIA reporting requirements and accepting the Company's calculations and eligibility of the renewable resources identified in the RPS Report for 2013.
- 4 On June 7, 2013, the Commission issued a Notice inviting interested persons to file written comments on Avista's RPS Report. During the comment period, the Commission received written comments from Commission Staff and joint written comments from Renewable Northwest Project and NW Energy Coalition (RNP/NWEC). At the July 26, 2013, Open Meeting, the Commission heard oral comments from Commission Staff, Avista, and RNP/NWEC. The Commission also considered Staff's Open Meeting memorandum of that date. At that Open Meeting, the Commission accepted Staff's recommendation and also required that the Company not double-count its eligible renewable resources.⁹ The Commission indicated that a formal order would follow. This is that order.

⁷ *In re Avista Renewable Energy Target Progress Report under RCW 19.285.070 and WAC 480-109-040*, Docket UE-120791, Order 01, Order Regarding 2012 Renewable Energy Target ¶38 (Sept. 13, 2012).

⁸ To keep these various filings and decisions organized, the Commission will include all filings for a utility's compliance for a given year under one docket number. Accordingly, Avista's compliance with the 2013 target should be made under this docket. Compliance with the 2012 target will be considered under Docket UE-120791.

⁹ Staff's July 26, 2013, Open Meeting memorandum recommended that the Commission issue an order in this docket finding: (1) The 2013 renewable energy target for Avista is 166,740 megawatt-hours; (2) Avista has complied with the June 1, 2013, reporting requirements; (3) Avista has demonstrated that, by January 1, 2013, the Company acquired at least 166,740 megawatt-hours of eligible renewable resources for its use in 2013; (4) Avista must file a second

DISCUSSION

A. Avista’s RPS Report

5 Avista’s RPS Report included all items required by WAC 480-109-040 and RCW 19.285.070(1). Based on its average annual load for 2011 and 2012, Avista calculated that its 2013 renewable energy target was 166,740 megawatt-hours. Avista also reported that it had acquired or contracted for 541,742 megawatt-hours of renewable energy to meet its 2013 target as detailed in the following table:

Facility Name (Location)	Resource Type and Vintage	Amount (MWh)	Facility On-Line Date	Ownership/ Contract
Long Lake #3 (Spokane River, WA)	Water (Incremental Hydro), 2013	14,197	10/29/1999	Avista- owned
Little Falls #4 (Spokane River, WA)	Water (Incremental Hydro), 2013	4,862	11/14/2001	Avista- owned
Cabinet Gorge #2 (Clark Fork R., ID)	Water (Incremental Hydro), 2013	29,008	3/19/2004	Avista- owned
Cabinet Gorge #3 (Clark Fork R., ID)	Water (Incremental Hydro), 2013	45,808	3/27/2001	Avista- owned
Cabinet Gorge #4 (Clark Fork R., ID)	Water (Incremental Hydro), 2013	20,517	4/5/2007	Avista- owned
Noxon Rapids #1 (Clark Fork R., MT)	Water (Incremental Hydro), 2013	21,435	5/21/2009	Avista- owned
Noxon Rapids #2 (Clark Fork R., MT)	Water (Incremental Hydro), 2013	7,709	5/6/2001	Avista- owned
Noxon Rapids #3 (Clark Fork R., MT)	Water (Incremental Hydro), 2013	14,529	6/11/2010	Avista- owned
Noxon Rapids #4 (Clark Fork R., MT)	Water (Incremental Hydro), 2013	12,024	5/2/2012	Avista- owned
Wanapum Fish Bypass (Columbia R., WA)	Water (Incremental Hydro), 2013	21,927	4/2008	Contract w/ Grant Cnty PUD
Palouse Wind* (Whitman Cnty, WA)	Wind, 2013	309,726 ¹⁰	12/14/2012	Contract

report no later than June 1, 2015, that provides the information necessary to determine whether the Company met the January 1, 2013 target; and (5) Avista must include a section in its 2017 compliance report comparing the incremental hydropower generation the company claimed using Method 3 over the preceding five years to what would have been claimed using Method 2 and requesting the Commission’s permission for the continued use of Method 3.

¹⁰ Avista’s Palouse Wind Power Purchase Agreement is for 349,726 MWh. However, the Company has sold 40,000 RECs for 2013, resulting in the above-noted figure.

6 The Company specified two types of eligible renewable energy resources on which it intends to rely to comply with the EIA’s requirements: (1) incremental electricity produced as a result of hydropower efficiency improvements (representing 192,016 megawatt-hours or 35 percent of the total); and (2) wind generated power (which comprises 349,726 megawatt-hours or 65 percent of the total claimed eligible renewable resources).

B. Relevant Statutory Provisions

7 The EIA defines “eligible renewable resource” to mean:

- (a) Electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest;¹¹ or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services;
- (b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments; and
- (c) Qualified biomass energy.¹²

The EIA also allows the utility to be considered in compliance with the EIA if “for a given year” “the utility invested four percent of its total annual retail revenue requirement on the incremental costs of eligible renewable resources, the cost of renewable energy

¹¹ “Pacific Northwest” is defined in RCW 19.285.030(15) and WAC 480-109-007(15) by reference to the federal Pacific Northwest Electric Power Planning and Conservation Act. Section 3(14) of that act, 16 U.S.C. § 839a(14), defines “Pacific Northwest” to mean Washington, Oregon, Idaho, and Montana west of the Continental Divide, the remainder of the Columbia River basin south of Canada, and contiguous areas served by the Bonneville Power Administration.

¹² RCW 19.285.030(11). In 2012, the Washington Legislature amended RCW 19.285.030 and other sections of the EIA to alter the extent to which biomass energy qualifies as an eligible renewable resource. Laws of 2012, ch. 22. This Order 01 uses the RCW numbering in effect as of May 31, 2013.

credits, or a combination of both”¹³ Avista does not seek to rely on this alternate means of compliance.

C. Avista’s Eligible Renewable Resources

8 Avista claims two types of facilities as eligible renewable resources in its Report: (1) wind facilities, and (2) efficiency improvements to its hydropower facilities (also known as “incremental hydropower” facilities). There is no dispute as to the eligibility of the wind facilities. The wind facility in the RPS Report is a renewable resource that is not powered by freshwater and commenced operation after March 31, 1999. Accordingly, on its face, no issue arises as to the status of the Palouse Wind facility as an eligible renewable resource. The eligibility of the incremental hydropower identified in the RPS Report, however, requires more detailed inquiry.

1. Avista’s Inclusion of Incremental Hydropower to Meet Its RPS Obligation

9 The EIA does not specify how to measure or calculate incremental hydropower. The RPS Workgroup convened under Docket UE-110523 agreed on three optional methodologies for calculating incremental hydroelectric efficiency improvements.¹⁴ Method 1 requires an annual calculation, based on actual water flows or generation during that year. Method 2 also requires an annual calculation, multiplying actual generation by a fixed percentage to determine the generation attributable to efficiency upgrades. Method 2 is similar to the methodology that the Oregon Department of Energy adopted under that state’s counterpart to the EIA.¹⁵ Method 3 requires a one-time calculation of the increase in annual megawatt-hours attributable to the efficiency upgrades under average historical water flows.

¹³ RCW 19.285.050(1)(a). RCW 19.285.050(1)(b) states that the incremental cost of an eligible renewable resource “is calculated as the difference between the levelized delivered cost of the eligible renewable resource, regardless of ownership, compared to the levelized delivered cost of an equivalent amount of reasonably available substitute resources that do not qualify as eligible renewable resources, where the resources being compared have the same contract length or facility life.”

¹⁴ In 2011, in Docket UE-110523, Commission Staff convened a Renewable Portfolio Standards Workgroup (RPS Workgroup) to coordinate planning for the filing of utilities’ June 2012 RPS reports. The RPS Workgroup included representatives from utilities, state agencies, and other interested groups. Avista participated in the RPS Workgroup, which reached some common understandings about the content and format of the June 2012 reports.

¹⁵ See OAR § 330-160-0050.

10 Avista identifies eligible incremental hydropower generated by nine Company-owned facilities in the Pacific Northwest and purchased from the Grant County Public Utility District (PUD). Each of those types is described in further detail below.

a. Upgrades at Avista's Hydroelectric Projects

11 Avista owns and operates several hydroelectric dams in Washington, Idaho, and Montana.¹⁶ Over time, Avista has performed upgrades at its hydroelectric facilities, such as rewinding generators and replacing turbine runners, that have increased the generation capacity of the facilities. The Federal Energy Regulatory Commission (FERC) has amended Avista's licenses to increase the authorized installed generation capacity.¹⁷ FERC has also issued orders certifying incremental hydropower generation for a renewable energy production tax credit under the federal Energy Policy Act of 2005.¹⁸ For purposes of the production tax credit, incremental hydropower generation is calculated under a method similar to Method 3 developed by the RPS Workgroup, but expressed as a percentage of average annual hydropower production rather than as a megawatt-hour amount.¹⁹

12 The EIA does not recognize RECs produced from electricity generated by freshwater. Thus, whereas a REC can be used in multiple years, incremental hydropower can be used for EIA compliance only in the year it is generated.²⁰ The EIA does not specify whether incremental hydropower that is used for compliance in another state, through RECs or otherwise, may also be used for EIA compliance in Washington. This raises a potential for double-counting which could affect Avista. However, through its practice of

¹⁶ Six of Avista's dams, including Little Falls and Long Lake, are located on the Spokane River. Five of those, including Long Lake, are part of the Spokane River Hydroelectric Project, which Avista operates under a license issued by the Federal Energy Regulatory Commission (FERC) under the Federal Power Act. *Avista Corp.*, 127 FERC ¶ 61,265 (2009). Little Falls Dam is exempt from the Federal Power Act licensing requirement. *Wash. Water Power Co. v. FERC*, 775 F.2d 305 (D.C. Cir. 1985). Avista operates two dams on the Clark Fork River, Cabinet Gorge and Noxon Rapids, under another license issued by FERC. *Avista Corp.*, 90 FERC ¶ 61,167 (2000).

¹⁷ *Avista Utils.*, 123 FERC ¶ 62,036 (2008) (increasing authorized capacity of Noxon Rapids Units 1, 2, 3, and 4); *Avista Utils.*, 116 FERC ¶ 62,028 (2006) (increasing authorized capacity of Cabinet Gorge Unit 4 and Noxon Rapids Unit 3); *Avista Corp.*, 106 FERC ¶ 62,106 (2004) (increasing authorized capacity of Cabinet Gorge Units 2 and 3); *Wash. Water Power Co.*, 74 FERC ¶ 62,117 (1996) (increasing authorized capacity of Long Lake units 1, 2, and 4).

¹⁸ *Avista Corp.*, 130 FERC ¶ 62,002 (2010) (Noxon Rapids Unit 1); *Avista Utils.*, 118 FERC ¶ 62,137 (2007) (Clark Fork Hydroelectric Project).

¹⁹ 26 U.S.C. § 45(c)(8)(B).

²⁰ RCW 19.285.030(19).

registering all owned hydroelectric generation in the Western Renewable Energy Generation Information System, Avista has satisfied the Commission that double counting is not taking place.

b. Eligible purchases from Grant County PUD

- 13 Grant County PUD, a qualifying utility that is not an investor-owned utility, operates the Priest Rapids Hydroelectric Project under a license issued by FERC.²¹ The Priest Rapids Project includes two dams, Priest Rapids and Wanapum, both located on the Columbia River in central Washington State. The Mid-Columbia River is home to various species of salmon and steelhead, some of which are federally listed as threatened or endangered.²² The Federal Power Act license for the continued operation of the Priest Rapids Project requires Grant County PUD to replace the Wanapum Dam turbines with a more fish-friendly design less lethal to juvenile fish, and to install and maintain an external structure that allows juvenile salmon and steelhead to pass Wanapum Dam safely without going through the turbines. Before these measures were implemented, FERC required Grant County PUD to spill water over the dam during the months when juvenile salmon and steelhead are migrating downstream. Grant County PUD completed the external juvenile fish bypass structure in 2008.²³ Turbine upgrades are underway.
- 14 WAC 194-37-130 allows non-investor-owned qualifying utilities that generate incremental hydropower to sell that power to other utilities as an eligible renewable resource.²⁴ Grant County PUD used some of the incremental hydropower attributable to the Wanapum Dam juvenile fish bypass for its own EIA compliance in 2012 and again in 2013, and it sold some of the remaining power to other utilities, including Avista, as an eligible renewable resource.²⁵ Avista relies on Grant County PUD's calculation of

²¹ *PUD No. 2 of Grant Cnty.*, 123 FERC ¶ 61,046 (2008).

²² 50 C.F.R. §§ 223.102(a), 224.101(a).

²³ *PUD No. 2 of Grant Cnty.*, 123 FERC ¶ 61,046 (2008); *PUD No. 2 of Grant Cnty.*, 109 FERC 62,216 (2004); *PUD No. 2 of Grant Cnty.*, 108 FERC ¶ 62,075 (2004). *See generally* *Confederated Tribes & Bands of the Yakima Indian Nation v. FERC*, 746 F.2d 466 (9th Cir. 1984) (FERC must consider effects on fisheries before issuing licenses for mid-Columbia dams).

²⁴ *See* WAC 194-37-130(1)(a); WAC 194-37-130(3)(f); Wash. Dep't of Community, Trade, & Economic Development, *Concise Explanatory Statement, Chapter 194-37 WAC (Energy Independence Act, RCW 19.285)* at 12 (March 2008). The Commission did not address this issue in its EIA rulemaking.

²⁵ *See* Grant County PUD's 2012 and 2013 Renewable Energy Reports under WAC 194-37-110, posted on the Department of Commerce's website at <http://www.commerce.wa.gov/Programs/Energy/Office/Utilities/Pages/EnergyIndependence.aspx>.

incremental hydropower efficiency gains. Grant County PUD is required to use the method in WAC 194-37-130, which is similar to Method 3 developed by the RPS Workgroup.

2. Comments of Staff and Interested Parties

- 15 RNP/NWEC commended Avista for acquiring sufficient renewable energy to meet the 2013 target but raised four main concerns with Avista's report. First, noting that Avista continues to use Method 3 to calculate incremental electricity from hydropower efficiency improvements, RNP/NWEC recommended that the Commission require Avista to update the baseline used for the Method 3 calculation and compare results against Method 1 or Method 2 at least every five years.
- 16 Second, on a related note, RNP/NWEC expressed concerns about allowing purchases of incremental electricity from Mid-Columbia hydropower generation facilities, such as Grant and Chelan County, without adequate assurances that those generators' calculation methodology was at least as accurate as that used by investor owned utilities. Even so, RNP/NWEC recommended that the Commission accept the incremental hydropower figures in Avista's RPS Report for 2013 compliance.
- 17 Third, RNP/NWEC questioned Avista's allocation of 100 percent of its incremental hydropower and the RECs from the Palouse Wind project to meeting RPS targets in Washington when Avista typically allocates its system power according to a 70/30 breakdown between its customers in Washington and Idaho. According to RNP/NWEC, allocating all of the incremental electricity to Washington creates the potential for double-counting or failing to credit Idaho customers with the benefits of their investments in improving the relevant hydropower facilities and building the Palouse Wind project.
- 18 Finally, RNP/NWEC expressed concern that Avista, Puget Sound Energy, Inc. (PSE), and PacifiCorp d/b/a Pacific Power and Light Company (PacifiCorp) had not used consistent methods for calculating the incremental cost of eligible renewable resources under RCW 19.285.050(1)(b) and WAC 480-109-030(1).
- 19 Staff stated its belief that Avista had procured sufficient resources to meet the three percent target throughout 2013. Staff then detailed its three main concerns with Avista's filing. First, like RNP/NWEC, Commission Staff is concerned about the differing methods each of the utilities relied on for calculating the incremental cost of eligible renewable resources under RCW 19.285.050(1)(b) and WAC 480-109-030(1). Staff recommends provisional acceptance of each utility's reported calculations for 2013 but

seeks additional time to work with the utilities, the Department of Commerce, and other stakeholders to refine and develop a uniform methodology for future compliance filings.

20 Second, Staff expressed concerns with Avista's continued reliance on Method 3 for calculating incremental hydropower, which may prove inaccurate in representing average future conditions. Given all of the utilities' wide margin above the current three percent requirement, Staff is comfortable accepting Method 3 calculations in 2013 and going forward, but only conditioned by a requirement that the utility include a comparison with Method 2 every five years, beginning in 2017, and that the Company seek Commission authority to continue using Method 3.

21 Finally, Staff raised concerns with Grant County's model for incremental hydropower generation at the Wanapum Dam. Although Staff notes improvements in Grant County's approach from 2012, Staff believes the model continues to suffer from a misrepresentation of the historical average because of the selected time period (1978 to 1990) to establish that average. Staff is pursuing these concerns with the State Auditor's office and recommends against finalizing Avista's 2012 compliance until this issue is resolved. Staff points out that Avista has until June 1, 2014, to request a final compliance determination for 2012 in Docket UE-120791.

22 Avista questioned Staff's recommendation that the Company be required every five years, beginning in 2017, to compare the incremental hydropower generation that it has claimed using Method 3 over the preceding five years to what Method 2 would have calculated over the same period. The company stated that the models it uses in Method 3 are highly sophisticated and that performing the comparison would require a significant amount of work. Avista stated that it would be willing to do the work if the Commission desires, but requested that the order indicate that Staff could request the comparison at some point in the future, but was not required to do so.

23 Avista responded to the concerns raised by RNP/NWEC regarding the Company's allocation of renewable resources to Washington and the potential for double counting by stating that the Company does not double count RECs. Avista also stated that it does not double count its renewable resources in its mandated fuel mix disclosures, because those disclosures are made at the system level, so Washington and Idaho ratepayers receive the same report.

3. Commission Decision

24 The Commission accepts Avista's calculation of its renewable energy target for 2013 and determines that the Company has identified sufficient resources to meet that target. The

Commission will make its final determination on whether Avista has met its 2013 target when the Company requests such a finding, which Avista must make no later than June 1, 2015.

- 25 The Commission agrees with Avista, RNP/NWEC, and Commission Staff that the methodology Avista used to calculate incremental electricity from hydropower efficiency improvements, as well as the numbers Avista has derived from using the methodology, are acceptable for determining whether Avista has met its 2013 renewable energy target under RCW 19.285.040(2)(a)(i). Avista used RPS Workgroup Method 3 to calculate the incremental gains from its own hydropower efficiency improvements and those claimed by Grant County PUD. Because Method 3 is based on a one-time calculation, it does not depend on actual generation in 2013.
- 26 The Commission agrees that comparing Method 3 with Method 2 will allow for a better evaluation of Method 3's accuracy, but that the comparison must occur at some future time. For the purpose of meeting the June 1, 2013 reporting requirements only, the Commission accepts the conclusions Avista reached in its RPS Report but may determine in the future that a different method is more appropriate for determining EIA compliance in other years.
- 27 The Commission notes the concerns of RNP/NWEC and Commission Staff regarding the manner in which utilities calculate the incremental cost of eligible renewable resources. The Commission directs the Staff to engage with Avista, PacifiCorp, and PSE to develop a uniform, acceptable methodology for making the "incremental cost" calculation, either through rulemaking or informal workshops.

D. Discussion of 2014 Targets

- 28 As required by Commission rule, Avista also described "the steps [it] is taking to meet the renewable resource requirements for the current year."²⁶ NWEC/RNP argued that this language also requires the Company to report on the progress in 2013 toward meeting the January 1, 2014 target. Staff disagreed, stating that the term "current year" in this regulatory requirement means that the utility must demonstrate its progress toward meeting the 2013 requirement. We agree with Staff on this point and will not require Avista to describe its steps toward meeting the 2014 target in this filing.

²⁶ WAC 480-109-040(1)(d).

FINDINGS AND CONCLUSIONS

- 29 (1) The Washington Utilities and Transportation 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 electrical companies. RCW 80.01.040; RCW Chapters 80.04, 80.08, 80.12, 80.16, 80.28.
- 30 (2) Avista is an electrical company and a public service company subject to Commission jurisdiction.
- 31 (3) Avista serves more than 25,000 customers within the State of Washington, and it is a “qualifying utility” within the meaning of RCW 19.285.030(18).
- 32 (4) Avista has properly calculated its renewable energy target for 2013 to be 166,740 megawatt-hours.
- 33 (5) All of the hydroelectric facilities listed in Avista’s RPS Report are located in the Pacific Northwest, and all are owned by a qualifying utility. All of the hydroelectric efficiency improvements listed in Avista’s RPS Report were completed after March 31, 1999. Avista has demonstrated that, as of January 1, 2013, it had the right to at least 192,016 megawatt-hours of eligible renewable resources attributable to these hydroelectric efficiency improvements to apply toward its 2013 target.
- 34 (6) The Palouse Wind facility listed in Avista’s RPS Report is located in the Pacific Northwest and will have commenced operation after March 31, 1999. The electricity it generates is an eligible renewable resource. Avista believes the Palouse Wind facility is eligible for the apprenticeship credit permitted under RCW 19.285.040(2)(h), under which a utility may count the energy at 1.2 times its base value, but is awaiting certification from the Washington State Apprenticeship and Training Council and is not claiming the additional apprenticeship credits at this time. Avista has demonstrated that, as of January 1, 2013, it had the right to at least 309,726 megawatt-hours of eligible wind renewable resources attributable to this wind facility to apply toward its 2013 target.

- 35 (7) By January 1, 2013, Avista had acquired sufficient eligible renewable resources to supply at least three percent of its load for the remainder of 2013.
- 36 (8) Avista has met the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1). These reporting requirements include Avista Corporation's plan for meeting its RPS obligation for the remainder of 2013.
- 37 (9) Pursuant to WAC 480-109-040(5), Avista must provide a summary of its RPS Report to its customers, by bill insert or other suitable method, within ninety days of the date of this Order.
- 38 (10) The Commission makes no findings or conclusions concerning whether Grant County Public Utility District has complied with the EIA.
- 39 (11) The Commission directs Avista to work with the other electric utilities and the Staff to develop a uniform, acceptable methodology for making the "incremental cost" calculation, either through rulemaking or informal workshops.

ORDER

THE COMMISSION ORDERS:

- 40 (1) The Commission accepts the calculation of 166,740 megawatt-hours as the 2013 renewable energy target for Avista Corporation.
- 41 (2) Avista Corporation has identified eligible renewable resources sufficient to supply at least three percent of its load for 2013.
- 42 (3) Avista Corporation has complied with the June 1, 2013, reporting requirements pursuant to WAC 480-109-040.
- 43 (4) Avista Corporation must file a second report no later than June 1, 2015, that provides the information necessary to determine whether Avista Corporation met the 2013 renewable energy target of 166,740 megawatt-hours.
- 44 (5) Avista Corporation must include a section in its 2017 compliance report in which the incremental hydropower generation that the company has claimed using Method 3 over the preceding five years is compared against the generation that would have been reported using Method 2, and the Company must seek Commission authority to continue to use Method 3.

- 45 (6) In determining how it allocates its eligible renewable resource production for compliance purposes in Washington, Avista Corporation must ensure that it does not double-count those resources.

DATED at Olympia, Washington, and effective September 9, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner