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Via Electronic Web Portal

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. UE-131723 - Comments of Avista Utilities on the "Rulemaking For Energy Independence Act, WAC 480-109."

Dear Mr. King,

Avista Corporation dba Avista Utilities (Avista or Company) submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments (Notice) issued in Docket U-131723 dated October 4, 2013.

The Notice states that "The Commission's primary objective in this rulemaking is to propose rule revisions necessary to promote effective, efficient, and practical implementation of the EIA as amended since this Commission adopted rules in 2007." It also states that the Commission will "examine its policy and interpretive statements to determine if any rule revisions are necessary with regard to those interpretations."

To assist in its investigation, the Commission asked the following three questions regarding existing rules related to conservation targets and performance:

- 1). RCW 19.285.040(1)(a) requires companies to develop a 10-year conservation assessment and RCW 19.285.040(1)(b) requires the establishment of a biennial

conservation target. WAC 480-109-010(1)(a)(ii) allows the 10-year conservation potential assessment to be calculated based on a proportionate share of Washington retail sales and the Northwest Power and Conservation Council's (Council's) projected conservation resource target for Washington, informally referred to as the Council calculator. Through current practice, the utilities under the Commission's jurisdiction adapt the Council's methodology to their service territories and conduct the conservation potential assessment through their integrated resource plans. Is it appropriate for the Commission to eliminate, in rule, the option for utilities under its jurisdiction to use the Council calculator?

Avista Response:

Avista has chosen to use its 2013 Electric Integrated Resource Plan (IRP) centered on its recently completed Conservation Potential Assessment (CPA), as the basis for its 2014-2015 biennial acquisition target. However, the Company takes no position regarding the option for the Commission to eliminate the option to use the Council calculator by rule.

- 2). WAC 480-109-010(2)(a) requires utilities to establish biennial conservation targets and "identify all achievable conservation opportunities." Conservation opportunities can include: traditional utility-run programs of end-user conservation measures, regional market transformation programs, behavior change, transmission and distribution efficiency, and generation site conservation programs. Should the rule address how these different resources factor into the conservation target setting process?

Avista Response:

The Washington electric investor-owned utilities have submitted a methodology, in response to the Commission's request in, for establishing a BCP target based upon local acquisition only (excluding regional market transformation programs). Comparable revisions have been made to the acquisition qualifying towards achieving the BCP target. The individual resource categories contributing towards the BCP target are interpreted as a single aggregate target to be achieved by all resources in combination with the recognition that the success or failure of individual components are not subject to penalty

- 3). Annual Reporting on conservation achievement is required at WAC 480-109-040(1)(a). Should the Commission adopt more explicit standards for reporting conservation achievements?

Avista Response:

The Washington electric investor-owned utilities have worked in close cooperation with Commission Staff and other stakeholders to develop standardized reporting formats. These formats seem to be meeting all regulatory requirements. Avista does

not see any additional customer value in engaging in a process to codify this existing agreement into a more explicit standard.

The Notice asked the following two questions related to renewable resource target and performance:

- 1) What verification of contracts for renewable resources, system dispatch data, or other information should the Commission require regulated utilities to file when requesting an order of compliance with renewable portfolio standards?

Avista Response:

Avista believes that it should be required to submit, as part of the compliance filing, a list of renewable resources, WREGIS certificate numbers, and the appropriate documentation form outlining REC's it is receiving from contractual relationships. Contracts, system dispatch data, and further detail can be made available upon request and is available for Commission Staff to audit at the Company's offices.

- 2) The definition of an eligible renewable resource at RCW 19.285.030(11)(b) includes electricity produced by incremental efficiency improvements to Northwest hydroelectric plants. What methods and documentation should the Commission require of an electric utility that is claiming incremental hydroelectric generation efficiency improvements as eligible renewable resources?

Avista Response:

As outlined in previous Commission orders and agreed upon by the RPS workgroup convened under Docket No. UE-110523, the Company believes that the three methodologies are adequate and shall continue to be allowed for calculating incremental hydro for compliance.

Avista agrees with Commission Staff and others that it is acceptable to have a look back calculation every five years to verify the chosen method is properly accounting for the incremental hydro. However, there should be no financial penalty for any changes compared to historical averages.

Company's claiming incremental hydro to meet compliance shall make their models available for Commission Staff to audit upon request. After the 2012 filing, Avista met with Commission Staff to demonstrate the Company's model and address any questions at the time. The Company believes this interaction with Commission Staff is the proper way to address any questions or concerns.

The Company appreciates the opportunity to provide these comments. In addition to the comments provided above, attached is the Commission’s “Comment Form for Energy Independence Act Rulemaking” reflecting the Company’s proposed changes to WAC 480-109. If you have any questions regarding these comments, please contact me at 509-495-4975 or at linda.gervais@avistacorp.com.

Sincerely,

/s/Linda Gervais/

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