Avista Corp. 1411 East Mission P.O. Box 3727 Spokane, Washington 99220-0500 Telephone 509-489-0500 Toll Free 800-727-9170

July 20, 2020

AVISTA

Mark L. Johnson Executive Director and Secretary Washington Utilities & Transportation Commission 621 Woodland Square Loop SE Lacey, Washington 98503 Records Management 07/20/20 14:39 State Of WASH. TIL. AND TRANSP.

COMMISSIO

RE: UE-200505 - Avista Utilities 2020 Renewable Target Compliance Report

Dear Mr. Johnson:

In compliance with WAC 480-109, on June 1, 2020, Avista Utilities filed its "Compliance Report" demonstrating compliance with the renewable energy component of I-937, the Energy Independence Act, for 2020. On July 1, 2020, Avista filed a revised Compliance Report to include renewable energy credits (RECs) for compliance as it received RECs in its WREGIS account from Grant County PUD for contract purchases for energy from Wanapum and Priest Rapids hydroelectric projects. This was the first time that Avista received these credits in WREGIS from Grant County PUD. Due to the increase in renewable generation the Company has available to comply with the Energy Independence Act for 2020, Avista submitted a revised report and accompanying appendices and work papers.

After further review and discussion with Commission Staff, the Company files further revisions herein to its 2020 Compliance Report. Because the RECs received from Grant County PUD were not available on January 1, 2020, and because Grant County PUD used method three to calculate the incremental eligible hydroelectric generation, Avista is unable to use these RECs towards 2020 compliance. Avista will not be able to use these RECs towards future compliance as method three is set to be removed from WAC 480-100-200 upon adoption of the revised Energy Independence Act rules. Generation received from Grant County PUD will be able to be used towards compliance with the Clean Energy Transformation Act.

In addition, Avista did not have the Boulder Solar or Rattlesnake Flats RECs available for use on January 1, 2020. As a result, the Company has removed these RECs from being used towards 2020 compliance. The RECs from these facilities will be eligible to use towards compliance beginning in 2021.

Avista still has enough RECs available to comply with the 15% requirement in 2020. The mix of resources to use to comply is slightly different due to the changes discussed in this filing, but ultimately the Company has still complied with the 2020 compliance requirement.

If you have any questions regarding this information, please contact John Lyons at 509-495-8515 or myself at 509-495-2782 or <u>shawn.bonfield@avistacorp.com</u>.

Sincerely,

/s/Shawn Bonfield

Shawn Bonfield Senior Manager, Regulatory Policy & Strategy

