

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Renewable Energy Target Progress
Report under RCW 19.285.070 and WAC
480-109-210

DOCKET UE-220400

ORDER 01

APPROVING COMPLIANCE WITH
ELIGIBLE RENEWABLE ENERGY
TARGET REPORTING
REQUIREMENTS FOR 2022

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 Ultimately, the Commission must determine “whether the utility has generated, acquired or arranged to acquire enough renewable energy credits or qualifying generation to comply with its renewable resource target.”³
- ² The Commission has implemented these requirements by establishing a two-step compliance process.⁴ Because a utility may comply with its renewable portfolio standards (RPS) obligation by using renewable energy credits (RECs) acquired in the year after the target year, ultimate compliance for 2022, for example, may be demonstrated as late as June 1, 2024. Accordingly, there will be two Commission decisions for each year’s compliance: (1) a determination that the Company has enough resources to meet the 15 percent target; and (2) the retrospective compliance decision.
- ³ The filing before the Commission in this Docket is the initial resource-adequacy filing made by Avista Corporation d/b/a Avista Utilities (Avista or Company) for its 2022

¹ Chapter 19.285 RCW.

² RCW 19.285.060(6).

³ WAC 480-109-210(3)(b).

⁴ WAC 480-109-210(1) and (6).

obligation. The Commission will consider Avista’s compliance with its 2022 target when Avista requests such a finding. Consistent with the requirements of WAC 480-109-210(6), the Company must make this request through a filing in this Docket no later than June 1, 2024.

4 On May 31, 2022, Avista filed with the Commission its 2022 Annual Renewable Portfolio Standard Report (RPS Report), which identified a 2022 target of 839,421 megawatt-hours (MWh). Table 1, below, summarizes Avista’s 2022 target and the total amount of resources that the Company had acquired by January 1, 2022:

Table 1: Avista’s 2022 Renewable Resource Target and Compliance Plan

2022 Target (MWh)	Incremental Hydro (MWh)	Wind (MWh)	Biomass (MWh)	2022 Eligible Renewable Resources (MWh)
839,421	172,096	354,390	312,935	1,402,427

5 On June 8, 2022, Avista filed a petition in its 2022 RPS docket, requesting the Commission authorize the Company to switch from incremental hydropower calculation Method One to Method Two to calculate its incremental hydroelectric efficiency improvements for 2022 and future years.⁵

6 Avista seeks an order from the Commission confirming that the Company has complied with the Commission’s EIA reporting requirements, accepting the Company’s calculations and eligibility of the renewable resources identified in the RPS Report for 2022, and authorizing the Company to switch to incremental hydropower calculation Method Two.

7 On June 9, 2022, the Commission issued a Notice inviting interested persons to file written comments on Avista’s RPS Report. During the comment period, Commission staff (Staff) filed written comments. No other comments were received.

8 Based on the information that the Company provided in its RPS Report and supplemental filing, Staff believes that Avista correctly calculated its 2022 RPS target, and that it has acquired sufficient resources to exceed that target. Staff also believes that the switch to calculation Method Two is appropriate due to the modeling challenges described in the Company’s report and Staff’s comments.

⁵ WAC 480-109-200(7)(a) requires authorization from the Commission for a utility to switch hydro calculation methods.

- 9 Staff recommends that the Commission issue an order in this Docket determining that:
- (1) Avista’s 2022 renewable energy target is 839,421 MWh.
 - (2) Avista has demonstrated that, by January 1, 2022, it acquired 839,421 MWh of eligible renewable resources sufficient to supply 15 percent of its load for 2022.
 - (3) Avista has complied with the June 1, 2022, reporting requirements pursuant to WAC 480-109-210.
 - (4) Avista is authorized to switch from Hydro Method One to Hydro Method Two for its annual RPS report, beginning in 2022, pursuant to WAC 480-109-200(7)(a).

DISCUSSION

- 10 The Commission accepts Avista’s calculation of 839,421 MWh as the Company’s renewable energy target for 2022 and determines that Avista has identified sufficient resources to be able to meet that target. The Commission will make its final determination about whether Avista has met its 2022 target when the Company requests such a finding, no later than June 1, 2024. To assist Staff with determining whether Avista’s resources meet EIA eligibility requirements, Avista must provide details about which certificates were used for its various renewable energy programs, as required by WAC 480-109-210(2)(d)(i), in its final compliance report for 2022.
- 11 The Commission agrees that authorizing Avista to use Hydro Method Two for its annual RPS report is appropriate. The switch will promote consistency as all three electric utilities will now be using the same method.

FINDINGS AND CONCLUSIONS

- 12 (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.
- 13 (2) Avista is a natural gas company and a public service company subject to Commission jurisdiction.
- 14 (3) Avista serves more than 25,000 customers within the State of Washington and is a “qualifying utility” within the meaning of RCW 19.285.030(19).

- 15 (4) Avista has properly calculated its renewable energy target for 2022 to be 839,421 MWh.
- 16 (5) By January 1, 2022, Avista had acquired sufficient eligible renewable resources to supply at least 15 percent of its load for the remainder of 2022.
- 17 (6) Avista has met the reporting requirements of RCW 19.285.070 and WAC 480-109-210. These reporting requirements include Avista’s plan for meeting its RPS obligation for the remainder of 2022.
- 18 (7) It is appropriate for Avista to switch from Hydro Method One to Hydro Method Two its incremental hydroelectric efficiency improvements for 2022 and future years.
- 19 (8) Pursuant to WAC 480-109-210(4), Avista must provide a summary of its RPS Report to its customers, by bill insert or other suitable method, within 30 days of the date of this Order.
- 20 (9) Pursuant to WAC 480-109-210(6), Avista must file a report no later than June 1, 2024, that lists certificate numbers in Western Renewable Energy Generation Information System for every megawatt-hour and renewable energy credit that Avista retired to meet the January 1, 2022, target.
- 21 (10) This matter came before the Commission at its regularly scheduled meeting on September 15, 2022.
- 22 (11) After reviewing Avista’s Petition and RPS Report and giving due consideration to all relevant matters and for good cause shown, the Commission accepts Avista’s calculation of 839,421 MWh as the Company’s renewable energy target for 2022 and adopts Staff’s recommendations as set forth in paragraph 9 of this Order.

ORDER

THE COMMISSION ORDERS:

- 23 (1) The Commission accepts the calculation of 839,421 MWh as the 2022 renewable energy target for Avista Corporation d/b/a Avista Utilities.
- 24 (2) Avista Corporation d/b/a Avista Utilities has identified eligible renewable resources sufficient to supply at least 15 percent of its load for 2022.

- 25 (3) Avista Corporation d/b/a Avista Utilities has complied with the June 1, 2022, reporting requirements pursuant to WAC 480-109-210.
- 26 (4) Avista Corporation d/b/a Avista Utilities is authorized to use the Hydro Method Two to calculate its incremental hydroelectric efficiency improvements beginning in 2022.
- 27 (5) Avista Corporation d/b/a Avista Utilities' final compliance report must list certificate numbers for every renewable energy credit that Avista Corporation d/b/a Avista Utilities retired in the Western Renewable Energy Generation Information System and details about which certificates were used for its voluntary renewable energy programs in 2022.
- 28 (6) The Commission Secretary is authorized to accept or approve a filing that complies with the requirements of this Order.

DATED at Lacey, Washington, and effective September 15, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVE W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner