

Exh. SJK-5T

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I. INTRODUCTION

Q. Please state your name, employer and business address.

A. My name is Scott J. Kinney and I am employed as the Director of Power Supply for Avista Utilities, at 1411 East Mission Avenue, Spokane, Washington.

Q. Have you filed direct testimony in this proceeding?

A. Yes. I have filed direct testimony in this case addressing the Company’s Resource Planning and Power Operations, generation capital projects, and hydro relicensing.

Q. What is the scope of your rebuttal testimony in this proceeding?

A. My rebuttal testimony will address the Company’s generation capital projects included in the Company’s pro forma capital adjustment based on a “functionalized” threshold as discussed by Company witness Ms. Schuh, in response to the use of a much higher, and inappropriate, threshold used by Staff witness Ms. Scanlan. I will also address Staff’s discussion and commentary about Colstrip capital and Public Counsel’s Energy Imbalance Market evaluation request.

Q. Are you sponsoring any exhibits?

A. No.

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1 SmartBurn. Finally, the operational effectiveness of SmartBurn may allow for a different and
2 more cost effective technology to be installed in place of SCR or perhaps the installation of a
3 smaller SCR.

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IV. ENERGY IMBALANCE MARKET

6 **Q. Could you please respond to Public Counsel witness Ms. Wilson's**
7 **recommendation that Avista should join the Western Energy Imbalance Market?**

8 A. Yes. Public Counsel witness Ms. Wilson suggested "that Avista more fully
9 explore the possibility of joining the Western Energy Imbalance Market."⁹

10 Avista continues to actively monitor the development and expansion of the CAISO
11 Energy Imbalance Market (EIM) and regularly participates in regional meetings and dialogue
12 associated with the EIM. At this time Avista does not have the same anticipated economic
13 benefits or operational drivers to justify joining the market as other EIM participants.
14 Preliminary economic analysis is not compelling based on estimated costs and benefits of
15 joining the EIM. A previously conducted gap analysis, completed with the help of a
16 consultant, estimates Avista's implementation costs to be \$13 to \$15 million with \$3 to \$4
17 million in on-going annual costs. Avista is currently reviewing the EIM implementation cost
18 analysis based on updated information provided by the consultant and will use this
19 information in its economic analysis associated with EIM participation.

20 Avista is currently working with another consultant to conduct a benefit assessment
21 associated with participation in the EIM. Studies conducted by other utilities, with somewhat
22 similar resource portfolios, show annual benefits ranging from \$3 to \$5 million. Avista

⁹ Exh. RSW-1CT, p. 5, ll. 1-2

