# Avista Utilities
# 2022 Annual Clean Energy Progress Report

June 29, 2023

## Background

Washington's Clean Energy Transformation Act (CETA), enacted into law in May 2019, requires electric utilities to eliminate coal-fired electricity from serving Washington retail electric customers by the end of 2025, use a carbon-neutral supply of electricity by 2030, and source 100 percent of their electricity from renewable or non-carbon-emitting sources by 2045. Each electric investor-owned utility is required to file a Clean Energy Implementation Plan (CEIP) every four years describing the specific and interim targets to reach these goals, as well as specific actions which will be taken over the four-year implementation period to reach these clean energy goals. In addition to the CEIP, a Clean Energy Progress Report is required to be filed annually starting in 2023. This report serves as Avista's first Annual Clean Energy Progress Report.

## Progress Report Requirements

Avista's 2023 Annual Clean Energy Progress Report, in compliance with WAC 480-100-650(3), includes details regarding energy conservation, greenhouse gas emissions, renewable energy credits, specified and unspecified energy sales, wholesale market sales, and coal generated energy, amongst others, for the calendar year 2022.

For ease of reading, each WAC requirement is listed as notated in WAC 480-100-650(3) with the corresponding Avista response summary and appropriate appendix reference.

## Annual Clean Energy Progress Report

## WAC 480-100-650 (3)

On or before July 1st of each year beginning in 2023, other than in a year in which the utility files a clean energy compliance report, the utility must file with the commission, in the same docket as its most recently filed CEIP, an informational annual clean energy progress report regarding its progress in meeting its targets during the preceding year. The annual clean energy progress report must include, but is not limited to:

**a) Beginning July 1, 2027, and each year thereafter, an attestation for the previous calendar year that the utility did not use any coal-fired resource as defined in this chapter to serve Washington retail electric customer load;**

Avista will provide this attestation for 2026 in its 2027 Annual Clean Energy Progress Report.

**b) Conservation achievement in megawatts, first-year megawatt-hour savings, and projected cumulative lifetime megawatt-hour savings;**

Conservation achievement for the 2022 calendar year was 2.63 average MWs, with first-year savings of 23,020 MWh and projected cumulative lifetime savings of 315,671 MWh. Please reference Appendix D for additional conservation achievement details.

**c) Demand response program achievement and demand response capability in megawatts and megawatt hours;**

Demand response program achievement during 2022 was 1,949.6 MWh with 30 MW of capacity. Please reference Appendix A on the "Summary Sheet" tab for details.

**d) Renewable resource capacity in megawatts, and renewable energy usage in megawatt hours and as a percentage of electricity supplied by renewable resources;**

Avista defines 'Renewable resource capacity' as the nameplate capacity of renewable resources used to serve Avista's Washington customers which equates to a 65.64% share of Avista's total renewable resources. The Company's Washington renewable energy capacity in 2022 was 1,110 MW.

Avista defines 'renewable energy usage' as energy produced from renewable resources less specified sales, bundled sales, and sales of non-bundled Renewable Energy Certificates (RECs) associated with each resource for Washington's 65.64% share of the Company's renewable resources. The Company's Washington renewable energy use in 2022 was 2,605,948 MWh.

The percentage of electricity[1] supplied by renewable resources in 2022 was 44.21%.

Avista also estimated the amount of Washington's share of renewable production prior to specified sales and REC sales, which was 4,150,572 MWh or 70.41% of total electricity supplied.

**e) All renewable energy credits and the program or obligation for which they were used (e.g., voluntary renewable programs, renewable portfolio standard, clean energy transformation standards);**

Avista has two voluntary renewable programs, My Clean Energy[2] and Solar Select. My Clean Energy had a 2022 program obligation of 36,598 RECs. WREGIS retirements totaled 21,598. Additionally, 15,000 RECs were retired via attestation. Solar Select generated 34,809 RECs in 2022. All RECs were retired in WREGIS on behalf of the participating customers.

Please reference Appendix E for additional REC and REC retirement information.

[1] Assumed to be retail sales.
[2] Avista does not reduce retail load by My Clean Energy.

**f) Verification and documentation of the retirement of renewable energy credits for all electricity from renewable resources used to comply with the requirements of RCW 19.405.040, 19.405.050, a specific target, or an interim target, except for electricity purchased from Bonneville Power Administration, which may be used to comply with these requirements without a renewable energy credit until January 1, 2029, as long as the nonpower attributes of the renewable energy are tracked through contract language;**

Avista's 2022 CETA obligation was 2,275,197 MWh and was fulfilled with RECs and renewable generation from Avista-owned hydro, biomass, and solar generation, and from REC rights associated with wind and hydro purchased generation. WREGIS REC retirements totaled 2,111,822. the remaining 163,375 MWh has yet to be certified in WREGIS but comes from Avista's owned or contracted hydroelectric renewable energy resources. If Avista receives the associated RECs from these resources, they will be subsequently retired.

The 2022 Renewable Portfolio Standard (RPS) obligation of 839,421 MWh will be fulfilled with 304,922 2022 RECs used for CETA compliance, and 534,499 carry-forward RECs from 2021. The filing for the 2022 RPS compliance year will not occur until May 2024. However, since RPS RECs can also be used to comply with CETA, and CETA RECs need to be retired, RPS RECs were also retired.

Avista chose not to include any Bonneville Power Administration (BPA) energy to meet the 2022 renewable target. Avista does periodically purchase and sell energy with BPA on short term basis. For 2022, the WA share of these purchases was 71,557 MWh.

Please reference Appendix F for additional REC and REC retirement information.

**g) Non-emitting resource capacity in megawatts, and non-emitting energy usage in megawatt hours and as a percentage of total electricity supplied by non-emitting energy;**

Avista is not including any non-emitting resources in this filing. Please reference Appendix A on the Summary Sheet tab.

**h) The utility's greenhouse gas content calculation pursuant to RCW 19.405.070;**

The request for 2022 data has not been issued by the Department of Commerce (Commerce) at the time of filing this report, therefore, Avista is not able to provide the 2022 greenhouse gas content calculation at this time.

**i) An electronic link to the utility's most recently filed fuel mix disclosure report as required by RCW 19.29A.140;**

Avista's fuel mix is posted to its "About our Energy Mix"[3] webpage which reflects the Company's most recently filed fuel mix disclosure required by RCW 19.29A.140 and currently shows Avista's 2021 fuel mix data. The request for 2022 data has not been issued by the Commerce at the time of filing this report. The 2022 data will be included at this same link when it is available.

**j) Total greenhouse gas emissions in metric tons of CO2e;**

Avista has not yet reported to the Commerce its 2022 emissions as Commerce has not provided the template to do so yet. Commerce has indicated the 2022 report due date will depend on when the fuel mix report is due. They are currently waiting on the Energy Information Administration to post files that inform the fuel mix reporting system. Once Commerce has those files, they will announce a due date for the reports.

**k) Demonstration of ownership of nonpower attributes for non-emitting generation using attestations of ownership and transfer by properly authorized representatives of the generating facility, all intermediate owners of the non-emitting electric generation, and appropriate company executive of the utility; the utility may not transfer ownership of the nonpower attributes after claiming them in any compliance report.**

Avista does not own any non-power attributes for non-emitting generation at this time.

**l) Other information the company agreed to or was ordered to re-port in the most recently approved CEIP or biennial CEIP update.**

Avista does not have additional reporting requirements for this Annual Clean Energy Progress Report. All CEIP conditions will be discussed in the Company's 2022 Biennial CEIP Update to be filed by November 1, 2022.

[3] https://www.myavista.com/about-us/about-our-energy-mix

## WAC 480-100-650(4)

Each utility must file its annual clean energy progress report based on an analysis that identifies and considers the source and characteristics of the electricity a utility claims to meet compliance obligations under WAC 480-100-610, including electricity that is produced, purchased, sold, or exchanged.

**a) Unless otherwise ordered by the commission, the analysis and supporting data provided in the filing must include data in an hourly format for:**

**i. Total Washington retail sales.**

Avista had 5,894,971 MWh of Washington retail sales in 2022. Washington electric retail sales by month is reported to the Federal Energy Regulatory Commission (FERC) annually. Hourly retail sales can only be estimated by apportioning FERC reported monthly retail sales using hourly Advanced Metering Infrastructure (AMI) data. It should be noted that a small percentage of customers have opted-out of AMI. Avista assumes the usage of these customers is not materially different from AMI customers. These estimated hourly values are provided in Appendix A on the "Retail Sales 4(a)(i)" tab.

**ii. Retail sales for customers participating in a voluntary renewable energy purchase program in alignment with RCW 19.405.020(36)(b).**

Avista had 34,809 MWh of retail sales for customers participating in a voluntary renewable energy purchase program in alignment with RCW 19.405.020(36)(b). Hourly values are provided in Appendix A on the "Voluntary Renewable 4(a)(ii)" tab.

**iii. Total electricity production for all renewable and non-emitting generation owned, contracted, or controlled by the utility.**

Avista had 4,107,466 MWh of generation from Washington's share of renewable and non-emitting generation owned, contracted, or controlled by Avista. Hourly values for System and Washington's share are provided in Appendix A on the "Total Renewable 4(a)(iii)" tab.

**iv. Generation from qualifying facilities as described in RCW 19.405.020 (36)(a).**

Avista had 172,688 MWh of generation from qualifying facilities in alignment with RCW 19.405.020(36)(a). Hourly values are provided in Appendix A on the "WA QFs(a)(iv)" tab. Avista does not record hourly generation values for small QF projects, therefore that portion of hourly generation is estimated.

**v. All electricity sold or transferred for all bundled sales of electricity from renewable and non-emitting sources. For the purposes of this subsection,**

**bundled electricity is electricity that is sold with all its nonpower attributes in the same transaction.**

Avista's Washington share of bundled sales from renewable and non-emitting resources was 568,680 MWh. For the purposes of this subsection, bundled electricity is electricity that is sold with all its nonpower attributes in the same transaction (may not include the RECs for those transactions going to California markets). Hourly values for System and Washington share are provided in Appendix A on the "Bundled-Specified Sales 4(a)(v)" tab.

vi. **All electricity sales in which the electricity was sold by that utility in a wholesale market sales without its associated nonpower attributes.**

Avista had 1,749,159 MWh of wholesale market sales without its associated nonpower attributes (Washington share). Hourly values for System and Washington share are provided in Appendix A on the "Unspecified Sales & EX 4(a)(vi)" tab.

## WAC 480-100-650(4)(b)

Unless otherwise ordered by the commission, the utility must include in its filing the following:

i. **Total monthly megawatt-hours of sales, purchases, and ex-changes by counter party of electricity sales in which the electricity was sold by that utility in a wholesale market sale without its associated nonpower attributes. Any contract in which the utility sells electricity in a wholesale market sale without its associated nonpower attributes must include terms stating the seller is not transferring any of the nonpower attributes and the buyer may not represent in any form that the electricity has any nonpower attributes associated with it and that the buyer must include such provision in any sale of the electricity in any subsequent sale it makes.**

Avista had 1,404,782 of purchases and 1,749,159 MWhs of unspecified sales. Confidential purchase and sale values by counterparty for System and Washington's share are provided in Appendix A on the "Mthly Unspecified 4(b)(i)" tab.

ii. **Total monthly megawatt-hours of sales, purchases, and ex-changes of bundled electricity from renewable or non-emitting generation. For the purposes of this subsection, bundled electricity is electricity that is sold with all of its nonpower attributes in the same transaction.**

Avista had 568,680 MWhs of specified bundled sales. Values by month for System and Washington's share are provided in Appendix A on the "Mnth Specified-Bundled 4(b)(ii)" tab.

iii. **All purchase contracts longer than one month that source the electricity delivered from coal fueled generation.**

Avista's only designated coal generation is through its partial ownership in Colstrip units 3 & 4. In 2022, Washington's share of this generation was 1,619,811 MWhs. Hourly values are provided in Appendix B on the "Colstrip Actual Gen" tab.

**iv. Beginning January 2, 2026, all existing or new purchase contracts longer than one most with document that none of the electricity delivered is sources from coal fueled generation.**

Avista will report these 2026 existing or new purchase contracts and attest that none of the electricity delivered is from coal fueled generation as required in its 2027 Annual Clean Energy Progress Report.

**v. Any data provided to the Western power pool's resource adequacy program or its successor.**

Please see confidential Appendix C for Avista's data submissions to the Western Resource Adequacy Program.

**APPENDICES**

The following appendices provide details about the required data for Avista's 2023 Clean Energy Progress Report.

**Appendix A:** Clean Energy Report for 2022 CONFIDENTIAL
**Appendix B:** Colstrip Actual Generation for 2022
**Appendix C:** Western Resource Adequacy Program CONFIDENTIAL
**Appendix D:** Energy Conservation for 2022
**Appendix E:** Renewable Energy Credit Retirements for 2022

Respectfully submitted this 29th day of June, 2023.

AVISTA CORPORATION

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