Agenda Date: June 23, 2016

Item Number: A2

**Docket: UE-140801**

Company: Avista Corporation

Staff: Jeremy Twitchell, Regulatory Analyst

**Recommendation**

Issue an Order in Docket UE-140801 finding that:

(1) Avista Corporation complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6).

(2) Avista Corporation has met its 2014 renewable portfolio standard target of 167,884 megawatt-hours and retired corresponding certificates in the Western Renewable Energy Generation Information System.

**Background**

WAC 480-109-210 describes the two-step process by which the Washington Utilities and Transportation Commission (commission) determines whether a utility has complied with the renewable portfolio standard (RPS). WAC 480-109-210(1) requires a utility to file an initial report each year in which it documents the resources that it acquired or contracted to acquire to meet that year’s RPS target.

WAC 480-109-210(6) then requires a utility to file a final compliance report within the next two years that identifies the specific resources that the utility used to meet the target and documents that the utility retired corresponding certificates in the Western Renewable Energy Generation Information System (WREGIS).

The commission issued Order 01 in this docket on July 31, 2014, which approved Avista’s calculation of its 2014 renewable energy target as 167,884 megawatt-hours (MWh).

**Discussion**

Avista submitted its final 2014 RPS compliance report on June 1, 2016. The report indicates that the company met its 2014 RPS target of 167,884 MWh solely using its incremental hydropower resources. Avista used Method 3 for calculating its incremental hydro production, as defined in WAC 480-109-200(7)(d).

The following table summarizes the resources that Avista used for 2014 RPS compliance:

| **Facility Name (Location)** | **Resource Type** | **Vintage** | **Amount**  **(MWh)** | **Multiplier** | **Total** |
| --- | --- | --- | --- | --- | --- |
| Long Lake #3  (Spokane River, WA) | Incremental Hydro | 2014 | 14,197 | N/A | 14,197 |
| Little Falls #4  (Spokane River, WA) | Incremental Hydro | 2014 | 4,862 | N/A | 4,862 |
| Cabinet Gorge #2  (Clark Fork R., ID) | Incremental Hydro | 2014 | 29,008 | N/A | 29,008 |
| Cabinet Gorge #3  (Clark Fork R., ID) | Incremental Hydro | 2014 | 45,808 | N/A | 45,808 |
| Cabinet Gorge #4  (Clark Fork R., ID) | Incremental Hydro | 2014 | 20,517 | N/A | 20,517 |
| Noxon Rapids #1  (Clark Fork R., MT) | Incremental Hydro | 2014 | 21,435 | N/A | 21,435 |
| Noxon Rapids #2  (Clark Fork R., MT) | Incremental Hydro | 2014 | 7,709 | N/A | 7,709 |
| Noxon Rapids #3  (Clark Fork R., MT) | Incremental Hydro | 2014 | 14,529 | N/A | 14,529 |
| Noxon Rapids #4  (Clark Fork R., MT) | Incremental Hydro | 2014 | 12,024 | N/A | 12,024 |
| Total eligible certificates retired: | | | 170,089[[1]](#footnote-1) | | |
| 2014 Target (MWh): | | | 167,884 | | |

**Conclusion**

Staff recommends that the commission issue an order in Docket UE-140801 as described in the recommendation section above.

1. Avista’s retirement of extra certificates is a function of the way WREGIS tracks eligible generation and the demand for incremental hydro certificates. WREGIS tracks generation and assigns certificates by resource and month. Avista selects the combination of resource-months that most closely equal the RPS target, and since the company cannot sell incremental hydro certificates in Washington nor bank them for future compliance, and there is little demand for those certificates outside of Washington, there is no need for Avista to divide the final month and hit the target precisely, because those excess certificates would not be used otherwise. [↑](#footnote-ref-1)