

**Avista Corp.**

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Received
Records Management
May 31, 2024

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Jeff Killip,
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Re: Tariff WN U-28, Electric Service – WA Renewable Energy Credit Revenue Mechanism

Dear Mr. Killip:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective August 1, 2024:

Tenth Revision Sheet 98 Canceling Ninth Revision Sheet 98

The proposed tariff sheet reflects an electric rate adjustment to decrease the present rebate customers are receiving related to Renewable Energy Credits (“RECs”). In Dockets UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to file an adjustment to the REC Revenue rebate on or before April 1, 2016, and each year thereafter, to reflect both the under- and over-amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period.¹ In Dockets UE-220053, UG-220054, UE-210854 (Consolidated) the effective date was moved from July 1 to August 1 to coincide with other rate changes². As a result, this year’s annual filing reflects the projected un-amortized balance from the current rebate through July 2024 as well as the projected net REC revenue for the August 2024 – July 2025 time period. The new rates are to go into effect August 1 for a twelve-month period.

Actual REC revenue was greater than the amount forecasted in last year's Schedule 98 filing resulting in an expected rebate balance of \$0.1 million remaining from the August 2023 through July 2024 time period. However, the August 2024 through July 2025 time period is projected to have less REC revenue than the previous twelve months due to the need to retain more RECs for Washington compliance programs. The REC sales that drove the increase in revenue above the forecast in last year’s filing were not under contract at the time of filing, and therefore not included in forecasted revenue. Similarly, only REC sales under contract are included in this year’s filing.

¹ See Dockets UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

² See Final Order 10/04 in Dockets UE-220053, UG-220054, UE-210854 (Consolidated) p. 44-45

As provided in the workpapers accompanying this filing, the total rebate effective August 1, 2024 of \$0.2 million is a decreased benefit (i.e., rate increase) to electric customers of approximately \$0.7 million, or 0.1%, compared to the current rebate in effect of approximately \$0.9 million. Below, Table 1 illustrates the change in the REC rebate balance compared to last year and Table 2 illustrates the impact by rate schedule:

Table 1 - Change in REC Rebate

	(\$ in millions)
Expected REC Deferral Balance July 31, 2024 (<u>rebate</u>)	\$ (0.1)
REC Revenue - August 2024 - July 2025 (<u>rebate</u>)	(0.1)
Interest and Revenue Conversion Factor (<u>rebate</u>)	(0.0)
Total REC Rebate August 2024 - July 2025 (<u>rebate</u>)	\$ (0.2)
Current Rebate	0.9
Change in REC Rebate (rate increase)	\$ 0.7

Table 2 - Impact by Rate Schedule

Schedule No.	Rate Schedule	Change in Billed Revenue
1/7/8	Residential	0.1%
11/12/13/17/18	General Service Schedule	0.1%
21/22/23	Large General Service Schedule	0.1%
25/25I	Ext. Lg General Service Schedule	0.2%
31/32	Pumping Service Schedule	0.1%
41-48	Street and Area Lights	0.0%
Overall		0.1%

The change in the rate credit has no effect on Avista's earnings. Enclosed is a set of workpapers which shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective for a twelve-month period beginning August 1, 2024.

The average residential customer using 945 kWhs per month will see an increase of \$0.12 per month, or approximately 0.1%. The present bill for 945 kWhs is \$97.26 while the proposed bill is \$97.38. The actual bill change will vary based on customer usage.

Information contained in this filing is confidential in nature and is filed under seal, per WAC 480-07-160 along with a redacted version. In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the May/June 2024 bill cycle.

Please direct any questions regarding this filing to Marcus Garbarino at (509) 495-2567.

Sincerely,

/S/ Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures

