

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
Avista Corporation, d/b/a Avista Utilities)	Docket No. UE-21_____
For an Order Approving an Extension of the)	PETITION OF AVISTA
Requirement to File a Draft Request for Proposals)	CORPORATION
Within Four-Years of a Resource Need per WAC 480-)	
<u>107-017</u>)	

I. INTRODUCTION

1 In accordance with WAC 480-100-203(3), Avista Corporation, doing business as Avista Utilities ("Avista" or "Company"), at 1411 East Mission Avenue, Spokane, Washington, hereby petitions the Commission for an order approving an extension of the requirement to file a draft Request for Proposals ("RFP") no later than one hundred twenty days after the filing of a final Integrated Resource Plan ("IRP") as required by WAC 480-107-017.

2 On April 1, 2021, the Company filed with this Commission its 2021 Electric IRP¹ in compliance with Order 02 in Docket UE-180738 and WAC 480-100, Part VIII – Planning. The Company’s 2021 IRP showed a resource need in 2025. As such, WAC 480-107-009(2) requires an electric utility to “*issue an all-source RFP if the IRP demonstrates that the utility has a resource need within four years*”. WAC 480-107-017(1) states “*a utility must file the RFPs and accompanying documentation with the commission no later than one hundred twenty days after*

¹ Docket UE-200301.

the utility files its final IRP.” Due to a variety factors, Avista hereby seeks an extension for when it must submit its draft RFP to the Commission to November 1, 2021.

3 Avista is a utility that provides service to approximately 395,000 electric customers and 258,000 natural gas customers in a 26,000 square-mile area in eastern Washington and northern Idaho. Avista Utilities also serves approximately 105,000 natural gas customers in Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters. Please direct all correspondence related to this Petition as follows:

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4 Rules and statutes that may be brought at issue in this Petition include WAC 480-107.

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II. BACKGROUND

4 The Clean Energy Transformation Act (“CETA”) passed by the Washington legislature in 2019 led to significant need for change regarding utilities resource planning and publishing of IRPs. Prior to CETA, electric utilities were required to file IRPs every two years and issue RFPs when an IRP showed a capacity need within three years. Now, through updated rules adopted by the Commission in WAC 480-100 Part VIII - Planning and WAC 480-107, Purchase of Resources, electric utilities must file an IRP every four years beginning January 1, 2021², with IRP updates every two years beginning on January 1, 2023. WAC 480-107-009(2) now requires a utility to issue an all source RFP when a final IRP shows a resource need within four years. Resource need was expanded from only including capacity to now including generation, conservation, distributed generation, demand response, efficiency, and storage.

5 As noted, on April 1, 2021 Avista filed its 2021 Electric IRP. The IRP showed a need for renewable generation in 2025, within four years of filing the IRP. As such, the Company must now prepare an all-source RFP to comply with WAC 480-107. WAC 480-107-017 requires the filing of the all-source RFP and accompanying documentation with the Commission no later than one hundred twenty days after filing of the final IRP, or in Avista’s case, by July 30, 2021.

6 Avista filed an update to its 2021 Electric IRP at the end of April to incorporate additional contracted resources. The update showed a continued clean energy need in 2025 based on Avista’s IRP modeling and resource planning approach to layer in resources as the company works towards its 2030 CETA goals. Avista is currently in the process of preparing an all-source RFP as required. The all-source RFP will target resources to meet both the Company’s clean energy need of approximately 50 aMW and future capacity deficits in both Washington and

² Order 02 in Docket UE-180738 required the January 1, 2021 IRP to be filed by April 2, 2021.

Idaho. The Company plans on utilizing an Independent Evaluator (“IE”), which it will file for approval of with the Commission as required in WAC 480-107-023. The IE will participate in the design of the RFP including continued RFP preparations and the regulatory process until the RFP is released, and then, participate in the evaluation once proposals are received.

7 Due to a number of factors, as later discussed, the Company hereby requests an extension of the date by which it must file with the Commission the all-source RFP and accompanying documentation to November 1, 2021.

III. FACTORS WARRANTING EXTENSION

8 Several factors have emerged that result in a benefit of delaying the RFP timeline, which would allow for additional analysis and/or data input related to these factors. First, the primary factor is the regional Resource Adequacy (“RA”) efforts. The Northwest Power Pool’s (“NWPP”) RA program will determine the planning reserve margin above peak load and the Effective Load Carrying Capability (“ELCC”)³ for Avista’s existing and potential resource options. Extending the timeline of the RFP will allow both Avista and bidders to have greater understanding of the ability of certain resources to provide reliable capacity.

9 ELCC is an important and thoroughly analyzed component of the IRP, however, it is also an evolving one with emerging regional data analysis. ELCC was heavily discussed in the Commission’s Open Meeting held on June 18, 2021 where Puget Sound Energy’s draft all-source RFP was discussed. An extension of the RFP timeline would allow the Company to further analyze and inform the RFP, given the emphasis by stakeholder’s who will be similarly

³ Avista’s IRP refers to this as “Peak Credit”.

involved in Avista's RFP either with the regional RA program or independently using updated ELCC calculations from the IRP.

10 The region has been preparing to launch an RA program that currently has high participation levels amongst load serving entities. These entities have been working cooperatively to establish accepted standard values for resource capacity contributions. The RA may be available regionally as soon as the winter of 2021-2022. While Avista is not proposing to delay the RFP filing timeline until this uncertain date, it is possible additional data inputs may be available prior to the release of the RFP if the extension requested herein is approved.

11 An extension of the RFP timeline would also allow for additional time for the Company's selected IE to assist in the design of the RFP prior to filing it with the Commission.⁴ Given this RFP will be the Company's first all-source RFP in many years, and first under CETA utilizing an IE, the extra time will be beneficial to ensure the design of the RFP meets all requirements.

12 Another benefit of an RFP extension is Avista will benefit from the final determination of the issue of "use" for CETA compliance. Given the Commission's ultimate ruling on this sensitive issue, Avista may need to modify its RFP requirements. Further, Avista serves both Idaho and Washington, this RFP is intended to procure resources to serve both state's customer needs, Avista is intending to begin a public process to deal with resource allocation between the two states, which more time to complete the RFP will assist in ensuring Avista acquires the best resources to meet both Washington and Idaho's customer requirements.

13 If approved the Company would file its draft RFP with the Commission no later than November 1, 2021. The required 45-day public comment period would conclude mid-December with the Commission taking action on the RFP in mid-January. If the RFP is approved by the

⁴ The Company plans on submitting an IE for a approval by the Commission in the near future.

Commission, the Company will issue it in mid-February with responses due back in early April 2022.

IV. CONCLUSION

14 Based on the factors above, Avista believes an extension of the RFP timeline is warranted and would lead to a better outcome in designing the RFP to meet the Company's future resource needs. Because the Company's resource need in 2025 is due to the Company's self-selected targets for complying with CETA and not due to a physical capacity need, an extension of time as proposed would not harm customers, rather it may lead to greater benefits through a more thoroughly developed RFP, with the assistance of an IE.

V. REQUEST FOR RELIEF

6 WHEREFORE, Avista respectfully requests that the Commission issue an Order approving an extension of the requirement to file a draft RFP no later than one hundred twenty days after the filing of a final IRP as required by WAC 480-107-017. The Company requests an extension of the filing deadline to November 1, 2021.

DATED this 29th day of June 2020



By: _____

Patrick D. Ehrbar
Director of Regulatory Affairs

