



Avista Corp.

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October 26, 2022

Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities & Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Dear Ms. Maxwell,

Avista Corporation, dba Avista Utilities (Avista or Company), submits the following tariff revisions to its Schedule 62 “Small Power Production and Cogeneration Schedule”, WN U-28 – Electric Service:

Fourteenth Revision Sheet 62	Canceling	7 th Substitute 13 th Revision Sheet 62
Fourth Revision Sheet 62A	Canceling	Substitute Third Revision Sheet 62A
Third Revision Sheet 62B	Canceling	Substitute 2 nd Revision Sheet 62B
First Revision Sheet 62C	Canceling	7 th Substitute Original Sheet 62C
Third Revision Sheet 62D	Canceling	Substitute 2 nd Revision Sheet 62D
Third Revision Sheet 62E	Canceling	Substitute 2 nd Revision Sheet 62E
First Revision Sheet 62F	Canceling	5 th Substitute Original Sheet 62F
First Revision Sheet 62G	Canceling	5 th Substitute Original Sheet 62G
First Revision Sheet 62H	Canceling	5 th Substitute Original Sheet 62H
First Revision Sheet 62I	Canceling	5 th Substitute Original Sheet 62I
First Revision Sheet 62J	Canceling	5 th Substitute Original Sheet 62J
First Revision Sheet 62K	Canceling	5 th Substitute Original Sheet 62K
Original Sheet 62L	New	
Original Sheet 62M	New	
Original Sheet 62N	New	
Original Sheet 62O	New	
Original Sheet 62P	New	

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WAC 480-106-040(1) requires that “A utility must file by November 1st of each year, as a revision to its tariff described in WAC 480-106-030 Tariff for purchases from qualifying facilities, a schedule of estimated avoided costs that identifies, both separately and combined, its avoided cost of energy and its avoided cost of capacity.” The purpose of this filing is to update the Company’s avoided costs as described.

Following the Company’s 2021 Schedule 62 filing, which was a prolonged process of disagreement over the calculation of the Company’s avoided costs with the Northwest & Intermountain Power Producers Coalition/Renewable Energy Coalition (NIPCC/REC), Avista, Commission Staff, and NIPPC/REC began discussing the Company’s 2022 Schedule 62 filing in mid-2022, in an effort to reach an agreed upon methodology for calculating the Company’s avoided costs, thereby preventing another prolonged proceeding and/or litigation. Thankfully Avista and NIPPC/REC were able to reach an agreement on the methodology to be used, which can be found in Appendix A. It is the Company’s hope that this year’s annual avoided cost filing will be free of disagreement of debate, and much easier for the Commission to process.

Regarding the identification of capacity costs, the Company requests a waiver from WAC 480-106-040(1)(b), which requires a utility to “identify the projected fixed cost of its next planned capacity addition based on either the estimates included in its most recently acknowledged integrated resource plan or the most recent project proposals received pursuant to an RFP consistent with Chapter 480-107 WAC, whichever is most current.” For purposes of the capacity costs included in this filing, the costs are based on the combination of the Company’s 2021 Integrated Resource Plan and 2022 All-Source Request for Proposals.¹

Confidential workpapers supporting this filing have been provided to Commission Staff. Avista requests the tariff revisions described herein become effective January 1, 2023. If you have any questions regarding this filing, please contact Clint Kalich at 509-495-4532 or clint.kalich@avistacorp.com or myself at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

¹ Avista’s 2022 Draft All-Source RFP was approved by way of Order 02 issued in Docket UE-210832 on February 10, 2022.

Shawn Bonfield
Sr. Manager Regulatory Policy & Strategy



Appendix A
Avista's 2022 Avoided Cost Filing
Methodology

Avista 2022 Avoided Cost Filing Methodology

1. Qualifying Facility Payment will be the summation of items 2 through 7, as described below.
2. Energy Value (\$/MWh)
 - a. Avista's 2022 All-Source RFP price forecast
 - b. Monthly on-/off-peak schedule
3. Peaking Capacity Value (\$/kW-mo.)
 - a. The amortized capital and fixed O&M of the lowest-cost frame peaking gas unit identified in the IRP. GE- 7E.03 Simple Cycle from 2021 IRP for 2022 filing at a flat amount across all years with capacity deficit.
 - b. Annual value based on capacity contribution in season with the largest capacity deficit (if any) from the 2022 All Source RFP L&R.
 - i. Winter based on November, December, January, and February average
 - ii. Summer based on July and August average.
 - c. Levelized payment over term of contract.
4. Clean Energy Premium Value (\$/MWh)
 - a. For years of utility deficit, the premium identified in the 2021 IRP. (Table 8 of Avista's 2021 IRP Update for 2022 filing)
 - b. For years of utility surplus, \$2/MWh.
5. Transmission Credits/Charges (\$/MWh)
 - a. Included as modification to the Energy Value Schedule.
 - b. Transmission Delivery (BPA Hourly PTP Rate)
 - i. Credit in hours 2021 IRP shows imported market power.
 - ii. Charge in hours 2021 IRP shows exported market power.
 - iii. If hourly position is < MWh of QF delivery, applied to portion exceeding.
 - c. Transmission Losses (BPA losses rate, 1.9%)
 - i. Valued at 2021 IRP market price.
 - ii. Credit in hours 2021 IRP shows imported market power.
 - iii. Charge in hours 2021 IRP shows exported market power.
 - iv. If hourly position is < MWh of QF delivery, applied to portion exceeding.
6. Contingency Reserve Charge (\$/MWh)
 - a. 3% of QF nameplate.
 - b. Priced at Peaking Capacity Value.
 - c. Reduction to the Energy Value Schedule.
7. VER Integration Charge (\$/kW-mo)
 - a. Included as a reduction in the Capacity Value Schedule.
 - b. Based on nameplate capacity of resource.
 - c. No charge until forthcoming Avista VER study is completed.

- d. Only applicable to VER technologies.
8. Inflation (GDP price deflator as forecast in 2021 IRP)