



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

May 4, 2018

VIA: Electronic

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: UE-160779 – Avista’s Request for Final 2016 RPS Compliance Determination

Dear Mr. Johnson:

Avista Corporation, dba Avista Utilities or (“Avista” and/or the “Company”), respectfully requests a determination of compliance for its 2016 Renewable Portfolio Standard (RPS) “Compliance Report.”

On June 1, 2016, in compliance with RCW 19.285, (Initiative 937 (I-937) or the Washington Energy Independence Act), the Company submitted its 2016 Renewable Portfolio Standard Compliance Report demonstrating its compliance with the renewable energy component of I-937.

In the RPS Report, Avista reported that, as of January 1, 2016, it had 544,122 megawatt-hours of incremental electricity from hydroelectric upgrades, qualified biomass and wind generation available for its use in 2016 net of renewable energy certificate sales when the report was submitted. All of the hydroelectric facilities listed in the Company’s RPS Report are located in the Pacific Northwest, and all are owned by a qualifying utility. All of the hydroelectric efficiency improvements listed in Avista’s RPS Report were completed after March 31, 1999. All of the biomass generation listed for Kettle Falls is from an eligible resource and only includes the amount that is considered qualified biomass energy. Avista has demonstrated that, as of January 1, 2016, it had the right to use 513,089 megawatt-hours of eligible renewable resources, as defined in RCW 19.285.030(12)(a), RCW 19.285.030(12)(b), RCW 19.285.030(3) and RCW 19.285.030(12)(d) in 2016.

On August 4, 2016, in Order No. 01, in Docket No. UE-160779 the Commission provided the following:

- (1) The Commission accepts the calculation of 513,809 megawatt-hours as the 2016 renewable energy target for Avista Corporation.
- (2) Avista Corporation has identified eligible renewable resources sufficient to supply at least 9 percent of its load for 2016.
- (3) Avista Corporation has complied with the June 1, 2016, reporting requirements pursuant to WAC 480-109-210.
- (4) The Commission recognizes the upgrades at the Kettle Falls biomass facility as an eligible renewable resource.
- (5) The Commission recognizes the upgrades at the Nine Mile No. 1 and Nine Mile No. 2 hydropower facilities as eligible renewable resources.
- (6) Avista Corporation's final compliance report must list certificate numbers for every renewable energy credit that Avista Corporation retired in the Western Renewable Energy Generation Information System and details about which certificates were used for its voluntary renewable programs in 2016.
- (7) The Commission Secretary is authorized to accept or approve a filing that complies with the requirements of this Order.

Per the Commission Order, the Company now seeks a final compliance determination regarding its 2016 compliance. As described in the Company's RPS Report, it has met its 2016 target using qualified hydroelectric upgrades, eligible biomass and wind RECs. Since the filing of its 2016 Compliance Report, the information and analysis regarding how the Company was to comply with the 2016 target has changed in the following ways:

- (1) The amount of qualifying generation from Kettle Falls increased from 33,163 MWh to 43,846 MWh to reflect the actual amount of generation and amount of biomass fuel obtained from qualified sources. This amount is net of completed REC sales for 2016.
- (2) The amount of generation from the Palouse Wind project reflects actual generation for 2016 net of REC sales.
- (3) The amount of qualified hydroelectric generation upgrades from Nine Mile Units 1 and 2 was decreased from 416 MWh and 977 MWh to 215 MWh for Unit 1 and 594 MWh for Unit 2 to reflect the prorated amount of generation based on the actual start date of July 31, 2016. Due to an inadvertent clerical error, the Unit 2 RECs for 2016 were withheld for Unit 1 instead of Unit 2, and the Unit 2 RECs were sold to an out-of-state party who has since

retired those RECs. This created a 594 REC shortfall for Nine Mile Unit 2, which has been rectified with additional 2017 RECs being retired from Palouse Wind.

- (4) 152,782 of 2017 wind generation RECs from Palouse Wind were utilized to satisfy the 2016 compliance requirements that resulted from 2016 Palouse Wind REC sales that occurred after the 2016 RPS report was filed and to rectify the shortfall created by the inadvertent clerical issue with the Nine Mile Unit 2 RECs.
- (5) The remainder of the contract for the 2015 Stateline Wind RECs from the Eugene Electric and Water Board included a mix of RECs from Stateline Wind (44,408 RECs), Harvest Wind (3,861 RECs) and Klondike Wind (1,348 RECs).

The qualifying generation associated with the hydroelectric upgrades used for 2016 compliance are retired in WREGIS, or in an attestation, and are described in the following table:

Renewable Energy for Avista’s 2016 Compliance

WREGIS Generation Unit ID	Generator Plant – Unit Name	Vintage	Certificate Serial Numbers	Total Number Eligible Renewable Resources (MWh)
W1560	Cabinet Gorge Unit 2	2016	1560-ID-189871-1 to 15385	15,385
W1560	Cabinet Gorge Unit 2	2016	1560-ID-193085-1 to 13623	13,623
W1561	Cabinet Gorge Unit 3	2016	1561-ID-191957-1 to 12380	12,380
W1561	Cabinet Gorge Unit 3	2016	1561-ID-195238-1 to 23231	23,231
W1561	Cabinet Gorge Unit 3	2016	1561-ID-198504-1 to 1223	1,223
W1561	Cabinet Gorge Unit 3	2016	1561-ID-188713-1 to 8974	8,974
W1562	Cabinet Gorge Unit 4	2016	1562-ID-189070-1 to 20517	20,517
W249	Stateline Wind	2015	249-OR-162631-1 to 3925	3,925
W249	Stateline Wind	2015	249-OR-165965-1 to 3111	3,111
W249	Stateline Wind	2015	249-OR-172360-1 to 4543	4,543
W249	Stateline Wind	2015	249-OR-153276-17678 to 20204	2,527
W249	Stateline Wind	2015	249-OR-156505-27880 to 31864	3,985
W249	Stateline Wind	2015	249-OR-169143-1 to 4711	4,711
W249	Stateline Wind	2015	249-OR-175415-1 to 3518	3,518
W249	Stateline Wind	2015	249-OR-150205-13873 to 15419	1,547
W249	Stateline Wind	2015	249-OR-159514-1 to 4369	4,369
W249	Stateline Wind	2015	249-OR-180025-1 to 3592	3,592
W249	Stateline Wind	2015	249-OR-183196-1 to 4297	4,297
W249	Stateline Wind	2015	249-OR-186641-1 to 4283	4,283
W1306	Harvest Wind	2015	1306-WA-176019-5793 to 9653	3,861
W797	Kettle Falls	2016	797-WA-189617-4104 to 4154	51
W797	Kettle Falls	2016	797-WA-195998-1 to 2965	2,965
W797	Kettle Falls	2016	797-WA-202581-1 to 544	544
W797	Kettle Falls	2016	797-WA-199292-1 to 3336	3,336
W797	Kettle Falls	2016	797-WA-223740-1 to 1435	1,435

W797	Kettle Falls	2016	797-WA-227469-608 to 4298	3,691
W797	Kettle Falls	2016	797-WA-129816-2186 to 3672	1,487
W797	Kettle Falls	2016	797-WA-213292 to 4359	543
W797	Kettle Falls	2016	797-WA-206264-1 to 3184	3,184
W797	Kettle Falls	2016	797-WA-209974-2324 to 4301	1,978
W797	Kettle Falls	2016	797-WA-216692-1948 to 3857	1,910
W797	Kettle Falls	2016	797-WA-220145-1 to 4027	4,027
W130	Kettle Falls	2016	130-WA-205958-20283 to 22426	2,144
W130	Kettle Falls	2016	130-WA-219882-24478 to 28359	3,882
W130	Kettle Falls	2016	130-WA-223494-20489 to 26139	5,651
W130	Kettle Falls	2016	130-WA-202270-1811 to 3829	2,019
W130	Kettle Falls	2016	130-WA-198990-21484 to 23489	2,006
W130	Kettle Falls	2016	130-WA-17886 to 20878	2,993
W237	Klondike Wind	2015	237-OR-172350-19998 to 21345	1,348
W2102	Little Falls Unit 4	2016	2102-WA-189342-1 to 4862	4,862
W2103	Long Lake Unit 3	2016	2103-WA--1 to 13225	13,225
W2103	Long Lake Unit 3	2016	2103-WA-193845-1 to 972	972
W216	Nine Mile Unit 1	2016	216-WA-212550-970 to 1184	215
W1530	Noxon Rapids Unit 1	2016	1530-MT-189728-1 to 21435	21,435
W1552	Noxon Rapids Unit 2	2016	1552-MT-188602-1 to 7709	7,709
W1554	Noxon Rapids Unit 3	2016	1554-MT-189443-1 to 14529	14,529
W1555	Noxon Rapids Unit 4	2016	1555-MT-190734-1 to 12024	12,024
W2906	Palouse Wind	2016	2906-WA-229813-32149 to 32605	457
W2906	Palouse Wind	2017	2906-WA-241205-1159 to 38349	37,191
W2906	Palouse Wind	2016	2906-WA-216413-9192 to 23585	14,394
W2906	Palouse Wind	2016	2906-WA-209678-9943 to 21349	11,407
W2906	Palouse Wind	2016	2906-WA-213008-11929 to 21349	9,421
W2906	Palouse Wind	2016	2906-WA-205951-9321 to 24403	15,083
W2906	Palouse Wind	2016	2906-WA-213008-7877 to 11928	4,052
W2906	Palouse Wind	2017	2906-WA-245113-3713 to 25455	21,743
W2906	Palouse Wind	2017	2906-WA-233525-1018 to 25652	24,635
W2906	Palouse Wind	2017	2906-WA-237334-461 to 29557	29,097
W2906	Palouse Wind	2016	2906-WA-195699-29673 to 40449	10,777
W2906	Palouse Wind	2016	2906-WA-202263-13548 to 29007	15,460
W2906	Palouse Wind	2017	2906-WA-198982-3661 to 18312	14,652
W2906	Palouse Wind	2016	20% Apprentice Credit (No Certificate)	16,210
W2906	Palouse Wind	2017	20% Apprentice Credit (No Certificate)	25,463
Total Number of RECs and/or Qualifying Hydroelectric Upgrades				513,809

The Company retired the qualifying hydroelectric upgrades, qualified biomass from Kettle Falls, and the wind RECs listed above, and has included screen shots from WREGIS as proof of retirement for 513,809 MWh to the Commission.

If you have any questions regarding this information, please contact Clint Kalich at 509-495-4532 or myself at 509-495-4975.

Sincerely,

/s/Linda Gervais/

Senior Manager, Regulatory Policy
Avista Utilities
(509) 495-4975
linda.gervais@avistacorp.com