

Agenda Date: March 22, 2024
Item Number: D1

Docket: UE-210628
Company: Avista Corporation d/b/a Avista Utilities
Staff: Molly Brewer, Regulatory Analyst

Recommendation

Issue an order in Docket UE-210628 approving Avista Corporation d/b/a Avista Utilities' Biennial Update to its Clean Energy Implementation Plan (CEIP), subject to one revised condition and one additional condition in Attachment A.

Background

On October 1, 2021, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) very first CEIP, as required by WAC 480-100-640. This CEIP was approved by the Commission in Docket UE-210628 Order 01 subject to conditions, referenced herein by Order 01 or by condition number. As a result of Order 01, Avista has 38 conditions to comply with throughout the compliance period covering 2021-2025, some of which are relevant to this Biennial Update. Conditions are directives from the Commission for the Company to take action related to clean energy planning and implementation.

On November 1, 2023, Avista filed its first Biennial Update to the 2021 CEIP, as required by WAC 480-100-640(11). Commission staff (Staff), Public Counsel, and the Northwest Energy Coalition (NWECC) submitted comments on the Biennial Update on January 11, 2024. Avista filed reply comments on January 26, 2024, in which it proposed one new condition and one revision to an existing condition. Lastly, at the request of several interested parties, on March 11, 2024, Avista filed a corrected revised Biennial Update to include information from its reply comments in the Biennial Update itself.

Since Avista did not propose changes to its interim targets nor were there any other major changes from the 2021 CEIP, the content of Staff and other interested parties' comments were mostly focused on evaluating how well Avista complied with the various conditions from Order 01. As such, Staff, Public Counsel, NWECC, and a few of the other parties to the 2021 CEIP came to a swift consensus on the one additional condition and one revised condition that Avista proposed.

Discussion

Staff appreciates the efforts Avista put forth in filing a thorough and quality Biennial Update. Because this is the first Biennial Update to review compliance with several of the conditions

from Order 01, Staff expects that the Company and other interested parties (Parties) will continue to collaborate to refine how we understand these conditions going forward.

Interim Targets and Specific Targets

The Company did not propose any modifications to its interim targets, clean energy, or demand response targets in this Biennial Update. As such, Staff supports the Company continuing with these targets as circumstances do not appear to warrant deviating from them.

Avista proposed reductions to the energy efficiency (EE) target based upon changes to its 2024-2025 Biennial Conservation Plan (BCP), which was filed concurrently with the Biennial Update. Staff filed more extensive comments relating to this 2024-2025 BCP and its targets and programs in Docket UE-230897. For the purposes of the Biennial Update, Staff does not oppose these reduced EE targets at this time.

Condition 5

In comments filed on January 11, 2024, Staff expressed concern with what appeared to be only partial compliance with condition 5.¹ Staff discussed with the Company that in order to fully comply with this condition as written, Avista needed to have provided qualitative and quantitative analysis that supported its interim targets in this Biennial Update. Public Counsel and NWECA shared similar concerns in their filed comments. In its reply comments, Avista explained that the interim targets didn't change in this Biennial Update from the negotiations following the 2021 CEIP. The Company also explained that because the targets were negotiated with other Parties as opposed to resultant from modeling or internal decision-making, the Company does not have such analysis to support the approved targets.²

In discussions with the Company since it filed the Biennial Update, Staff and other Parties have agreed that the best solution to this concern is to make a revision to the original condition 5. The following is the revised condition 5 language:

In future CEIPs, and in Biennial CEIP Updates if Avista proposes to modify its approved interim targets, it will include descriptions of quantitative (i.e., cost-based) and qualitative (e.g., equity considerations) analyses that support interim targets to comply with the Clean Energy Transformation Act's (CETA) 2030 and 2045 clean energy standards.

Staff supports this revision because it requires Avista to provide the desired analysis in support of its interim targets if and when they change but does not put the Company in the position of

¹ *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Commission Staff comments regarding Avista Utilities' 2021 Clean Energy Implementation Plan Biennial Update at 7-8 (Jan. 11, 2024).

² *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Avista Reply Comments at 2 (Jan. 26, 2024).

trying to retroactively provide analysis for negotiated targets, or targets that have not changed since last review. Staff believes other Parties are in support of this revision.

Condition 9

In comments, Staff detailed how it was concerned with what appeared to be only partial compliance with condition 9.³ Staff detailed that to fully comply with this condition as written, Avista needed to have submitted clearly updated and expanded Vulnerable Population⁴ areas in this Biennial Update. Public Counsel and NWECA shared similar concerns in their filed comments. In its reply comments, Avista explained that while they did extensive work on this condition, the Company was admittedly not clear in its Biennial Update about everything it has been doing to fulfill this condition.⁵

To remedy the lack of clarity, Avista offered the following new condition:

In its 2025 CEIP, Avista will include a description of the work it completed between its 2021 CEIP and 2025 CEIP to expand its Vulnerable Populations, including an overview of all actions and evaluations completed, as well as summaries of discussion and input from its advisory groups. Further, it will specify the methodology used to identify Vulnerable Populations in its 2025 CEIP and a comparison of Vulnerable Populations between the 2021 and 2025 CEIP.

Staff supports this new condition because Staff believes that what Avista submitted for this condition in the Biennial Update was lacking in clarity. Avista's reply comments help to detail more of the work the Company has done ahead of this filing, but Staff agrees with the Company that to satisfy Staff and other Parties' concerns, the Company should provide this additional information in the 2025 CEIP. The other Parties have indicated they are in support of this new condition.

This condition would be in addition to the 38 conditions approved in Order 01.

Conclusion

Issue an order in Docket UE-210628 approving Avista Corporation d/b/a Avista Utilities' Biennial Update to its Clean Energy Implementation Plan, subject to the conditions in Attachment A.

³ *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Commission Staff comments regarding Avista Utilities' 2021 Clean Energy Implementation Plan Biennial Update at 9 (Jan. 11, 2024).

⁴ “‘Vulnerable populations’ means communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) Adverse socioeconomic factors, including unemployment, high housing, and transportation costs relative to income, access to food and health care, and linguistic isolation; and (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.” RCW 19.405.020(40).

⁵ *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Avista Reply Comments at 3-5 (Jan. 26, 2024).