

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-210628
AVISTA CORPORATION d/b/a AVISTA UTILITIES	ORDER 02
Clean Energy Implementation Plan	APPROVING CEIP BIENNIAL UPDATE SUBJECT TO CONDITIONS

**BACKGROUND**

- 1 Revised Code of Washington (RCW) 19.405, Washington’s Clean Energy Transformation Act (CETA), and Washington Administrative Code (WAC) 480-100-640(1) direct electric investor-owned utilities to develop a clean energy implementation plan (CEIP or Plan) every four years. The passage of CETA during the 2019 Washington Legislative Session requires that CEIPs be informed by both a utility’s clean energy action plan and its long-term integrated resource plan.<sup>1</sup>
- 2 On October 1, 2021, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed the Company’s first CEIP, as required by WAC 480-100-640. This CEIP was approved by the Commission in Docket UE-210628 Order 01 subject to 37 conditions, referenced herein by Order 01 or by condition number. The conditions in Order 01 are to be met throughout the compliance period covering 2022-2025, some of which are relevant to this Biennial Update.
- 3 On November 1, 2023, Avista filed its first Biennial Update to the 2021 CEIP with the Washington Utilities and Transportation Commission (Commission). The Biennial Update is required by Commission rules implementing the Clean Energy Transformation Act (CETA).<sup>2</sup>

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<sup>1</sup> *In re Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act and Amending or Adopting rules relating to WAC 480-100-238, Relating to Integrated Resource Planning*, Dockets UE-191023 & UE-109698 (Consolidated), General Order 601, p. 24, ¶ 59 (Dec. 28, 2020) (General Order R-601).

<sup>2</sup> WAC 480-100-640(11), *see also* WAC 480-109-120(1).

4 On January 11, 2024, Commission Staff (Staff), Public Counsel, and the Northwest Energy Coalition (NWECC) submitted responsive comments on the Biennial Update.

5 On January 26, 2024, Avista filed reply comments in which the Company proposed one new condition and one revision to an existing condition.

6 On March 11, 2024, at the request of several parties, Avista filed a corrected revised Biennial Update to include information from its reply comments in the Biennial Update itself.

7 Staff notes that Avista did not propose any modifications to its interim targets, clean energy, or demand response targets in the Biennial Update. Since there don't appear to be circumstances that would warrant modifying the targets, Staff supports the Company continuing with the existing targets.

8 Avista did propose 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 the 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.

9 Staff submits that since Avista did not propose changes to its interim targets and because there were no significant changes from the 2021 CEIP, the content of the comments from Staff and other interested parties was primarily focused on evaluating how well Avista complied with the various conditions from Order 01. As such, Staff, Public Counsel, NWECC, and other interested parties to the 2021 CEIP swiftly reached consensus on the one additional condition and one revised condition that Avista proposed.

10 In comments filed on January 11, 2024, Staff expressed concern with what appeared to be only partial compliance with condition 5 of Order 01.<sup>3</sup> Staff discussed with the Company that 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 NWECC 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

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<sup>3</sup> *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).

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.<sup>4</sup>

- 11 In discussions with the Company since it filed the Biennial Update, Staff and other interested parties have agreed that the best solution to this concern is to make a revision to the original condition 5. The following is 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) 20230 and 2045 clean energy standards.*

- 12 Staff supports this revision because it requires Avista to provide the desired analysis in support of its interim targets if they change but does not put the Company in the position of trying to retroactively provide analysis for negotiated targets, or targets that have not changed since last review. Staff believes other interested parties are in support of this revision.

- 13 In comments, Staff detailed how it was concerned with what appeared to be only partial compliance with condition 9.<sup>5</sup> Staff detailed that to fully comply with this condition as written, Avista needed to have submitted clearly updated and expanded Vulnerable Population<sup>6</sup> areas in this Biennial Update. Public Counsel and NWEC 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.<sup>7</sup>

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<sup>4</sup> *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Avista Reply Comments at 2 (Jan. 26, 2024).

<sup>5</sup> *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).

<sup>6</sup> “‘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).

<sup>7</sup> *In re Avista Corporation's 2021 Clean Energy Implementation Plan*, Docket UE-210628, Avista Reply Comments at 3-5 (Jan. 26, 2024).

14 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.*

15 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.

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

17 Due to the lack of modifications, and because Staff supports the revision to condition 5 and Avista's proposed new condition, Staff recommends the Commission issue an order in Docket UE-210628 approving Avista's Biennial Update to its CEIP, subject to the conditions in Appendix A.

## DISCUSSION

18 We approve Avista's Biennial Update, subject to the conditions to which the Parties agree contained in Appendix A.

19 RCW 19.405.060(1) requires electric utilities to develop and submit to the Commission CEIPs every four years. The CEIPs must meet specific criteria. WAC 480-100-640 sets out the targets, data, and narrative information that must be included in those plans. WAC 480-100-640(11) requires the utilities to make a biennial CEIP update filing on or before November 1st of each odd-numbered year that the utility does not file a CEIP.

20 We are pleased that the discussions between the Parties resulted in agreement regarding Avista's interim targets and additional changes and additions to conditions.

21 We agree with Staff that condition 5 should be amended, requiring Avista to provide the desired analysis in support of its interim targets if they change. This revision, as Staff notes, avoids putting the Company in the position of retroactively providing analysis for negotiated targets, or targets that have not changed since the last review.

22 We also agree with Staff and the Parties in adding a new condition requiring Avista to detail efforts made to expand its Vulnerable Populations and provide its methodology used to identify Vulnerable Populations in its 2025 CEIP. We believe this condition will address the concerns of the Parties and provide further clarity moving forward.

23 Avista's CEIP was the first the Commission considered, and we are now considering biennial updates from electric utilities for the first time. We commend the Company, Staff, Public Counsel, and NWECA for working collaboratively to improve Avista's CEIP, reviewing Avista's performance with the conditions placed on the Company with the approval of the 2021 CEIP, and for working to clarify and add conditions to benefit all customers. Accordingly, we approve of Avista's CEIP subject to the conditions set out in Appendix A to this Order which includes Staff's recommended conditions of revising one condition and adding one condition.

### FINDINGS AND CONCLUSIONS

24 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies and electric companies.

25 (2) Avista is engaged in the business of providing electric and natural gas services within the state of Washington and is a public service company subject to Commission jurisdiction.

26 (3) This matter came before the Commission at its regularly scheduled meeting on March 22, 2024.

27 (4) Avista is required to make a biennial CEIP update filing on or before November 1st of each odd-numbered year that the utility does not file a CEIP.

28 (5) After review of the Biennial Update, filed on November 1, 2023, and subsequently filed comments and giving due consideration, the Commission finds that Avista's CEIP Biennial Update is consistent with the public interest,

consistent with the requirements of WAC 480-100-640(11), and that it should be approved subject to the conditions set out in Appendix A to this Order.

**ORDER**

**THE COMMISSION ORDERS:**

- 29 (1) Avista Corporation d/b/a Avista Utilities' Clean Energy Implementation Plan Biennial Update meets the requirements of WAC 480-100-640(11) and should be approved subject to the conditions set out in Appendix A to this Order.
- 30 (2) The Commission retains jurisdiction over the subject matter and Avista Utilities d/b/a Avista Corporation to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective March 22, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner