



Avista Corp.

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July 29, 2016

Via Electronic Mail

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

Re: Docket No. UE-132045 and UG-132046 – Comments of Avista Utilities

Avista Corporation, dba Avista Utilities (“Avista” or “Company”), submits the following comments in response to Mr. Jon Powell and Mr. Lynn Anderson (“Technical Commenters”) comments filed on July 19, 2016 related to the Company’s Conservation Achievement under the Energy Independence Act, Biennial Conservation Report (BCR)¹.

Avista appreciates the opportunity to respond to the issues, specifically the bulleted “primary issues” identified by the Technical Commenters.

1. Significant discrepancies noted within the very limited work papers that were made available to the public as well as the misspecification of the Total Resource Cost test methodology within Avista’s Annual Conservation Report.

Response: The Company’s filing outlines the methodology the independent third-party evaluator used to verify the savings acquisition in conjunction with the workpapers. The

¹ Neither Mr. Powell or Mr. Anderson are Avista customers.

independent third-party evaluator performed all cost-effectiveness calculations associated with this filing and the calculation methods have been reviewed by UTC staff as well.

2. The general lack of transparency to members of the public in regards to the analysis incorporated within this filing.

Response: As required under WAC 480-109-102, the Company provided a draft of its filing to its Demand-Side-Management (DSM) Advisory Group on Friday, April 29, 2016.² The Company received input from the Commission Staff and incorporated the input into its filing. All information related to the filing (multiple documents representing hundreds of pages) have also been available for public review on the UTC's website, and were available from the Company upon request. The Company provided Mr. Powell electronic workpapers upon his request.

Avista has had continuous energy efficiency stakeholder involvement since 1992. The Company's program offerings, planning, evaluation findings, underlying cost-effectiveness tests and results are reviewed during stakeholder meetings. Currently, the Company holds in-person meetings at least twice per year³, hosts several webinars annually, provides a detailed analysis of the results of DSM operations on a monthly and annual basis, identifies large projects and provides a quarterly newsletter summarizing recent DSM activities. Since January 2016, Avista has held two meetings with the Advisory Group, by way of conference calls, emails and webinars as well as in-person meetings. The Spring 2016 meeting, which was on the heels of the Spring NEEA Energy Exchange Conference in Coeur d'Alene, ID, was one of the most attended meetings in several years, with 12 external members in-person and 2 additional externals calling in. In

² The Advisory Group is Avista's non-binding oversight and advisory group for energy efficiency. The Advisory group is currently composed of the UTC staff, the IPUC Staff, OPUC Staff, the Public Counsel Unit of the Washington Office of Attorney General, Northwest Energy Coalition, SNAP, The Energy Project, Northwest Energy Efficiency Alliance, Northwest Power and Conservation Council, Northwest Energy Efficiency Council, Idaho Conservation League, Putnam Price and the Opportunity Council.

³ Spring meeting was held on April 28 and 29, 2016 in Coeur d'Alene, Idaho, and the fall meeting last year was held in Spokane.

addition, the Company had numerous phone discussions with core members⁴ of the Advisory Group on topics related to the Biennial Conservation Report, and current and future evaluations. Avista's DSM Advisory Group consists of interested regulatory, consumer and energy industry parties.

3. The lack of meaningful independence in the evaluation, measurement and verification (EM&V) of Avista's DSM portfolio, as required under WAC 480-109-120 (4), primarily but not solely due to the evaluation being managed by those who are also responsible for the delivery of the programs being evaluated.

Response: The Company hired an independent third-party evaluator to perform the required evaluation, measurement and verification (EM&V) of Avista's DSM Portfolio as required by WAC 480-109-120 (4), and the results of that evaluation were fully vetted with the Advisory Group before the report became final. No member of the Advisory Group voiced the concerns expressed by Messrs. Powell and Anderson in their technical comments.

Avista appreciates the opportunity to provide a response to Technical Commenters comments. If you have any questions regarding these comments, please contact me at 509-495-4975 or at linda.gervais@avistacorp.com.

Sincerely,

/s/Linda Gervais/

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⁴ Members of the Washington and Idaho Commission Staff and Public Counsel.