

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION'S

Final 2014 Renewable Compliance
Report under RCW 19.285.070 and
WAC 480-109-210

DOCKET UE-140801

ORDER 02

ORDER ACKNOWLEDGING
COMPLIANCE WITH 2014
RENEWABLE ENERGY TARGET

BACKGROUND

A. The Energy Independence Act

- ¹ Revised Code of Washington (RCW) 19.285, the Energy Independence Act (EIA), includes a renewable portfolio standard (RPS), which requires electric utilities with 25,000 or more customers to obtain certain percentages of their electricity from new renewable resources beginning in 2012. RCW 19.285.060(6) authorizes the Washington Utilities and Transportation Commission (Commission) to enforce the EIA with respect to investor-owned utilities.¹
- ² On March 13, 2015, the Commission adopted new rules for EIA enforcement.² The new rule, WAC 480-109, imposes additional RPS reporting requirements on investor-owned utilities. All references to WAC 480-109 in this order refer to the rule as adopted on March 13, 2015.
- ³ RCW 19.285.030(20) authorized the Washington State Department of Commerce (Commerce) to select a tracking body to verify the certificates representing eligible generation that utilities use for compliance with the EIA. Commerce selected the Western Renewable Energy Generation Information System (WREGIS) to perform this function.

¹ RCW 19.285.030(11) defines “investor-owned utility” by reference to RCW 19.29A.010. RCW 19.29A.010(19) provides: “Investor-owned utility” means a company owned by investors that meets the definition of RCW 80.040.010 and is engaged in distributing electricity to more than one retail customer in the state.”

² Docket UE-131723, General Order R-578 (March 13, 2015).

WAC 480-109-200(3) requires that all eligible renewable generation used by investor-owned utilities for EIA compliance be registered and retired in WREGIS.

B. Company Filings

4 On May 30, 2014, Avista Corporation (Avista or Company) initiated this docket by filing with the Commission a Renewable Portfolio Standard Report (RPS Report) pursuant to RCW 19.285.070 and WAC 480-109-210.

5 On July 31, 2015, the Commission issued Order 01 in this docket approving Avista’s calculation of its 2014 renewable energy target as 167,884 megawatt-hours (MWh).

6 WAC 480-109-210(6) requires a utility to submit a final RPS compliance report within two years of the initial report documenting the certificates it retired in WREGIS to comply with its target and requesting a compliance determination from the Commission. Avista filed its final RPS report on June 1, 2016. Avista’s report identifies the following 170,089 WREGIS certificates that the Company retired for 2014 RPS compliance:

| Facility Name (Location) | Resource Type | Vintage | Amount (MWh) | Multiplier | Total |
|---|----------------------|----------------|-------------------------|-------------------|--------------|
| Long Lake #3 (Spokane River, WA) | Incremental Hydro | 2014 | 14,197 | N/A | 14,197 |
| Little Falls #4 (Spokane River, WA) | Incremental Hydro | 2014 | 4,862 | N/A | 4,862 |
| Cabinet Gorge #2 (Clark Fork R., ID) | Incremental Hydro | 2014 | 29,008 | N/A | 29,008 |
| Cabinet Gorge #3 (Clark Fork R., ID) | Incremental Hydro | 2014 | 45,808 | N/A | 45,808 |
| Cabinet Gorge #4 (Clark Fork R., ID) | Incremental Hydro | 2014 | 20,517 | N/A | 20,517 |
| Noxon Rapids #1 (Clark Fork R., MT) | Incremental Hydro | 2014 | 21,435 | N/A | 21,435 |
| Noxon Rapids #2 (Clark Fork R., MT) | Incremental Hydro | 2014 | 7,709 | N/A | 7,709 |
| Noxon Rapids #3 (Clark Fork R., MT) | Incremental Hydro | 2014 | 14,529 | N/A | 14,529 |

| Facility Name (Location) | Resource Type | Vintage | Amount (MWh) | Multiplier | Total |
|---|-------------------|---------|-----------------|------------|---------|
| Noxon Rapids #4 (Clark Fork R., MT) | Incremental Hydro | 2014 | 12,024 | N/A | 12,024 |
| Total eligible certificates retired: | | | | | 170,089 |
| 2014 Target (MWh): | | | | | 167,884 |

- 7 The Company met its 2014 RPS target solely using its incremental hydropower resources. WAC 480-109-200(7) lists three methods from which a utility may choose to calculate the portion of an upgraded hydropower facility's output that is eligible renewable generation (incremental hydropower) per RCW 19.285.030(12)(b). Avista used Method 3 to calculate the eligible output of Company-owned hydropower facilities.
- 8 Staff reviewed the Company's RPS report and recommends the Commission issue an order finding that: 1) Avista complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6), and 2) Avista met its 2014 renewable portfolio standard target of 167,884 megawatt-hours and retired corresponding certificates in WREGIS.

DISCUSSION

- 9 We find that Avista has complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6) and met its 2014 renewable portfolio standard target of 167,884 megawatt-hours.
- 10 We accept the Company's use of Method 3 for calculating its incremental hydropower generation, and remind the Company of the new requirement in WAC 480-109-200(7)(e) to provide an analysis of Method 3's performance in the Company's 2019 report.

FINDINGS AND CONCLUSIONS

- 11 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies.

- 12 (2) Avista is an electrical company and a public service company subject to Commission jurisdiction and is an “investor-owned utility” under RCW 19.285.030(11).
- 13 (3) Avista serves more than 25,000 customers within the State of Washington, and it is a “qualifying utility” within the meaning of RCW 19.285.030(19).
- 14 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-200(1)(a), Avista’s renewable energy target for 2014 was 167,884 megawatt-hours.
- 15 (5) In Avista’s Final Renewable Compliance Report, filed on June 1, 2016, the Company demonstrated that it had acquired 170,089 megawatt-hours of eligible generation.
- 16 (6) Avista retired a total of 170,089 certificates in WREGIS.
- 17 (7) Avista has complied with all reporting and filing requirements set out in Order 01.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Avista Corporation complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6).
- 19 (2) Avista Corporation met its 2014 renewable portfolio standard target of 167,884 megawatt-hours and retired corresponding certificates in the Western Renewable Energy Generation Information System.
- 20 (3) Avista Corporation has complied with its 2014 renewable energy target as required by RCW 19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective June 23, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner