

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-131056
AVISTA CORPORATION'S	ORDER 02
Final 2013 Renewable Compliance Report under RCW 19.285.070 and WAC 480-109-210	ORDER ACKNOWLEDGING COMPLIANCE WITH 2013 RENEWABLE ENERGY TARGET

BACKGROUND

A. The Energy Independence Act

- 1 Washington voters approved Initiative 937, the Energy Independence Act (EIA), in the 2006 general election. Now codified at RCW 19.285, the 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 rules were adopted after an extensive public process involving Commission Staff (Staff), utility representatives, and other stakeholders. 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 31, 2013, Avista Corporation (Avista or Company) initiated this docket by filing with the Commission a Renewable Report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). Based on its average annual load for 2011 and 2012, Avista reported that its 2013 renewable energy target was 166,740 megawatt-hours (MWh). In Order 01 in this docket, dated Sept. 9, 2013, the Commission accepted Avista’s calculation of its 2013 target.

5 WAC 480-109-210(6) requires utilities to submit a final RPS compliance report within two years of the initial report, in which the utility documents the certificates that it retired in WREGIS to comply with its target and request a compliance determination from the Commission. Avista filed its final RPS report on May 29, 2015. At Staff’s request, the Company filed a substitute report on June 2, 2015. Avista’s substitute report identifies the following 170,089 WREGIS certificates that the Company retired for 2013 RPS compliance:

Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Facility On-Line Date	Ownership/ Contract
Long Lake #3 (Spokane River, WA)	Water (Incremental Hydro)	2013	14,197	10/29/1999	Avista- owned
Little Falls #4 (Spokane River, WA)	Water (Incremental Hydro)	2013	4,862	11/14/2001	Avista- owned
Cabinet Gorge #2 (Clark Fork R., ID)	Water (Incremental Hydro)	2013	29,008	3/19/2004	Avista- owned
Cabinet Gorge #3 (Clark Fork R., ID)	Water (Incremental Hydro)	2013	45,808	3/27/2001	Avista- owned
Cabinet Gorge #4 (Clark Fork R., ID)	Water (Incremental Hydro)	2013	20,517	4/5/2007	Avista- owned

Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Facility On-Line Date	Ownership/ Contract
Noxon Rapids #1 (Clark Fork R., MT)	Water (Incremental Hydro)	2013	21,435	5/21/2009	Avista- owned
Noxon Rapids #2 (Clark Fork R., MT)	Water (Incremental Hydro)	2013	7,709	5/6/2001	Avista- owned
Noxon Rapids #3 (Clark Fork R., MT)	Water (Incremental Hydro)	2013	14,529	6/11/2010	Avista- owned
Noxon Rapids #4 (Clark Fork R., MT)	Water (Incremental Hydro)	2013	12,024	2012	Avista- owned
Total eligible certificates retired:					170,089
2013 Target (MWh):					166,740

C. Use of Hydropower

- 6 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 Three to calculate the eligible output of Company-owned hydro facilities.
- 7 In its initial 2013 RPS report, Avista identified 21,927 MWh of eligible generation from Wanapum Dam, an upgraded hydropower facility owned and operated by Grant County PUD, which would be available to the Company for 2013 RPS compliance.
- 8 Subsequent to the Company's initial 2013 RPS report, the Commission adopted a new rule that requires all eligible renewable generation used for RPS compliance by investor-owned utilities to be registered in WREGIS.³ The Wanapum Dam facility is not registered in WREGIS.
- 9 In the final 2013 RPS compliance report filed on May 29, 2015, the Company included the 21,927 MWh of eligible hydropower generation that it had acquired from Wanapum Dam. Staff informed the Company that under the new rule, the Company would have to

³ WAC 480-109-200(3).

petition the Commission for a waiver of WAC 480-109-200(3) to claim the Wanapum Dam generation.

10 Given its ability to exceed its 2013 target with eligible, Company-owned resources that are registered in WREGIS, Avista chose to remove the Wanapum Dam generation from its final 2013 report.⁴

DISCUSSION

11 We agree with Staff that although the Commission accepted Avista's initial RPS report that included Wanapum Dam generation, the final compliance filing is subject to the rule adopted in March 13, 2015, and the Wanapum Dam generation is therefore ineligible for Avista's 2013 RPS compliance. Avista correctly removed this generation from its final report.

12 We accept the Company's use of Method Three 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 Three's performance in the Company's 2019 report.

FINDINGS AND CONCLUSIONS

13 (1) The Washington Utilities and Transportation 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.

14 (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).

15 (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).

16 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-200(1)(a), Avista's renewable energy target for 2013 was 166,740 megawatt-hours.

⁴ Docket UE-131056, *Substitute Request for Compliance Determination* (June 2, 2015), page 3.

- 17 (5) In Avista's Final Renewable Compliance Report, filed on May 29, 2015, and
revised on June 2, 2015, the Company demonstrated that it had acquired 170,089
megawatt-hours of eligible generation.
- 18 (6) Avista retired a total of 170,089 certificates in WREGIS.
- 19 (7) Avista has complied with all reporting and filing requirements set out in Order 01.

ORDER

THE COMMISSION ORDERS:

- 20 (1) Avista Corporation complied with the final renewable portfolio standard reporting
requirements in WAC 480-109-210(6).
- 21 (2) Avista Corporation has generated 170,089 megawatt-hours of eligible renewable
energy generation for the purpose of 2013 compliance, and retired corresponding
certificates in the Western Renewable Energy Generation Information System.
- 22 (3) Avista Corporation has complied with its 2013 renewable energy target as
required by RCW 19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective June 25, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner