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VIA – Electronic Mail

October 20, 2011

Dave Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: The Petition of Puget Sound Energy, Inc. for a Declaratory Order on the Extra Credits for Apprentice Labor Provision of RCW 19.285.040(2)(h) - Docket No. U-111663

Dear Mr. Danner:

Pursuant to the Commission’s “Notice Providing an Opportunity to Submit Additional Statements of Fact and Law,” dated October 6, 2011, Avista Corporation (“Avista”) herby submits additional comments in support of PSE’s Petition in the above-referenced matter.

On September 13, 2011, Puget Sound Energy, Inc. (“PSE”) filed a Petition for a Declaratory Order (“Petition”) interpreting RCW 19.285.040(2)(h), the provision of Washington’s Energy Independence Act, Chapter 19.285 RCW (the “Act”), providing extra credits for use of apprentice labor. On September 28, 2011, Avista submitted a Statement of Law and Fact (“September 28 Statement”) in support of PSE’s Petition.

Avista respectfully disagrees with Renewable Northwest Project’s (RNP) comments in a number of respects. For example, Avista disagrees with RNP’s statement that the drafters of the Act did not intend for multipliers to become compliance instruments separate from a renewable resource or REC. RNP provides no support for that statement. Moreover, such statement is inconsistent with the plain language of the Act. Avista also disagrees with RNP’s opinion that the broader REC markets will not accept a Washington REC bifurcated from its apprentice labor attributes. As RNP itself acknowledges, apprentice labor is not an environmental benefit and, therefore, the absence of a

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Washington-only adder in a REC does not compromise its marketability outside of Washington. Avista also disagrees with RNP that PSE's interpretation will create a giant administrative chore. The current compliance template to be used for utility reporting already envisions bifurcation and such reporting will both prevent double counting and not be an administrative burden on the Commission or the filing utilities.

The Commission should not expand the scope of this proceeding beyond the question regarding interpretation of RCW 19.285.040 raised in PSE's Petition by RNP. RNP makes a number of arguments in its comments in this proceeding regarding distributed generation that are not related to PSE's Petition and should remain outside its scope. To the extent that the Commission decides to expand the scope of this proceeding to address distributed generation, Avista respectfully requests that the Commission allow additional comments and an appropriate amount of time for Avista and others to reply.

The Commission should also not foreclose trading of bifurcated extra credits (isolated multipliers), as the Act does not foreclose such trading. While PSE does not specifically raise trading of bifurcated extra credits as an actual controversy in their Petition, just as in the case of the REC associated with the energy generated from a renewable project qualifying under the Act for extra apprentice labor credits, the Act is silent on the issue regarding whether the bifurcated apprentice labor extra credits can be separately traded. If the Commission decides to rule on the issue of whether extra credits for apprentice labor can be traded, it should rule in favor of permitting such trading because it is consistent with the Act, and the flexibility of such trading is beneficial to customers.

Please direct any questions on this matter to Clint Kalich, Manager, Resource Planning and Analysis at (509) 495-4532 or myself at (509) 495-4975.

Sincerely,

/s/Linda Gervais/

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