

Agenda Date: June 25, 2015  
Item Number: A1

**Docket:** UE-131056  
Company: Avista Corporation

Staff: Jeremy Twitchell, Regulatory Analyst

### **Recommendation**

Issue an Order in Docket UE-131056 finding:

- (1) Avista Corporation complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6).
- (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 WREGIS.
- (3) Avista Corporation has complied with its 2013 renewable energy target as required by RCW 19.285.040(2)(a)(i).

### **Background**

The Washington Utilities and Transportation Commission (commission) issued Order 01 in this docket on Sept. 9, 2013, which approved Avista Corporation's (Avista or company) calculation of its 2013 renewable energy target as 166,740 megawatt-hours. In that order, the commission also adopted a "two-step" process for determining compliance with the renewable portfolio standard (RPS) requirements within the Energy Independence Act (EIA).

Under the two-step process, each utility is expected to file an initial report each year to calculate its renewable energy target for that year and demonstrate that it has acquired or contracted to acquire enough renewable energy credits (RECs) or eligible generation to meet that target. Then no later than June 1 two years after the target year, the utility must file a report with the commission that shows the specific resources that it used for compliance and the quantity of RECs or eligible generation from each resource.

On March 13, 2015, the commission adopted a new rule for EIA enforcement in regard to the state's investor-owned utilities. The new rule, codified in WAC 480-109, was adopted after an in-depth and iterative public process that included multiple rounds of input from commission staff, utilities, and other stakeholders. The rule formalized the commission's two-step process in WAC 480-109-210 and imposed additional RPS reporting requirements on the state's investor-owned utilities.

The rule also created a requirement in WAC 480-109-200(3) that all renewable generation used by an investor-owned utility for RPS compliance be registered in the Western Renewable Energy Generation Information System (WREGIS), and that corresponding certificates be retired in

WREGIS. WREGIS is the tracking facility selected by the Washington State Department of Commerce pursuant to RCW 19.285.030(20).

**Discussion**

On May 31, 2015, Avista filed a final RPS compliance report pursuant to WAC 480-109-210(6). The filing included documentation that the company had retired 170,089 WREGIS certificates for its 2013 RPS compliance. Each certificate corresponds to a megawatt-hour of eligible renewable generation; all of the certificates that Avista retired were from upgraded, company-owned hydropower facilities that generate incremental hydropower under RCW 19.285.030(12)(b).

The following table summarizes the resources that Avista used for 2013 RPS compliance:

<b>Facility Name (Location)</b>	<b>Resource Type</b>	<b>Vintage</b>	<b>Amount (MWh)</b>	<b>Facility On-Line Date</b>	<b>Ownership/ Contract</b>
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
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

WAC 480-109-200(7) gives utilities three options for calculating the portion of generation of an eligible upgraded hydropower facility that is incremental hydropower. Avista has selected Method Three, which is a one-time calculation that the company will be required to compare to the other methods every five years, beginning in 2019.

Avista's May 31, 2015, report also included 21,927 MWh of incremental hydropower that the company acquired from Wanapum Dam, an upgraded hydropower facility owned by Grant County Public Utility District. That generation had also been included in the company's initial 2013 RPS report, which the commission approved. Grant County has not registered Wanapum Dam in WREGIS.

In its order adopting the rules in 480-109, the commission acknowledged that there was little time between the adoption of the rules and the deadline for final 2013 RPS compliance reports. The commission therefore said that it would allow utilities to request a waiver of the WREGIS requirement if they were using a resource for 2013 RPS compliance that was not registered in WREGIS, provided that the utility could document why it was unable to register the resource.

Staff informed the company that it would either have to petition the commission for a waiver of WAC 480-109-200(3) so that it could claim the Wanapum Dam generation, or remove that generation from its final report.

On June 2, 2015, Avista filed an amended final compliance report that removed the Wanapum Dam generation, given the company's ability to exceed its 2013 target using company-owned incremental hydro resources.<sup>1</sup>

### **Conclusion**

Staff recommends that the commission issue an order in Docket UE-131056 as described in the recommendation section above.

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<sup>1</sup> Docket UE-131056, *Substitute Request for Compliance Determination* (June 2, 2015), page 3.