



Avista Corp.

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October 29, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (Avista or Company), submits the following tariff revisions to its Schedule 62 “Small Power Production and Cogeneration Schedule”, WN U-28 – Electric Service:

Second Revision Sheet 62A	Canceling	Seventh Substitute First Revision Sheet 62A
First Revision Sheet 62B	Canceling	Seventh Substitute Original Revision Sheet 62B
First Revision Sheet 62D	Canceling	Fifth Substitute Original Revision Sheet 62D
First Revision Sheet 62E	Canceling	Fifth Substitute Original Revision Sheet 62E

WAC 480-106-040 requires that “A utility must file by November 1st of each year, as a revision to its tariff described in WAC 480-106-030 Tariff for purchases from qualifying facilities, a schedule of estimated avoided costs that identifies, both separately and combined, its avoided cost of energy and its avoided cost of capacity.” The purpose of this filing is to update the Company’s avoided costs as described.

The last update to tariff Schedule 62 followed the Commission’s rulemaking proceeding in Docket U-161024 whereby, “Among other changes, the Commission added a new Chapter 480-106 WAC modifying the implementation of the Public Utility Regulatory Policies Act (PURPA), which requires utilities to purchase energy and capacity from small power producers, also called

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qualifying facilities (QFs).”¹ The tariff underwent significant change to comply with the modified rules and was approved by Order 01 in Docket UE-190663 on March 12, 2020. Also, in Order 01 the Commission, under WAC 480-07-110, granted the Company a waiver from WAC 480-106-040(1)(b)(i) to use its 2019 Integrated Resource Plan (IRP) rather than its most recently acknowledged IRP, which is its 2017 IRP. Per ¶20 in Order 01,

Previous Commission action pushed back the Company’s 2019 IRP deadline into 2020, then waived the acknowledgement process. We agree that under normal circumstances IRPs are regularly filed and expediently acknowledged. This does not apply for the current cycle. Given there are no parties that have voiced objection to this request, we agree that it is in the public interest to use the capacity contribution values as presented in the Company’s recently-filed IRP.

Avista’s is currently working on its IRP and expecting to file it on April 1, 2021. As such, the most recently acknowledged IRP remains the 2017 IRP. For this reason, the Company again asks for a waiver of WAC 480-106-040(1)(b)(i) as the avoided costs included in tariff Schedule 62 are based on its 2019 IRP.

With the Company’s avoided costs remaining the same for this filing, the changes included in this filing are minimal. The Company has extended the avoided costs tables included in Schedule 62 out to 2045 in tariff sheets 62A, 62D and 62E. Note sheets 62D and 62E are included as example rates for large Qualified Facility (QF) resources, which are not applicable to small QFs. Tariff sheet 62B was updated to include a first year of delivery of 2024. Because a QF may enter into a Power Purchase Agreement at any point in 2021, their commercial operation date may extend into 2024. Going forward the Company will include a four-year period for the first year of delivery. Lastly, the Company made a small correction in its pricing model, which slightly increased the value of capacity rates in the first table on tariff sheet 62B for QFs that have a first year of delivery in 2022 or 2023.

¹ Docket UE-190663, ¶1

Confidential workpapers supporting this filing have been provided to the Commission via overnight mail. Avista requests the tariff revisions described herein become effective December 31, 2020. If you have any questions regarding this filing please contact Clint Kalich at 509-495-4532 or clint.kalich@avistacorp.com or myself at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager Regulatory Policy & Strategy

Enclosures