

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UG-171090
AVISTA CORPORATION d/b/a AVISTA UTILITIES'	ORDER 01
2019 Washington Annual Conservation Report	REGARDING CONSERVATION ACHIEVEMENT FOR 2019

BACKGROUND

- 1 On August 18, 2011, Washington Utilities and Transportation Commission (Commission) entered Order 05, Order Granting Joint Motion for Clarification on Forum for Resolution of DSM Prudence, in Dockets UE-110976 and UG-110877 (Order 05). Order 05 the granted a joint motion filed by Avista Corporation, d/b/a Avista Utilities, (Avista or Company), Commission staff (Staff) and the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel). The joint motion requested that the Commission clarify that Avista's electric and natural gas demand side management (DSM) programs and expenditures will be reviewed for prudence in a process separate and distinct from the Company's general rate cases.
- 2 On June 10, 2020, the Commission entered Order 09 in Dockets UE-110976 and UG-110877, Amending Order 05 (Order 09). Order 09 held that Avista was no longer required to file testimony and supporting evidence with its biennial, June 1 filing required by Order 05, to demonstrate the prudence of its demand side management programs and expenditures.
- 3 On May 29, 2020, Avista filed its 2019 Washington Annual Conservation Report (Annual Conservation Report), as required by Order 05, in Docket UE-171091. As Avista's electric and natural gas conservation programs are operated as a single, combined conservation portfolio, the company also submits its natural gas planning and reporting documents along with the electric filing requirements. As a result, Avista's conservation reports are cross-docketed in Dockets UE-171091 and UG-171090.
- 4 In its Annual Conservation Report, Avista submits that in 2019, it achieved 504,113 therms at a cost of \$3.9 million, bringing the total biennial evaluated savings to 1,038,227 therms. The company's benefit-to-cost ratio for the gas energy efficiency programs using

the total resource cost (TRC) test was 0.5 and using the utility cost test (UCT) was 1.1 in 2019.

5 On June 4, 2020, the Commission issued a Notice of Opportunity to Comment and Notice of Open Meeting regarding Avista's Annual Conservation Report.

6 On July 23, 2020, Jon Powell submitted written comments. Although Powell submitted his comments as a member of the public, he was previously on the Board of Directors for the Northwest Energy Efficiency Alliance. Powell raised concerns that utilities may seek to control the independent third-party evaluators and that independent evaluations, led by Commission staff (Staff), would allow for greater consistency and energy savings. Powell also argues for greater consistency between the establishing of a biennial conservation target and the later measurement of acquisition eligible to be credited towards that target.

7 On August 7, 2020, Staff filed its Comments on Avista's Annual Conservation Report in Docket UE-171091. Staff recommends that the Commission find that Avista has complied with Order 05 in Dockets UE-110876 and UG-110877. Staff submits that no further action is required concerning the prudence of Avista's natural gas demand side management (DSM) expenditures at this time.

DISCUSSION

8 Avista is required to engage in a collaborate process to identify cost-effective natural gas conservation measures.¹ Order 05 then provides an effective process for prudency review of DSM programs and expenditures by requiring a separate June 1 biennial filing; allowing for discovery immediately upon the June 1 filing; and allowing any person to request that the Commission set the matter for adjudication. By Order 09, the Commission removed the requirement for Avista to file testimony and supporting evidence to demonstrate the prudence of its natural gas DSM expenditures.

9 The Commission also may, at its discretion, set the matter for adjudication. However, "Order 05 does not require the Commission to make a finding of prudence, or lack thereof, if no person requests an adjudication."²

¹ RCW 80.28.380.

² *In the Matter of Avista Corporation's Natural Gas Demand-Side Management Programs and Expenditures During 2012 and 2013*, Docket UG-141215 Order 01 (July 31, 2014).

10 The Commission agrees with Staff's recommendation and finds that Avista's Annual Conservation Report complies with Order 05. No party has requested an adjudication, and no further action is required at this time.

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 gas companies.
- 12 (2) Avista is a gas company and a public service company subject to Commission jurisdiction.
- 13 (3) Order 05 provides a process for reviewing the prudence of Avista's natural gas DSM programs and expenditures by requiring a separate June 1 biennial filing; allowing for discovery immediately upon the June 1 filing; and allowing any person to request that the Commission set the matter for adjudication.
- 14 (4) Staff has reviewed Avista's Annual Conservation Report, cross-docketed in Dockets UE-171091 and UG-171090.
- 15 (5) Staff recommends that the Commission find that Avista's Annual Conservation Report complies with Order 05.
- 16 (6) This matter came before the Commission at its regularly scheduled meeting on September 10, 2020.
- 17 (7) After reviewing Avista's Annual Conservation Report and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Company's Annual Conservation Report complies with the requirements of Order 05.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Avista Corporation d/b/a Avista Utilities' 2019 Annual Conservation Report complies with the conditions of Order 05 in Dockets UE-110976 and UG-110877.

- 19 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.
- 20 (3) The Commission retains jurisdiction over the subject matter and Avista to effectuate the provisions of this Order.
- 21 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

Dated at Lacey, Washington, and effective September 10, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON
Executive Director and Secretary