



STATE OF WASHINGTON  
**UTILITIES AND TRANSPORTATION COMMISSION**  
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

July 3, 2018

Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

RE: Avista Corporation's Annual Renewable Portfolio Standard Compliance Report  
**Docket UE-160779**

Dear Mr. Johnson:

In Order 01 of the above mentioned docket, the Commission determined that Avista Corporation (Avista or Company) had complied with the 2016 renewable portfolio standard (RPS) target calculation and initial reporting requirements. The Commission ordered Avista to file a report no later than June 1, 2018, that listed the certificate numbers for every renewable energy credit (REC) that the company retired in the Western Renewable Energy Generation Information System (WREGIS), along with details about which certificates were used for its voluntary renewable energy programs for 2016.

**Staff Analysis of Avista's 2016 Final RPS Compliance Report**

In its June 1, 2016, filing, Avista correctly calculated its 2016 RPS target of 513,809 MWh, and identified a mix of wind-, biomass-, and incremental hydropower-based RECs from 2015 and 2016 that it planned to use to meet this target. Table 1 below displays the mix of resources that Avista planned to deploy to meet the target.

**Table 1: Avista's 2016 Renewable Resource Target and Compliance Plan**

<b>2016 Target (MWh)</b>	<b>Incremental Hydro (MWh)</b>	<b>2015 RECs</b>	<b>2016 RECs</b>	<b>Purchased RECs</b>	<b>Total Compliance Resources (MWh)</b>
513,809	171,482	49,617	320,023	N/A	541,122

In Order 01 of this docket, the Commission recognized the Kettle Falls biomass facility, and the incremental hydro upgrades at Nine Mile No. 1 and Nine Mile No. 2, as eligible renewable resources. In the same order, the Commission required Avista to update its calculation of the prorated eligible generation from Nine Mile No. 1 and Nine Mile No. 2 based on the actual date that they entered service.<sup>1</sup>

On May 4, 2018, Avista filed its final RPS compliance report for 2016. On May 21, 2018, Avista filed additional documentation to verify the updated prorated generation calculations for Nine Mile No. 1 and Nine Mile No. 2. Commission staff (Staff) has reviewed these calculations and found that they are consistent with the Method Three calculations that Avista used to calculate expected generation from these facilities.

Staff has reviewed all compliance report materials and determined that Avista has met its 2016 RPS target. Table 2 below details the resources Avista used to meet the target.

**Table 2: Summary of 2016 Avista RCW 19.285.040 Compliance**

Facility Name	Facility Type	Vintage Year 2015	Vintage Year 2016	Vintage Year 2017	Extra Apprenticeship Credits	Total
Cabinet Gorge Unit 2	Incremental Hydro		29,008			29,008
Cabinet Gorge Unit 3	Incremental Hydro		45,808			45,808
Cabinet Gorge Unit 4	Incremental Hydro		20,517			20,517
Little Falls Unit 4	Incremental Hydro		4,862			4,862
Long Lake Unit 3	Incremental Hydro		14,197			14,197
Nine Mile Unit 1	Incremental Hydro		215			215
Noxon Rapids Unit 1	Incremental Hydro		21,435			21,435
Noxon Rapids	Incremental		7,709			7,709

<sup>1</sup> Docket UE-160779 Order 01 ¶¶ 8 (4)-(6) (August 4, 2016). (4) Avista has demonstrated that the Kettle Falls biomass facility is an eligible renewable resource; (5) Avista has demonstrated that the Nine Mile No. 1 and Nine Mile No. 2 hydropower facilities are eligible renewable resources; and (6) In the final compliance report for 2016 required by WAC 480-109-210(6), Avista must provide details about which certificates were used for its various renewable energy programs and update its calculation of the prorated 2016 eligible renewable production of the Nine Mile No. 1 and Nine Mile No. 2 facilities based on the actual date that they enter service.

Unit 2	Hydro					
Noxon Rapids Unit 3	Incremental Hydro		14,529			14,529
Noxon Rapids Unit 4	Incremental Hydro		12,024			12,024
Stateline Wind	Wind	44,408				44,408
Harvest Wind	Wind	3,861				3,861
Klondike Wind	Wind	1,348				1,348
Palouse Wind	Wind		95,703	112,666	41,673	250,042
Kettle Falls	Biomass		43,846			43,846
<b>TOTAL</b>		<b>49,617</b>	<b>309,853</b>	<b>112,666</b>	<b>41,673</b>	<b>513,809</b>

As part of its 2016 RPS compliance, Avista has retired 49,617 unbundled RECs purchased through a contract with the Eugene Water and Electric Board (EWEB). These RECs were produced by three wind farms located in Washington and Oregon: Stateline Wind, Klondike Wind, and Harvest Wind. The Department of Commerce has determined that all three facilities are eligible renewable resources, and has marked them as eligible in WREGIS. Staff has reviewed information on the three wind farms, believes they meet the requirements as eligible renewable resources under the EIA, and recommends the Commission approve Avista’s use of RECs acquired from these resources to fulfill its RPS compliance obligations.

**Conclusion**

For 2016, Avista has fully complied with the reporting requirements contained in Order 01, entered August 4, 2016. The Commission should approve the eligibility of Stateline Wind, Klondike Wind, and Harvest Wind and the use of RECs acquired from these resources for RPS compliance.

Sincerely,

Andrew Rector  
Regulatory Analyst