



**Avista Corp.**

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April 25, 2014

***VIA: Electronic Mail***

Steven V. King  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive S. W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

RE: UE-120791 – Avista’s Request for Compliance Determination

Dear Mr. King:

Avista Corporation, dba Avista Utilities or (“Avista” and/or the “Company”), respectfully requests a determination of compliance for its 2012 Renewable Portfolio Standard (RPS) “Compliance Report.”

On May 31, 2012, in compliance with RCW 19.285, (Initiative 937 (I-937) or the Washington Energy Independence Act), the Company submitted its 2012 Renewable Portfolio Standard Compliance Report demonstrating its compliance with the renewable energy component of I-937.

In the RPS Report, Avista reported that, as of January 1, 2012, it had 180,681 megawatt-hours of incremental electricity from hydroelectric upgrades available for its use in 2012. All of the hydroelectric facilities listed in the Company’s RPS Report are located in the Pacific Northwest, and all are owned by a qualifying utility. All of the hydroelectric efficiency improvements listed in Avista’s RPS Report were completed after March 31, 1999. Avista has demonstrated that, as of January 1, 2012, it had the right to use 180,681 megawatt-hours of eligible renewable resources, as defined in RCW 19.285.030(10)(b) and WAC 480-109-007(9)(b), in 2012.

On September 13, 2012, in Order No. 01, in Docket No. UE-120791 the Commission provided the following:

- (1) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-020(1)(a), the 2012 renewable energy target for Avista Corporation is 166,047 megawatt-hours.

- (2) Avista Corporation has complied with the June 1, 2012, reporting requirements pursuant to WAC 480-109-040.
- (3) By January 1, 2012, Avista Corporation used eligible renewable resources to supply at least three percent of its load for the remainder of 2012, as required by RCW 19.285.040(2)(a)(i) and WAC 480-109-020(1)(a).
- (4) Avista Corporation must file a second report no later than June 1, 2014, that provides the information necessary to determine whether Avista met the January 1, 2012, target, including the specific megawatt-hours and/or renewable energy credits used to meet the target.

Per the Commission Order, the Company now seeks a final compliance determination regarding its 2012 compliance. As described in the Company's RPS Report, it met its 2012 target using qualified hydroelectric upgrades. Since the filing of its 2012 Compliance Report, the information and analysis regarding how the Company was to comply with the 2012 target has not changed.

The qualifying generation associated with the hydroelectric upgrades used for 2012 compliance are currently residing in a holding account within WREGIS, or in an attestation, and are described in the following table:

### Renewable Energy for 2012 Compliance

<b>WREGIS Generation Unit ID</b>	<b>Generator Plant – Unit Name</b>	<b>Vintage</b>	<b>Certificate Serial Numbers</b>	<b>Total Number Eligible Renewable Resources (MWh)</b>
W1560	Cabinet Gorge Unit 2	2012	1560-ID-64070-1 to 29008	29,008
W1561	Cabinet Gorge Unit 3	2012	1561-ID-64071-1 to 45808	45,808
W1562	Cabinet Gorge Unit 4	2012	1562-ID-64072-1 to 20517	20,517
W2102	Little Falls Unit 4	2012	2102-WA-60725-1 to 4862	4,862
W2103	Long Lake Unit 3	2012	2103-WA-60726-1 to 14197	14,197
W1530	Noxon Rapids Unit 1	2012	1530-MT-64044-1 to 21435	21,435
W1552	Noxon Rapids Unit 2	2012	1552-MT-64062-1 to 7709	7,709
W1554	Noxon Rapids Unit 3	2012	1554-MT-64064-1 to 14529	14,529
W1555	Noxon Rapids Unit 4	2012	1555-MT-58567-1 to 5144	5,144
N/A	Wanapum Fish Ladder	2012	See Attestation in Work Papers – Attachment E to Compliance Report	17,472
<b>Total Number of RECs to be Retired</b>				<b>180,681<sup>1</sup></b>

<sup>1</sup> The Company plans to retire eligible renewable resources equivalent to 166,047 MWh to meet its 2012 target along with 14,634 MWh of non-transferrable eligible renewable resources. Avista's choice of method 3 for the calculation of qualifying incremental hydroelectric generation means that the same amount of generation will be retired each year. This results in the permanent retirement of some excess eligible resources in the early years of compliance with the Energy Independence Act.

Upon receiving its final compliance determination from the Commission, the Company will retire the RECs listed above and provide proof of retirement to the Commission.

If you have any questions regarding this information, please contact Clint Kalich at 509-495-4532 or myself at 509-495-4975.

Sincerely,

*/s/Linda Gervais/*

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