



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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January 31, 2025

**NOTICE PROVIDING OPPORTUNITY TO COMMENT
(By March 3, 2025)**

RE: *In the Matter of Avista Corporation d/b/a Avista Utilities,*
Docket UG- 210827; UE-190334, UG-190335, & UE-190222 (Consolidated)

TO ALL PARTIES:

At its August 22, 2024, Recessed Open Meeting, the Washington Utilities and Transportation Commission (Commission) considered Avista Corporation d/b/a Avista Utilities' (Avista or Company) compliance with the conservation targets established in its 2022-2023 Biennial Conservation Plan (BCP), which targets the Commission approved Order 01 in Docket UG-210827. After considering comments from the Company, Commission staff (Staff) and other interested persons, the Commission waived issuing penalties against Avista in Docket UG-210827 and ordered the amendment of Order 09 in consolidated Dockets UE-190334, UG-190335, and UE-190222.

Order 09 in consolidated Dockets UE-190334, UG-190335, and UE-190222 required that Avista be subject to a decoupling penalty threshold in its BCPs. Order 09, in the above mentioned dockets, did not include reference to statutory language clarifying that utilities could be considered in compliance with biennial conservation targets if such failure to achieve said goals is due to events beyond the control of the utility.

Accordingly, to clarify the Commission's discretion, the Commission proposes to amend paragraph 98 of Order 09 in consolidated Dockets UE-190334, UG-190335, and UE-190222 as follows:

98 In its initial filing, Avista committed to achieving an additional 5 percent above its electric energy efficiency targets with the continuation of its electric decoupling mechanism.⁷⁴ The Company has not previously had a similar target associated with its

natural gas decoupling mechanism. Avista proposed, however, that with the continuation of its natural gas decoupling mechanism it would commit to achieving an additional 5 percent above the natural gas conservation target required by its natural gas integrated resource plan (IRP).⁷⁵ Further, the Company agrees to a penalty if it fails to meet this proposed target on a graduated scale, as follows:

\$20,000 for incremental conservation between 4.5 and 5.0 percent;

\$50,000 for incremental conservation between 3.75 and 4.5 percent;

\$75,000 for incremental conservation below 3.75 percent.

Pursuant to RCW 19.285.040, Avista will be considered in compliance with its biennial acquisition target for cost-effective conservation if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target.

Further, the Commission amends paragraph 22 of Order 01 in this Docket as follows:

- 22 (10) The Commission should accept Avista's calculation of its Two-Year Acquisition Target of 2,192,434 therms; Two-Year Decoupling Penalty Threshold of 109,622 therms; and a Total Two-Year Conservation Goal of 2,302,056 therms; subject to the conditions attached to this Order as Attachment A. Pursuant to RCW 19.285.040, Avista will be considered in compliance with its biennial acquisition target for cost-effective conservation if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target.

It's the Commission's intent that, in determining whether a qualifying utility is considered in compliance with its biennial target for cost-effective conservation, the penalty provisions associated with conservation targets will apply, but also the exemption in RCW 19.285.040, which provides that a qualifying utility be considered in compliance if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target.

THE COMMISSION GIVES NOTICE That if no party objects to the amendments as ordered in Docket UG- 210827, the changes in this notice will become effective at the conclusion of the comment period.

/s/ Connor Thompson
CONNOR THOMPSON
Administrative Law Judge