

**Exh. JDW-8
Dockets UE-240006/UG-240007
Witness: John D. Wilson**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-240006 & UG-240007
(Consolidated)**

EXHIBIT TO

TESTIMONY OF

JOHN D. WILSON

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista's Response to Staff Data Request No. 119

July 3, 2024

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	03/28/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Scott Kinney
REQUESTER:	UTC Staff	RESPONDER:	Clint Kalich
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	Staff – 119	TELEPHONE:	(509) 495-4532
		EMAIL:	clint.kalich@avistacorp.com

SUBJECT: CCA Costs

REQUEST:

In Kinney’s testimony at 56:13-15 he states “[w]ith a projected portfolio carbon-equivalent of nearly 2 million metric tons annually, and a carbon cost of around \$60 per metric ton, CCA compliance costs could be very large.”

However, in Avista’s response to UTC Staff DR 32(e), it states “CCA no-cost allowance grants are intended to offset emissions obligations created by thermal plant dispatch used to serve retail load in WA. For excess thermal generation dispatched to create additional revenue to reduce customer rates, there are multiple opportunities for Avista to eliminate or reduce the associated allowance costs.”

Can Avista clarify whether or not it expects CCA costs will be “very large” or if it expects no-cost allowances to offset these costs?

RESPONSE:

The final rules for “true up” by Ecology have not been finalized, potentially exposing Avista and its customers to significant costs not covered by allowance grants. As an example, grants presently are based on median hydro conditions. In a bad hydro year, thermal generation and imports are expected to rise greatly above what would occur in a median hydro year. CCA costs therefore have the potential to be very large.