Exh. JDW-13
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. 222

July 3, 2024

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/18/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Scott Kinney & Clint Kalich
REQUESTER:	UTC Staff	RESPONDER:	Clint Kalich
TYPE:	Data Request	DEPT:	Energy Supply
REQUEST NO.:	Staff – 222	TELEPHONE:	(509) 495-4532
		EMAIL:	clint.kalich@avistacorp.com

SUBJECT: Net Power Expenses

REQUEST:

Please refer to the testimony of Scott Kinney and Clint Kalich:

Kinney, at Exh. SJK-1T, p. 62, states, "This prudent resource acquisition and management, supported by this Commission, has greatly insulated customers from what otherwise might have caused very large increase from higher NPE." Kalich, at Exh. CGK-1T, p. 26, states, "Relative to peers, Avista is positioned with more capacity than it needs to serve average loads, and this surplus offers the potential to reduce NPE greatly, by as much as 30% or 40% from what it would be if our portfolio was not in a surplus position."

Please provide a comparison of Avista's capacity and NPE relative to peers supporting the witnesses' beliefs that Avista has relatively low rates and higher capacity.

RESPONSE:

These comments referred to in the Kinney and Kalich testimony are simply trying to state the obvious conclusion that a utility with a surplus capacity position, such as Avista, relative to its capacity deficient peers, such as Puget Sound Energy and PacifiCorp, can manage that surplus position for the benefit of reducing NPE for its customers.

As evidence of Avista's surplus capacity position, when performing our market reliability studies, we only assume an availability of 330 MW of capacity from the market. This 330 MW is based on the amount of market-based power that is routinely available and accessible to us in tight market situations. Avista has maintained this 330 MW capacity level based on ongoing discussions with our traders, especially after tight market events. This amount of market reliance is discussed on page 4-17 of the 2023 Electric IRP (See Exh. SJK-2 Avista's 2023 Electric Integrated Resource Plan and Appendices) and has been discussed with our Technical Advisory Committee as recent as the eighth TAC on June 4, 2024 (See presentation at Integrated Resource Planning | Avista (myavista.com)).

PacifiCorp has a significantly higher assumed market reliance at 3,326 MW as shown on Table 5.8 of page 124 of their 2023 IRP (see below).

Table 5.8 – Maximum Available Front Office Transactions by Market Hub

Market Hub	Availability Limit (MW)				
	2023 IRP			2021 IRP	
	Short-term (2023-2027)	Long-term (2028-2042)		Summer	Winter
		Summer	Winter		
Mid-Columbia (Mid-C)	1979	500	350	500	350
California Oregon Border (COB)	424	0	250	0	250
Nevada Oregon Border (NOB)	200	0	100	0	100
4 Corners (4C)	398	0	0	0	0
Mona	325	0	300	0	300
Total	**3326**	**500**	**1000**	**500**	**1000**

Puget Sound Energy currently relies on 1,500 MW of market power in a period of high peak demand which they are trying to reduce to 0 MW by 2029 (PSE 2023 Electric Progress Report, page 1.5).

Avista was not stating beliefs about rate levels or overall levels of capacity. Only that our surplus capacity position greatly lowers NPE.