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Mr. Jeff Killip  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**RE: Docket U-210183 - Relating to Electricity Markets and Compliance with the Clean Energy Transformation Act “use” Rules – Comments of Avista Utilities**

Dear Mr. Killip:

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in accordance with the Washington Utilities and Transportation Commission’s (WUTC or the Commission) Notice of Opportunity to File Written Comments on Draft Rules (Notice) issued in Docket U-210183 on November 4, 2024, relating to electricity markets and compliance with the Clean Energy Transformation Act (CETA) “use” rules.

The Commission has reached the correct conclusion in declining to implement an alternative understanding of “use” in this matter. As drafted, the rules require a planning standard and compliance standard. For the planning standard, the draft rules require that a utility’s Integrated Resource Plan, Clean Energy Implementation Plan, Clean Energy Action Plan, or Integrated System Plan, meet the planning requirements for primary compliance through demonstration of, *“at minimum, an hourly analysis of the renewable or nonemitting output of the preferred resource portfolio, and how this is intended to meet its primary compliance obligation under RCW 19.405.040(1)(a), under low and expected renewable output conditions.”* Regarding the compliance standard, the draft rules require that *“Each electric utility must retire any RECs associated with renewable or nonemitting electricity used for compliance. The vintage of the RECs being retired must be dated within the four-year compliance period that the RECs are being claimed, whether for primary or alternative compliance.”* The combination of the planning standard and compliance standard ensures that utilities have enough renewable or nonemitting resources to meet their compliance targets, while allowing flexibility regarding the optimization of resources and use of RECs over the four-year compliance period. Avista agrees with the Commission’s proposed draft rules on this matter.

Avista suggests one change to the new draft rules section on portfolio planning requirements to comply with the greenhouse gas neutral standard. As drafted, planning under both a *“low and expected*

*renewable output conditions.*” The introduction of a planning requirement under low renewable output conditions contradicts the requirement that “*each interim targets be informed by the utility's historic performance under median water conditions.*”<sup>1</sup> If a utility must have a resource portfolio that complies with interim targets under low renewable output conditions it would result in the requirement to procure additional clean energy earlier than otherwise needed in 2045, resulting in additional unnecessary cost pressure on customers. Also, this requirement from a planning standard negates the four-year compliance period, which was designed to mitigate the impacts of low water conditions. For these reasons, Avista suggests this new low renewable output condition requirement be removed from the planning requirements.

Regarding the use of the Western Renewable Energy Generation System (WREGIS) for tracking RECs used for compliance, the Commission should amend the draft rules to account for RECS procured in other markets that are tracked in a system other than WREGIS. Avista recently announced its intention to be a part owner of the North Plains Connector, which will extend a transmission line to interconnect with the Southwest Power Pool and Midcontinent Independent System Operator. As such, in the future Avista will have the ability to procure renewable resources from these markets. Avista suggests allowing RECs from other markets to be treated similar to Non-Power Attributes from nonemitting resources or the rules be amended to include REC tracking systems used by Eastern markets.

Finally, Avista requests clarification on the expectation for how utilities should plan for and comply with interim targets prior to the 2030 greenhouse gas neutral standard. As written, the draft rules do not have an effect until 2030. If it is the Commission’s expectation that before 2030 utilities plan for and demonstrate compliance in the same fashion as beyond 2030, the rules should reflect this.

Avista appreciates the Commission efforts to get the understanding of “use” correct and believes the Commission has arrived at the correct place with this current version of the draft rules. If you have any questions regarding these comments, please contact me at 509-495-2782 or [shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com).

Sincerely,

*/s/ Shawn Bonfield*

Shawn Bonfield  
Sr. Manager of Regulatory Policy & Strategy

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<sup>1</sup> WAC 480-100-640(2)(d).

