

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UE-220770
AVISTA CORPORATION d/b/a AVISTA UTILITIES,	ORDER 03
For An Order Approving its 2026 Demand and Resource Supply Forecast Pursuant to the Climate Commitment Act	GRANTING PETITION APPROVING REVISED FORECAST

BACKGROUND

- 1 In 2021, the Washington State Legislature passed the Climate Commitment Act (CCA) through Engrossed Second Substitute Senate Bill 5126 into law, codified as RCW 70A.65, to reduce greenhouse gas (GHG) emissions. Also referred to as “Cap and Invest,” the law establishes a declining cap on GHG emissions from covered entities, and is intended to reduce emissions in the state by 95 percent by 2050.¹ The CCA allows electric utilities, which are subject to the Clean Energy Transformation Act (CETA), to receive no-cost allowances to mitigate the cost burden of the Cap and Invest Program on electric customers.² The CCA required the Department of Ecology (Ecology) to adopt rules, in consultation with the Washington Utilities and Transportation Commission (Commission), to establish the methods and procedures for allocating allowances for investor-owned electric utilities (IOUs).³
- 2 On September 29, 2022, Ecology published final rules under Chapter 173-446 of the Washington Administrative Code (WAC), the Climate Commitment Act Program. WAC 173-446-230 specifies that Ecology will use utility-specific four-year demand and resource supply forecasts to determine the cost-burden effect and the allocation of no-cost allowances to each electric utility.
- 3 On January 24, 2023, the Commission entered Order 01, Approving Supply and Demand Forecast (Order 01).

¹ See [Climate Commitment Act - Washington State Department of Ecology](#).

² WAC 173-446-230(1).

³ RCW 70A.65.120.

- 4 On July 27, 2023 the Commission entered Order 02, Granting Petition in part, denying in part; Approving Revised Forecast.
- 5 On February 19, 2025 Avista submitted this Petition, and revised it once on June 10, 2025 and again on June 13, 2025.
- 6 Staff has reviewed the Petition and recommends that the Commission grant approval of the forecast filed on June 13, 2025. Staff is comfortable recommending approving the Petition given the forecast's consistency with the Company's 2025 Integrated Resource Plan (IRP) for the year 2026. The forecast represents an increase in load which translates to an increase of both non-emitting and emitting resources and unspecified market purchases to serve that load. The result is an approximately 101,577 metric tons of CO₂e increase to serve retail load.
- 7 Staff understands that the recent 2025 IRP is a more updated input source than what the Company used to forecast the year 2026 back in 2022. Further, Staff notes the continuity in the Company's analysis of retail load between the 2025 IRP, and discussions leading up to the 2025 CEIP. In this petition, the Company is using a proposed but not approved interim target under CETA of 66 percent for the year 2026, as an input into the forecast calculations. However, Staff notes that by approving this forecast, the Commission is not pre-approving that proposed interim target and will instead make any such determination in the Company's upcoming 2025 CEIP docket. Staff submits that it reached out to interested persons who commented on Avista's forecast approved in January 2023, and Staff did not receive any comments on this Petition.
- 8 This matter came before the Commission at its regularly scheduled July 10, 2025, open meeting.

DISCUSSION

- 9 We agree with Staff's recommendation and grant Avista's Petition.
- 10 After reviewing Avista's Petition and giving due consideration to all relevant matters and for good cause shown, the Commission agrees with Staff that the revised forecast submitted with the Petition should be approved in part pursuant to RCW 70A.65.120 and WAC 173-446-230(2)(j). We approve the Company's revised forecast subject to the same condition adopted in paragraph 10 of Order 01.

FINDINGS AND CONCLUSIONS

- 11 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 12 (2) Avista is a natural gas company and a public service company subject to Commission jurisdiction.
- 13 (3) Avista is an investor-owned electric utility subject to the requirements of Chapter 19.405 RCW.
- 14 (4) Avista properly calculated its 2026 demand and resource supply forecast.
- 15 (5) Avista's 2026 revised demand and resource supply forecast should be approved pursuant to 70A.65.120, subject to the condition that, should any substantive changes arise, that would affect the forecast, Avista must file an update by June 15 of that year, beginning in 2023.
- 16 (6) This matter came before the Commission at its regular open meeting on July 10, 2025.
- 17 (7) After reviewing Avista's Petition and forecast and giving due consideration to all relevant matters and for good cause shown, the Commission approves Avista's 2026 demand and resource supply forecast.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The Commission grants Avista Corporation d/b/a Avista Utilities' Revised 2026 Demand and Resource Supply Forecast, subject to the condition described in paragraph 10 of Order 01 in this Docket.
- 19 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.

- 20 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.
- 21 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 10, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary