

**Avista Corp.**

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

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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 April 1, 2025, relating to electricity markets and compliance with the Clean Energy Transformation Act (CETA) “use” rules.

Avista is largely in support of the current version of the draft rules, having one primary suggestion for the Commission to consider, along with a couple of minor suggested edits/clarifications to the draft rules.

The primary suggestion the Company has is regarding new section WAC 480-100-6XXB, “Portfolio planning requirements to comply with greenhouse gas neutral standard.” Section (3) of this new WAC requires that “When submitting an Integrated Resource Plan, Clean Energy Implementation Plan, Clean Energy Action Plan, or Integrated System Plan required by statute to the commission, each utility must include a scenario, based on an hourly analysis, of how effectively the preferred portfolio in subsection 6XXb-(2) would achieve primary compliance obligations under low renewable output conditions.” Avista does not object to the requirement to include a scenario related to low renewable output conditions, however, in the draft rules it is unclear what the purpose of this requirement is. As this is only a scenario, Avista’s understanding is that the scenario results shall not be used for procuring resources, rather than to demonstrate what may happen if low renewable output actually occurs. The Notice further describes Commissions intention of including this scenario and seems to affirm the Company’s understanding:

The Commission acknowledges that discrepancies between utility planning and actual results for energy output are expected, and will continue to weigh the impossibility of perfect foresight when assessing utility projections, such as the performance of preferred utility portfolios. The Commission expects that utilities will be prepared to demonstrate why discrepancies exist between previously submitted plans and actuals when assessments are made. To reflect this expectation, the new draft rules clarify that utilities are expected to model the performance of their preferred portfolio in low renewable output conditions so that those projections may be used to inform future discussions if or when low renewable years occur.

This narrative is insightful as to how the low renewable output scenario will be used, as such, Avista recommends the Commission include similar language in the rules. Avista's suggests adding a sentence at the end of this new requirements to read as follows, *"This scenario shall be used to inform future discussions if or when low renewable years occur."*

In terms of minor edits/clarifications to the draft rules, Avista notes the following:

- WAC 480-100-6XXa(3) – the reference to RCW 19.405.020(28) should be (27).
- WAC 480-100-6XXa(8) – this section mentions that RECs or NPAs may be used for primary compliance if there is no double counting within another load-based program in Washington or other jurisdictions. Regarding the reference to Washington, does this imply that RECs used for CETA compliance cannot also be used for compliance with the Energy Independence Act? If so, that is problematic for how compliance with both laws is currently achieved.
- WAC 480-100-6XXb(1) – at the end of line 4, the "and" seems that is should be an "or".

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.

Sincerely,

/s/ *Shawn Bonfield*

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy