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Comment deadline, telephonic public hearing set for Avista's long-range plan

BOISE (Oct. 17, 2017) – Avista expects conservation measures to offset more than half of its expected load growth over the next 20 years, according to a planning document filed with state regulators.

Though the need for new generation is expected, Avista's Integrated Resource Plan (IRP) also indicates its current generation resources will remain cost effective and reliable through 2036.

Regulated utilities are required to file an updated IRP with the Idaho Public Utilities Commission every other year.

The IRP serves as a status report on a utility's ongoing plans to serve customers at the lowest cost and least risk over the next two decades.

Acceptance of the plan by the Commission does not mean the projects highlighted will be completed, but only that the utility has met its long-range planning requirements.

Avista customers can testify regarding Avista's IRP at a telephonic public hearing on Nov. 2 at 7 pm PST. To participate, call 1-888-706-6468 and enter passcode 4435939# when prompted.

Written comments are also accepted, through Dec. 15.

Avista's 2017 IRP differs from its 2015 plan in several ways, including the anticipation of a slowdown in the annual growth rate, from 0.6 percent projected in the 2015 IRP to 0.47 percent; less reliance on natural gas-fired peaker plants; and a delay in the need for additional generation from 2020 until 2026.

The delay is due not only to lower than expected load growth but also recently signed contracts for hydropower, energy efficiency measures and the introduction of demand response programs that temporarily reduce the demand for energy.

While the preferred strategy outlined in Avista's 2015 IRP called for 557 megawatts (MW) of new natural gas generation, with the first facility projected to be in service by the end of 2020, the 2017 IRP calls for three new natural gas-fired plants with a combined capacity of 353 MW.

Those consist of a 204 MW natural gas-fired peaker plant to begin operation in 2026, a 102 MW peaker plant by the end of 2030 and a 47 MW peaker plant in 2034.

Peaker plants derive their name from the fact that they are utilized only during periods of peak demand for energy among customers. According to Avista, these peaker plants are more cost-effective because they provide a low-cost, flexible source for generation that allows the utility to efficiently incorporate intermittent power generation, such as wind and solar.

The company also plans to construct a 15 MW solar facility for its commercial and industrial customers, and is building two energy storage facilities that would provide a total of 2.5 MWh of storage.

Most of Avista's generation is through hydropower.

The company owns and operates eight hydropower plants capable of generating 1,080 MW. The IRP calls for improvements to those plants that would boost capacity throughout the planning period.

Avista also recently signed long-term contracts with public utility districts to purchase hydropower generated on the Columbia River**.** These contracts are capable of adding 165.3 MW to Avista's system.

The company's thermal generation consists of five natural gas plants, a biomass facility and a 222-MW share of the output at the Colstrip coal plant.

The Colstrip plant consists of four units located east of Billings, Mont. Avista owns 15 percent of Units 3 and 4, which began operating in 1984 and 1986, respectively.

Units 1 and 2 went into operation in the mid-1970s and are set for retirement by 2022.

Avista said it analyzed a number of scenarios for Colstrip Units 3 and 4, including early retirement and significant reductions in generation**.**

But its preferred strategy calls for the two units to remain in service through the end of the planning period, as it remains a cost-effective and reliable source of power.

Avista's conservation efforts are expected to help meet 53.3 percent of the growth in load over the next 20 years. Current conservation efforts reduce retail loads by more than 12 percent. The IRP evaluated more than 8,700 options to reduce energy use.

These conservation and efficiency programs outlined in the IRP target not only customer consumption but also Avista operations. Plans call for upgrades to distribution equipment throughout its service area, as well as upgrades to boost efficiencies at Avista facilities. Overall, the company said it has identified 15,370 MWh of "achievable potential conservation" in Idaho.

Avista's IRP and other documents related to this case are available on the web site. Click on "Open Cases" under the "Electric" heading and scroll down to the case number, AVU-E-17-08. Or go here.

Written comments regarding the IRP are accepted via e-mail here. Or you can access the comment form through the Commission's web site, www.puc.idaho.gov. To do so, click on "Case Comment Form" under the "Electric" heading. Fill in the case number (AVU-E-17-08) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.