



Avista Corp.

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

June 10, 2015

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P O Box 83720
Boise, ID 83720-0074

RECEIVED
2015 JUN 11 AM 10:23
IDAHO PUBLIC
UTILITIES COMMISSION

RE: Case Nos. AVU-E-15-01, IPC-E-15-01 and PAC-E-15-03

Dear Ms. Jewell:

Avista Corporation, doing business as Avista Utilities respectfully submits for filing with the Commission an original and nine (9) copies of the Rebuttal Testimony of Clint Kalich in the above referenced cases.

Please direct any questions on this matter to Michael Andrea, Sr. Counsel at (509) 495-2564.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", is written over a horizontal line. The signature is fluid and cursive.

Patrick Ehrbar
Manager, Rates & Tariffs

Enclosures

CC : Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 10th day of June, 2015, served Avista's Rebuttal Testimony in Docket No. AVU-E-15-01 upon the following parties, through electronic mail and/or mailing a copy thereof, properly addressed with postage prepaid to:

Jean D Jewell, Secretary
Idaho Public Utilities Commission Statehouse
Boise, ID 83720-5983
Jean.jewell@puc.idaho.gov

COMMISSION STAFF

Donald Howell
Daphne Huang
Deputy Attorneys General
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-0659
donald.howell@puc.idaho.gov
daphne.huang@puc.idaho.gov

J. R. Simplot Company and Clearwater Paper

Peter J. Richardson
Greg M. Adams
Richardson Adams
515 N. 27th Street
PO Box 7218
Boise, ID 83702
peter@richardsonadams.com
greg@richardsonadams.com

Dr. Don Reading
6070 Hill Road
Boise, Idaho 83703
dreading@mindspring.com

Carol Haugen
Carol.haugen@clearwaterpaper.com

Intermountain Energy Partners LLC; AgPower DCD; and AgPower Jerome, LLC

Dean J. Miller
McDevitt & Miller, LLP
420 W. Bannock St.
PO Box 2564-83701
Boise, ID 83701-2564
joe@mcdevitt-miller.com
heather@mcdevitt-miller.com

Intermountain Energy Partners, LLC

Leif Elgethun, LEED AP
P. O. Box 7354
Boise, Idaho 83707
leif@sitebasedenergy.com

AgPower DCD, LLC and AgPower Jerome, LLC

Andrew Jackura
Camco Clean Energy
9360 Station Street, Suite 375
Lone Tree, CO 80124
Andrew.jackura@camcocleanenergy.com

Idaho Conservation League and Sierra Club

Benjamin J. Otto
Idaho Conservation League
710 N. 6th St.
Boise, ID 83702
botto@idahoconservation.org

Sierra Club

Matt Vespa
Sierra Club
85 Second Street, 2nd Floor
San Francisco, CA 94105
Matt.vespa@sierraclub.org

Snake River Alliance

Ken Miller
Clean Energy Program Director
kmiiler@snakeriveralliance.org

Pacificorp d/b/a Rocky Mountain Power

Daniel E. Solander
Yvonne R. Hogle
Rocky Mountain Power
201 S. Main Street, Suite 2400
Salt Lake City, UT 84111
Daniel.solander@pacificorp.com
Yvonne.hogle@pacificorp.com

Ted Weston

Rocky Mountain Power
201 S. Main Street, Suite 2300
Salt Lake City, UT 84111
Ted.weston@pacificorp.com

Data Request Response Center
Pacificorp
datarequest@pacificorp.com

**Twin Falls Canal Company, North Side Canal Company, and American Falls Reservoir
District No.2**

C. Tom Arkoosh
Arkoosh Law Offices
802 West Bannock Street, Suite 900 (83702)
P.O. Box 2900
Boise, Idaho 83701
Tom.arkoosh@arkoosh.com

ELECTRONIC MAIL ONLY

Erin Cecil
Arkoosh Law Offices
Erin.cecil@arkoosh.com

Avista Corporation

Michael G. Andrea
Avista Corporation
1411 East Mission Avenue, MSC-23
Spokane, Washington 99202
Michael.andrea@avistacorp.com

Clint Kalich
Avista Corporation
1411 East Mission Avenue, MSC-7
Spokane, Washington 99202
Clint.kalich@avistacorp.com
Linda.gervais@avistacorp.com

Idaho Irrigation Pumpers Association, Inc.

Eric L. Olsen
RACINE, OLSON, NYE, BUDGE & BAILEY CHARTERED
201 East Center
P.O. Box 1391
Pocatello, Idaho 83204-1 391
elo@racinelaw.net

Anthony Yankel
29814 Lake Road
Bay Village, Ohio 44140
tony@yankel.net

Renewable Energy Coalition

Ronald L. Williams
WILLIAMS BRADBURY, P.C.
1015 West Hays Street
Boise, Idaho 83702
ron@williamsbradbury.com

Irion Sanger
SANGER LAW, P.C.
1117 SW 53rd Avenue
Portland, Oregon 97215
irion@sanger-law.com

The Amalgamated Sugar Company
Scott Dale Blickenstaff
The Amalgamated Sugar Company, LLC
1951 South Saturn Way, Suite 100
Boise, Idaho 83702
sblickenstaff@amalsugar.com

Micron Technology, Inc.
Richard E. Malmgren
Micron Technology, Inc.
800 South Federal Way
Boise, Idaho 83716
remalmgren@micron.com

Frederick J. Schmidt
Pamela S. Howland
HOLLAND & HART, LLP
377 South Nevada Street
Carson City, Nevada 89703
fschmidt@hollandhart.com
phowland@hollandhart.com

Ecoplexus, Inc.
John R. Hammond, Jr.
FISHER PUSCH LLP
U.S. Bank Plaza, Seventh Floor
101 South Capitol Boulevard, Suite 701 (83702)
P.O. Box 1308
Boise, Idaho 83701
jrh@fisherpusch.com

John Gorman
Ecoplexus, Inc.
650 Townsend Street, Suite 310
San Francisco, California 94103
john@g@exoplexus.com

Idaho Power Company
Donovan E. Walker
Idaho Power Company
P. O. Box 70
Boise, ID 83707-0070
dwalker@idahopower.com
dockets@idahopower.com



Patrick Ehrbar
Manager, Rates & Tariffs

RECEIVED

2015 JUN 11 AM 10:23

IDAHO PUBLIC UTILITIES COMMISSION

MICHAEL ANDREA (ISB No. 8308)
SENIOR COUNSEL
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-2564
EMAIL: michael.andrea@avistacorp.com

ATTORNEY FOR AVISTA CORPORATION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION'S PETITION TO MODIFY)
TERMS AND CONDITIONS OF PURPA) CASE NO. AVU-E-15-01
AGREEMENTS)
)
)

IN THE MATTER OF IDAHO POWER)
COMPANY'S PETITION TO MODIFY TERMS)
AND CONDITIONS OF PURPA) CASE NO. IPC-E-15-01
AGREEMENTS)
)
)

IN THE MATTER OF ROCKY MOUNTAIN)
POWER COMPANY'S PETITION TO MODIFY)
TERMS AND CONDITIONS OF PURPA) CASE NO. PAC-E-15-03
AGREEMENTS)
)
)

REBUTTAL TESTIMONY OF CLINT KALICH

FOR AVISTA CORPORATION

1 **Q. Please state your name, the name of your employer,**
2 **and your business address.**

3 A. My name is Clint Kalich. I am employed by Avista
4 Corporation ("Avista") at 1411 East Mission Avenue, Spokane,
5 Washington.

6 **Q. Did you provide direct testimony in this**
7 **proceeding?**

8 A. Yes. I filed direct testimony in this proceeding
9 on behalf of Avista Corporation on February 27, 2015.

10 **Q. Please summarize Avista's position in this case.**

11 A. As stated in my direct testimony beginning on page
12 2 at line 22:

13 Avista requests the Commission provide the Company the
14 same relief granted Idaho Power in Order No. 33222,
15 namely to limit the maximum required contract terms for
16 "IRP Methodology" wind and solar PURPA contracts to
17 five (5) years. A term beyond five (5) years should be
18 an option for the utility in the event a favorable
19 PURPA opportunity arises. Avista also requests that
20 the Commission provide the Company with any other
21 interim or final relief granted to any other utility
22 subject to PURPA in the State of Idaho.
23

24 **Q. Parties to this docket have introduced evidence**
25 **addressing many issues in addition to the issue of the**
26 **appropriate contract term for Qualifying Facilities ("QFs").**
27 **Does Avista believe the Commission should broaden the docket**
28 **beyond the issue of the appropriate contract term for QFs?**

1 A. No, Avista believes the Commission should focus
2 exclusively on the issue of the appropriate contract term
3 for QFs, for reasons explained below.

4 **Q. Some parties to this case appear to advocate re-**
5 **opening the IRP methodology? Does Avista see a need to do**
6 **so?**

7 A. No. In Avista's view, the existing avoided cost
8 methodology works well. The IRP methodology allows Avista to
9 account for its needs while providing QFs an avoided cost
10 rate that reflects Avista's actual avoided cost. Further,
11 there is insufficient information in the record for the
12 Commission to make an informed determination on any changes
13 to the IRP Methodology. In the event that the Commission
14 decides to revisit the IRP Methodology, a new generic docket
15 should be initiated for that purpose to ensure that all
16 parties have an opportunity to develop a complete record.
17 However, I emphasize that Avista does not believe any
18 changes to the IRP methodology are warranted, so a generic
19 docket is not necessary.

20 **Q. Does Avista take any position on the non-variable**
21 **IRP Methodology contract term or Staff's position that SAR-**
22 **based contracts retain the flexibility to extend out 20**
23 **years at the option of the QF?**

1 A. No. Avista's interest, as explained in its
2 petition and my testimony, is to ensure a level playing
3 field across the Commission-regulated utilities. To the
4 extent the Commission makes changes affecting any QF
5 resource type, Avista should be afforded similar treatment
6 to ensure that a level playing field is maintained.

7 **Q. Do you support the five-year maximum term for QF**
8 **contracts?**

9 A. Yes, but with a caveat. Avista believes that the
10 five-year term should be a maximum required term. In other
11 words, utilities should be allowed to contract for longer
12 terms where such terms are found by Avista and the IPUC to
13 be in the interest of utility customers. It is not possible
14 to know every circumstance where a longer term agreement may
15 be warranted.

16 **Q. Idaho Conservation League and Sierra Club witness**
17 **Mr. Wenner states in his direct testimony that an IPUC order**
18 **establishing a maximum required term of two-years for Idaho**
19 **QF PURPA contracts would not be consistent with PURPA or**
20 **FERC's regulations thereunder. Do you agree?**

21 A. No. As Mr. Sterling notes in his direct testimony
22 beginning on page 10, FERC regulations implementing PURPA
23 are silent on contract length and 20-year contract terms may
24 be inconsistent with PURPA. The Fifth Circuit recently

1 stated in Exelon Wind 1, L.L.C. v. Nelson, 766 F.3d 380, 400
2 (5th Cir. 2014) ("Nelson") that:

3 mandatory long-term contracts between generators and
4 utilities can burden customers by imposing prices well
5 above the actual market prices. The [Texas Public
6 Utility Commission] made a reasonable decision that
7 only those Qualifying Facilities capable of providing
8 reliable and predictable power may enter into such
9 [long-term] arrangements.
10

11 Mr. Wenner himself acknowledges, at line 7 on page 5 of
12 his testimony, that there is no FERC regulation specifying
13 the number of years, or other time period, for the term over
14 which the QF, which accepts a legally enforceable
15 obligation, is entitled to receive avoided cost rates
16 calculated at the time the obligation is incurred.

17 **Q. Does this conclude your testimony?**

18 A. Yes.