



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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IDAHO PUBLIC
UTILITIES COMMISSION

October 15, 2019

VIA: Electronic Mail

Diane Hanian, Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714

RE: Case No. AVU-E-19-01

Dear Ms. Hanian:

Attached for filing with the Commission is Avista Corporation's, dba Avista Utilities' ("Avista or "the Company"), filing in compliance with Order Nos. 32697 and 32802. The filing includes an update to the Company's load forecast, natural gas forecast, and contract information components of the incremental cost Integrated Resource Plan (IRP) avoided cost methodology.

The Company has not included in this filing the capacity deficiency date per recommendation number four (4) in Case No. AVU-E-19-01. Avista will be filing, under separate letter the establishment of its capacity deficiency period to be used for avoided cost calculations. The Company will also file an updated capacity deficiency report after acknowledgment of its 2020 IRP to establish a new deficiency date for the SAR avoided capacity cost.

Please direct any questions regarding this filing to John Lyons at 509-495-8515.

Sincerely,

A handwritten signature in cursive script, reading "Linda Gervais", is positioned below the word "Sincerely,".

Linda Gervais
Sr. Manager, Regulatory Policy & Strategy
Avista Utilities
509-495-4975

DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY AND GOVERNMENTAL AFFAIRS
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4316
david.meyer@avistacorp.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION'S)
ANNUAL COMPLIANCE FILING TO UPDATE)
THE LOAD AND GAS FORECASTS IN THE)
INCREMENTAL COST INTEGRATED)
RESOURCE PLAN AVOIDED COST MODEL)
TO BE USED FOR AVOIDED COST)
CALCULATIONS)

CASE NO. AVU-E-19-01

AVISTA CORPORATION'S
COMPLIANCE FILING

I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully submits to the Idaho Public Utilities Commission ("Commission"), in compliance with Order Nos. 32697 and 32802 in Case No. GNR-E-11-03, an update to the Company's load forecast, natural gas forecast, and contract information components of the incremental cost Integrated Resource Plan (IRP) avoided cost methodology.

Communications in reference to this filing should be addressed to:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-13
Spokane, WA 99220-3727
Phone: (509) 495-4316
david.meyer@avistacorp.com

Linda Gervais
Sr. Manager, Regulatory Policy & Strategy
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-27
Spokane, WA 99220-3727
Phone: (509) 495-4975
linda.gervais@avistacorp.com

II. BACKGROUND

In its final Order No. 32697 dated December 18, 2012,¹ the Commission determined that the inputs to the IRP avoided cost methodology, utilized for all proposed Public Utility Regulatory Policies Act of 1978 (PURPA) qualifying (QF) projects that exceed the published rate eligibility cap, will be updated every two years upon acknowledgment of the utility's IRP filing, with the exception of the load forecast, natural gas forecast, and QF contract changes, which are to be updated annually. The date for the annual update was changed from June to October of each year.² Further, in Order No.

¹ Order No. 32697 page 22.

² Order No. 32802 page 3.

32697, the Commission directed that after the filing of a utility's IRP that a case be initiated to determine the capacity deficiency period to be utilized in the Surrogate Avoided Resource (SAR) Methodology.³

This filing is also consistent with Case No. AVU-E-19-01 concerning the Company's request to extend the filing of its 2019 Electric Integrated Resource Plan (IRP) from August 31, 2019 to February 29, 2020. Commission Staff requested that the Company continue to file the annual IRP-method PURPA update by October 15, 2019; file an updated capacity deficiency amount and period for determining SAR avoided capacity cost on October 15, 2019 based on the 2017 IRP and most current load forecast and long-term contract commitments; and file an updated capacity deficiency amount and period for determining SAR avoided capacity cost after acknowledgment of the 2020 IRP.

III. LOAD FORECAST

The Company's most recent peak forecast for energy was developed in February of 2019, and the load forecast was developed in the Spring of 2019. The recent energy load forecast escalates at a 0.3 percent annual average growth rate for 2020 through 2045. The peak forecast growth rate is 0.34 percent in the Winter and 0.44% in the Summer for the 2020 through 2045 period.

³ Order No. 32697 page 23.

Table 1: Peak and Energy Load Forecast

Year	Energy (aMW)	1-Hour Peak (MW)
2020	1,102	1,726
2021	1,112	1,730
2022	1,118	1,733
2023	1,122	1,740
2024	1,128	1,740
2025	1,131	1,743
2026	1,133	1,747
2027	1,136	1,751
2028	1,139	1,754
2029	1,145	1,758
2030	1,145	1,762
2031	1,147	1,767
2032	1,149	1,771
2033	1,151	1,776
2034	1,153	1,781
2035	1,155	1,786
2036	1,157	1,792
2037	1,159	1,798
2038	1,161	1,805
2039	1,164	1,812
2040	1,167	1,820

IV. NATURAL GAS FORECAST

The Company's most recent "Forward Price Curve" was developed using the blend of two national price forecasting consultant's most recent forecasts and forward market prices as of June 12, 2019. Please refer to Table 2 for the natural gas price forecast.

Table 2: Natural Gas Price Forecast

Year	Henry Hub (\$/mmbtu)	Stanfield (\$/mmbtu)
2020	2.61	2.13
2021	2.63	2.15
2022	2.61	2.16
2023	2.68	2.26
2024	2.91	2.41
2025	3.23	2.77
2026	3.50	2.95
2027	3.64	3.03
2028	3.86	3.20
2029	4.09	3.39
2030	4.34	3.64
2031	4.57	3.97
2032	4.72	4.19
2033	4.99	4.54
2034	5.12	4.71
2035	5.35	4.96
2036	5.54	5.18
2037	5.88	5.53
2038	6.22	5.83
2039	6.57	5.11
2040	6.89	6.49

V. CONTRACT ADDITIONS AND TERMINATIONS

Since the 2018 filing, Avista has signed one new long-term PURPA contract,⁴ three long-term PPA purchases, and two long term PPA contracts have expired. Further, two additional contracts that expire at the end of 2019 are currently being re-negotiated. As for the other PPAs, Avista signed a 20-year, 144.5 MW wind PPA with Rattlesnake Flatt, a 34.2 aMW sale of hydro power to Morgan Stanley from 1/1/2020 through

⁴ The PURPA contract is an extension of a previous contract at a new rate and term.

12/31/2021, and 46 aMW of biomass generation sale to Morgan Stanley from 3/1/2019 through 12/31/2023. Two long term PPA's also ended, including a 20 aMW sale from 1/1/2015 through 12/31/2019 of system clean power to Direct Energy Business Marketing, LLC, and the WNP-3 contract with The Bonneville Power Administration (BPA) ended on April 30, 2019.

VI. REQUEST

Avista respectfully submits this updated load forecast, natural gas forecast, and contract information, in compliance with Order Nos. 32697 and 32802. The Company requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments. The Company respectfully requests that the Commission issue an order accepting its updated load forecast, natural gas forecast, and contract information.

DATED at Spokane, Washington, this 14th day of October, 2019.

AVISTA CORPORATION

By _____

David J. Meyer

Vice President and Chief Counsel for
Regulatory and Governmental Affairs


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DATED at Spokane, Washington, this 14th day of October, 2019.

AVISTA CORPORATION

By  _____

David J. Meyer

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Invoice #	Inv Date	Pmt Date	Account #	Vendor Address	Batch #	Batch Date	Effective Date	Doc #	PO #	Group	Disbursed Amt	Total Amount
	Vendor #-Sfx							Phone				
	Status							# Attachments				
	Comment											
RefDoc-Sfx	BFY	Index	PCA	Mod Desc	ExpSub-Dtl	Grant-Phs	Project-Phs	BU	Fund-Dtl	SecA	Subs	
TC	R	DMI	RevSub-Dtl	GAAP	Location	Facility	Task	MPC	CI	PropNo-Cmp		
098384601	10/4/2019	10/15/2019	716892633		XEROX CORPORATION, XEROX				EXP20122			\$194.18
	160468020-17				PO BOX 7405, PASADENA, CA 911097405				4356333			
	Awaiting Release				10/15/2019				1			
230	2020	1000	11129		METER CHARGES; 098384601			5255		PCAB	0229 20	155.34
230	2020	1000	11125		METER CHARGES; 098384601			5255		PCAB	0125	38.84
Grand Total											\$194.18	\$194.18