Avista Corp.

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

January 13, 2020

Diane Hanian, Commission Secretary Idaho Public Utilities Commission 11331 W Chinden Blvd. Boise, ID 83714

Re: Avista Application No. AVU-E-19-12

Dear Ms. Hanian:

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), respectfully submits the attached "Reply Comments" in response to the Idaho Conservation Leagues comments filed on January 7, 2020. Please direct any questions on this matter to myself at (509) 495-4975.

Sincerely,

Senior Manager, Regulatory Policy & Strategy

Avista Utilities

linda.gervais@avistacorp.com

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1 2 3 4 5 6 7 8	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
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11	BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
12 13 14 15 16 17	IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION REQUESTING TO MODIFY SCHEDULE 95 TO REVISE THE COMPANY'S VOLUNTARY RENEWABLE ENERGY PROGRAM CASE NO. AVU-E-19-12 REPLY COMMENTS OF AVISTA CORPORATION
19	Avista Corporation ("Avista" or "Company") hereby submits reply comments in response
20	to the Idaho Conservation League ("ICL") comments dated January 7, 2020, on the Company's
21	request to modify its voluntary renewable energy program ("Program"), Schedule 95 "Optiona
22	Renewable Power Rate" in an effort to effectively manage costs, provide customers with greater
23	choice, and to support renewable energy within our region.
24	The Company notes that several of the issues raised by the ICL were regarding Avista's
25	energy mix which are directly related to the Company's Integrated Resource Planning (IRP)
26	process and are separate and distinct from the Company's Schedule 95 filing. Therefore, the
27	Company will not be addressing those issues in these reply comments. The Company appreciates
28	the review of Avista's proposed revision by ICL. The Company initiated a conference call with
29	ICL on Friday, January 10, 2020 to discuss their comments and will continue to work with ICL to

address their concerns related to Avista's fuel mix and how it is presented to Idaho customers.

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<u>First</u>, ICL would like Avista to "simply state to its Idaho customers the percent of electricity they receive that comes from fossil fuels and the percent that comes from renewable resources."

Avista, per Commission rule, la lready provides on an annual basis its fuel mix which can be found on the Avista webpage: https://myavista.com/about-us/our-company/about-our-energy-mix, and a reference to the percent of electricity that comes from renewable resources can be found on the Programs webpage: https://www.myavista.com/energy-savings/green-options/my-clean-energy.

Avista believes this level of detail is sufficient for customers to enroll in the Program. The intent of the value calculator is to help customers understand and translate abstract measurements into relatable terms, such as the annual emissions from cars, households, or carbon dioxide avoided. The calculator leverages the EPA's greenhouse gas equivalencies calculator to determine the level emissions avoided by the customer's participation in the Program.

Second, ICL requested that Avista "source its Regional Blocks with a preference for RECs sourced from Idaho. We also request that whatever Regional Blocks cannot be sourced from Idaho be sourced from the Northwest Region of the United States, excluding California and British Columbia."

Avista's process for purchasing RECs has been to obtain RECs that satisfy the locational and generation requirements set forth in the Company's tariff, and the then evaluate the cost in order to offer the Program participants the greatest value for their subscription dollars. RECs are purchased for the entire Program, not separately for Idaho and Washington. This provides Avista the ability to source the lowest cost resources within these confines. In order to provide the participants the most value, it is the Company's intent to continue purchasing RECs in this manner.

¹ IDAPA 31.81.01 - Energy Consumption Reporting Rules.

Third, ICL stated that they "would be interested to learn more about and to comment on
vista's specific proposals for modifying the language it uses to describe and market the
rogram."

Avista has an interest in deriving maximum value out of this Program on behalf of <u>all</u> customer participants. Prior to proposing any revisions, Avista conducted customer interviews, surveys and usability studies with current Program participants as well as customers who are not currently participating, in order to assess and inform the Company's communications and outreach.

Finally, ICL requested that "Avista indicate the total amount of funding it has awarded in solar grants from the Program's surplus funds, since 2002, to Idaho-based projects as compared to Washington State-based projects. We also request Avista explain the process by which it determines how much of the surplus funding Avista's Idaho service territory is entitled to as compared to Avista's Washington service territory."

Avista has awarded \$346,722.80 in grants, \$60,811.80 of which were awarded to Idaho projects. Minimum Program eligibility criteria for grant recipients include new installations on non-residential building sites with a preference given to educational institutions and/or non-profit buildings in Avista's electric service territory. In addition to the minimum criteria, Avista at its sole discretion, evaluates applications based on: project feasibility and readiness, installation cost and financing, geographic distribution throughout Avista's service territory, community exposure, and educational benefits. Customers may apply for a grant to cover all or a portion of the cost of the project and must meet the criteria outlined in the Company's tariff.

1	The Company appreciates the opportunity to respond to the comments filed by ICL in this
2	case.
3	DATED at Spokane, Washington, this 13th day of January, 2020.
4	AVISTA CORPORATION
5	By 7117
6	David J. Meyer,
7 8 9	Vice President and Chief Counsel of Regulatory & Governmental Affairs