

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-19-12
OF AVISTA CORPORATION REQUESTING)	
TO MODIFY SCHEDULE 95 TO REVISE)	NOTICE OF APPLICATION
THE COMPANY’S VOLUNTARY)	
RENEWABLE ENERGY PROGRAM)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34505
)	

On November 12, 2019, Avista Corporation dba Avista Utilities (“Avista” or “Company”) filed an Application requesting Commission authorization to modify its voluntary renewable energy program Schedule 95 “Optional Renewable Power Rate” (“Program”) in an effort to effectively manage costs, provide customers with greater choice, and to support renewable energy within its region. *Application* at 1. The Company requests the Application be processed by Modified Procedure and that the proposed revisions for its Program become effective on January 1, 2020.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines and suspending the effective date of the proposed revisions to the Program.

BACKGROUND

Since 2002, Avista has offered its electric customers the opportunity to voluntarily support the development of renewable energy by participating in the Company’s “Buck-a-Block” option under the Program. *Id.* at 2; *see also* Order No. 28948. Avista’s wind power option was priced in increments, or “blocks,” of \$1. *Id.* Each \$1 block of wind purchased by customers equaled 55 kilowatt-hours (“kWhs”). *Id.*

In 2004, the Company modified the Program from an Optional “Wind” Power Rate to an Optional “Renewable” Power Rate. *Id.* The Company represents the revisions to the Program also included the cost of renewable energy certificates (“RECs”) associated with the renewable resource. *Id.* The RECs were primarily from wind power generated at the Stateline Wind Energy Center, but could also come from other “Green-e certified” resources. *Id.* The revised Program

continued to include voluntary participation in increments of \$1 per block. *Id.* However, blocks were modified to represent 300 kWh of renewable energy as opposed to the previous 55 kWh. *Id.*

In 2014, the Company filed additional revisions to the Program, allowing surplus funds to be used for rooftop solar grants for installations on commercial buildings in Idaho and Washington. *Id.*; *see also* Order No. 33218 at 2. The Company represents \$347,000 in grants were made to fund nine (9) projects in Idaho and Washington. *Id.* at 3.

Avista asserts that in 2019 it conducted customer research to better inform revisions to the Program. *Id.* at 3. Avista states the customer feedback it received demonstrated: 1) the Company's customers are most likely to choose participation in the Program amongst other possible offerings, and 2) the information about the Program and what value it provides is not being communicated effectively to customers. *Id.* Avista represents only one percent of its customers in Idaho participate in the Program. *Id.* Avista also asserts in recent years the cost of RECs have increased but the level of Program participants has decreased. *Id.* at 4. As a result, the Company represents the current operating reserves for the Program are approximately \$38,000, causing Avista concern that it may not be able to cover its costs if these trends continue. *Id.* Based on the foregoing, Avista alleges there is a need to educate customers on the benefits of the Program. *Id.* at 4. Further, the Company is seeking to provide additional choices to its customers through revisions to the Program that will provide for its sustainability. *Id.*

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista states in order to provide more clarity, mitigate the rising costs of RECs and provide choices that matter, the Company is proposing to offer two REC options for customers to choose from, all of which will continue to offer RECs from wind, solar or other qualified alternative energy sources. *Id.* at 5. The Company is also proposing to change the name of the Program to "My Clean Energy" in an effort to help customers better understand it. *Id.*

YOU ARE FURTHER NOTIFIED that Avista represents the proposed options are, 1) National Blocks - Participants can purchase 300 kWh "blocks" for \$1 under the national option. *Id.* RECs procured under this option will be sourced from renewable generation anywhere in the United States. *Id.* The Company asserts this provides customers a low cost option to continue supporting renewable energy; and, 2) Regional Blocks - Participants can purchase 100 kWh "blocks" for \$1 under the regional option. *Id.* RECs procured under this option will be sourced

from generation located in the Western Interconnection, with preference given to the Northwest region including Idaho, Washington, Oregon, California, Montana and British Columbia. *Id.* This option provides customers an opportunity to support regional renewable energy at a price point that is more reflective of the current REC market. *Id.*

YOU ARE FURTHER NOTIFIED that Avista states under the revised Program current participants will be given the choice to select either the national or regional option to participate in, but will automatically be defaulted into the national option if they do not specify a preference. *Id.* at 6. The Company believes these options will allow customers to support renewable energy in a way that aligns with their desires and is structured similar to other investor-owned utilities programs. *Id.* The Company also asserts it has structured the prices for the options to account for Program administration, which will include increased education to help customers understand the Program and the value it provides. *Id.*

YOU ARE FURTHER NOTIFIED that Avista represents enrollment in the Program can still be accomplished online or over the phone and requires no contract. *Id.* Avista states customers can enroll and/or cancel participation at any time in a given month. Further, all charges related to the Program are in addition to the customer's regular electric charges that will appear on their regular monthly bill as a separate line item and include appropriate taxes. *Id.*

YOU ARE FURTHER NOTIFIED that to successfully implement the proposed changes and deliver on customer expectations, Avista will modify the language and positioning on the Company's website to better illustrate the value of the Program. *Id.* Avista states all current program participants will receive a notice of the Program changes and will be able to select the option that best suits their needs. *Id.* Avista also plans on distributing ongoing communications to its customers to promote broader awareness of the Program, as well as regular communications to current Program participants that will include information about the renewable projects they help support. *Id.*

YOU ARE FURTHER NOTIFIED that Avista asserts it has established baseline metrics and will continue tracking the performance of the Program in an effort to meet its objectives. *Id.* at 7. The three primary metrics for the Program will be customer satisfaction, customer awareness, and customer attrition. *Id.* Finally, the Company expects to see customer attrition decline and will seek to ultimately grow the Program from approximately 3,600 active participants to 5,000 participants over the next three years. *Id.*

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, then select "Electric Cases" and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-501, 61-502 and 61-503.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

SUSPENSION

YOU ARE FURTHER NOTIFIED that Avista's Application requests a January 1, 2020, effective date. Due to the limited time remaining in the 2019 calendar year the Commission finds it appropriate to suspend Avista's proposed effective date for the revisions to its Program. Consequently, the proposed revisions to the Program are suspended for a period of thirty (30) days plus five (5) months from the proposed effective date of January 1, 2020, unless the Commission issues an earlier Order accepting, rejecting, or modifying Avista's Application. *Idaho Code* § 61-622(4).

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application **may file a written comment in support or opposition with the Commission by no later than twenty-one (21) days from the service date of this Notice.** The written comment must contain a statement of reasons supporting it. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

**For the Idaho Public Utilities
Commission**

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd.,
Building 8, Suite 201-A
Boise, ID 83714

For Avista Corporation:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
1411 E. Mission Avenue, MSC-27
Spokane, WA 99220-3727
E-Mail: david.meyer@avistacorp.com

Linda Gervais
Senior Manager, Regulatory Policy & Strategy
Avista Corporation
1411 E. Mission Avenue, MSC-27
Spokane, WA 99220-3727
E-Mail: linda.gervais@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Consumers" tab then click the "Case Comment or Question Form" and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, **if necessary, by no later than twenty-eight (28) days from the service date of this Notice.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for a formal hearing.


ORDER

IT IS HEREBY ORDERED that the Application of the Company be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by twenty-one (21) days from the service date of this Notice. The Company may file reply comments by no later than twenty-eight (28) days from the service date of this Notice.

IT IS FURTHER ORDERED that the proposed effective date for the revisions to the Program are suspended for a period of thirty (30) days plus five (5) months from the proposed

effective date of January 1, 2020, unless the Commission issues an earlier Order accepting, rejecting, or modifying Avista's Application.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this day of 16th
December 2019.



PAUL KJELLANDER, PRESIDENT

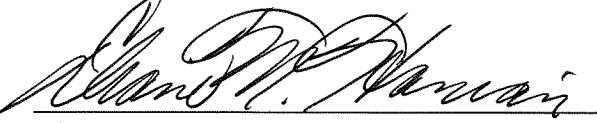


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

I:\Legal\ELECTRIC\AVU-E-19-12\AVUE1912_ntc app mod proc_jh.docx