

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** JOHN R. HAMMOND JR.  
DEPUTY ATTORNEY GENERAL

**DATE:** FEBRUARY 14, 2020

**SUBJECT:** AVISTA CORPORATION'S APPLICATION FOR APPROVAL OR REJECTION OF A POWER PURCHASE AGREEMENT WITH STIMSON LUMBER COMPANY; CASE NO. AVU-E-19-16.

On December 31, 2019, Avista Corporation ("Avista" or "Company") asked the Commission to approve or reject a proposed Power Purchase Agreement ("Agreement") with Stimson Lumber Company ("Stimson" or "Seller") for the energy generated by a thermal wood waste small power electric generation plant operated by Stimson in Plummer, Idaho ("Facility"). The Facility is a qualifying facility ("QF") under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

On January 31, 2020, the Commission issued its Notice of Application, Notice of Modified Procedure and Order setting a written comment deadline for the Commission Staff ("Staff") and interested parties for February 7, 2020. *See* Order No. 34538. The Commission also set a reply comment deadline of February 14, 2020. *Id.* Staff filed comments on February 7, 2014. On February 14, 2020, Avista filed correspondence with the Commission providing that it was amending the Agreement with Stimson and requested more time to file the proposed revised Agreement once completed.

### AVISTA'S CORRESPONDENCE

In response to Staff Comments, Stimson and Avista intend to amend the Agreement so its term extends through December 31, 2021, two years from the proposed effective date of January 1, 2020. *Avista Correspondence* at 1. Besides extending the term of the proposed Agreement Avista represents that it will be amended to:

- (i) correct the definition of Market Energy Cost,
- (ii) remove the provision that require[s] the Commission to approve the Agreement by February 21, 2020, and
- (iii) to replace Exhibit E to include the applicable rates for the period from January 1, 2020 through December 31, 2021.

*Id.* at 1. Avista anticipates that it will submit the proposed amendment to the Commission by February 14, 2020.

Avista states that due to the amendment, it respectfully requests that the Commission delay any decision on the Company's Application and Agreement until after it is filed. *Id.*

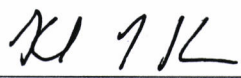
### STAFF RECOMMENDATION

The proposed amendments are a direct response to Staff's Comments. Once filed Staff, and any other interested party, should be given the opportunity to file comments on the amendments to the proposed Agreement. Accordingly, after the amendment to the proposed Agreement is filed Staff recommends that the Commission allow for additional comments to be filed within seven days (7) from its Order. Further, Staff recommends that the Commission allow the Company to respond to Staff's original comments, filed on February 7, 2020, and any others that are filed fourteen (14) days from its Order.

### COMMISSION DECISION

After the proposed amendment to the Agreement is filed does the Commission wish to issue an Order:

- Allowing additional comments to be filed by Staff or any other interested party within seven days (7) from its Order?
- Allowing the Company to respond to Staff's original comments, filed on February 7, 2020, and any others that are filed fourteen (14) days from its Order?

For:   
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John R. Hammond Jr.  
Deputy Attorney General