

ERICK SHANER
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0314
IDAHO BAR NO. 5214

RECEIVED
2021 AUG 31 AM 11:29
IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A
BOISE, ID 83714

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION’S AND STIMSON LUMBER) CASE NO. AVU-E-21-07
COMPANY’S JOINT PETITION FOR)
APPROVAL OF AMENDMENT NO. 2 TO)
THEIR POWER PURCHASE AND SALE) COMMENTS OF THE
AGREEMENT) COMMISSION STAFF
)

STAFF OF the Idaho Public Utilities Commission, by and through its attorney of record, Erick Shaner, Deputy Attorney General, submits the following comments:

BACKGROUND

On July 13, 2021, Avista Corporation (“Avista”) and Stimson Lumber Company (“Stimson”) filed a Joint Petition (“Application”) seeking approval of Amendment No. 2 to their Power Purchase and Sale Agreement (“Agreement”).

Amendment No. 2 extends the term of the original Agreement through December 31, 2023, and updates the Agreement to apply the current published avoided cost rates to all power purchases by Avista under the Agreement during the period from January 1, 2022 through December 31, 2023.

The Agreement as amended by Amendment No. 1 was approved by the Commission in Order No. 34692 issued on June 15, 2020. The original Term of the Agreement was due to

expire on December 31, 2021. The Amendment replaces Section 5.5 of the Agreement to extend the term as follows: The term of the Agreement shall commence on the Effective Date and shall continue through December 31, 2023, unless terminated earlier by the terms and conditions contained herein.

Amendment No. 2 replaces Exhibit E to the Agreement to update the avoided cost rates that will apply during the Extension Period. Except as expressly amended, all other terms of the Agreement remain in full force and effect for the Extension Period.

STAFF ANALYSIS

Because all provisions in the original Agreement, except for the published avoided cost rates, are still in compliance with the latest Commission Orders, Staff's review has focused on the eligibility of immediate capacity payment and the verification of avoided cost rates.

Eligibility of Immediate Capacity Payment

Stimson was paid for capacity at the end of the original contract term, and according to Commission Order No. 32697, a QF only receives compensation for capacity when the utility is capacity deficient, unless it is a renewal/extension project that was paid for capacity at the end of the original contract. In addition, the project has maintained continuous operation since the current contract term began. Therefore, Staff agrees with the Amendment No.2 that the proposed published avoided cost rates should include immediate capacity payments.

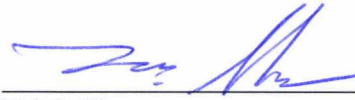
Verification of Avoided Cost Rates

Staff reviewed the avoided cost rates proposed in the Amendment No.2 and verified that the proposed rates are correct.

STAFF RECOMMENDATION

Staff recommends that the Commission approve Amendment No. 2, with all other terms of the Agreement remaining in full force and effect for the Extension Period.

Respectfully submitted this 31st day of August 2021.



Erick Shaner
Deputy Attorney General

Technical Staff: Yao Yin

i:umisc:comments/avue21.7esyy comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 31ST DAY OF AUGUST 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-21-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

CHRIS DRAKE
AVISTA CORPORATION
PO BOX 3727
SPOKANE WA 99220-3727
E-MAIL: chris.drake@avistacorp.com

MICHAEL G ANDREA
AVISTA CORPORATION
PO BOX 3727
SPOKANE WA 99220-3727
E-MAIL: michael.andrea@avistacoerp.com

LISA ZENTHER
STIMSON LUMBER CO
520 S YAMHILL STE 700
POTLAND OR 97204
E-MAIL: lzenter@stimsonlumber.com



SECRETARY

CERTIFICATE OF SERVICE