



Avista Corp.

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

October 13, 2021

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A
Boise, Idaho 83714

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IDAHO PUBLIC
UTILITIES COMMISSION

RE: Case No. AVU-E-21-14

Dear Ms. Noriyuki:

Attached for filing with the Commission is Avista Corporation's, doing business as Avista Utilities' (Avista or the Company) filing in compliance with Order Nos. 32697 and 32802, to update 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 for approval of an updated capacity deficiency period after acknowledgment of its 2021 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 or john.lyons@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy
Avista Utilities
509-495-2782
shawn.bonfield@avistacorp.com

Michael G. Andrea (ISB No. 8308)
Senior Counsel
Avista Corporation
1411 East Mission, MSC-17
Spokane, WA 99202
Phone: (509) 495-2564
Facsimile: (509) 777-5468
Email: michael.andrea@avistacorp.com

Attorney for Avista Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION'S)	CASE NO. AVU-E-21-XX
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)	
<u>CALCULATIONS)</u>	

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) this filing in compliance with Order Nos. 32697 and 32802 in Case No. GNR-E-11-03, to update the 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:

Michael G. Andrea
Senior Counsel
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-13
Spokane, WA 99220-3727
Phone: (509) 495-4316
michael.andrea@avistacorp.com

Shawn Bonfield
Sr. Manager or Regulatory Policy
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-27
Spokane, WA 99220-3727
Phone: (509) 495-2782
Shawn.Bonfield@avistacorp.com

II. BACKGROUND

In its final Order No. 32697¹ dated December 18, 2012, 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 The Company will file for approval of an updated capacity deficiency period upon acknowledgement of its 2021 Electric IRP.

III. LOAD FORECAST

The Company's most recent energy forecast was developed for the 2021 Electric IRP. The energy load forecast escalates at 0.25 percent annual average growth rate for 2021 through 2045. Avista plans to have a new load forecast in November 2021.

Table 1: Energy Load Forecast

Year	Energy (aMW)
2022	1,102
2023	1,106
2024	1,107
2025	1,114
2026	1,117
2027	1,119
2028	1,121
2029	1,124
2030	1,125
2031	1,127
2032	1,128
2033	1,130
2034	1,131
2035	1,133
2036	1,135
2037	1,137
2038	1,139
2039	1,141
2040	1,144
2041	1,144
2042	1,151
2043	1,155
2044	1,160
2045	1,166

³ Order No. 32697 page 23.

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, the U.S. Energy Information Administration's Annual Energy Outlook (AEO), and forward market prices as of June 30, 2020. Please refer to Table 2 for the natural gas price forecast.

Table 2: Natural Gas Price Forecast

Year	Henry Hub (\$/mmbtu)	Stanfield (\$/mmbtu)
2022	2.43	1.90
2023	2.50	1.79
2024	2.68	1.90
2025	2.97	2.2
2026	3.39	2.67
2027	3.56	2.89
2028	3.75	3.09
2029	3.94	3.26
2030	4.10	3.43
2031	4.22	3.60
2032	4.39	3.74
2033	4.63	4.00
2034	4.85	4.22
2035	5.02	4.34
2036	5.19	4.50
2037	5.42	4.72
2038	5.55	4.88
2039	5.82	4.23
2040	6.02	5.30
2041	6.12	5.44
2042	6.33	5.61
2043	6.55	5.89
2044	6.75	6.18
2045	7.01	6.40

V. CONTRACT ADDITIONS AND TERMINATIONS

Since the 2020 filing Avista's has signed two new long-term PURPA contracts and two Power Purchase Agreements (PPA). The PURPA contracts include extensions of existing contracts for the Spokane County Waste Water Digester from September 1, 2021 through August 31, 2030 and the Stimson Lumber biomass facility from January 1, 2022

through December 31, 2023. The first PPA is for a 5 percent slice of Chelan PUD's hydro facilities (approximately 88 MW). Under normal water conditions the combined output is expected to be 51.4 aMW annually from January 1, 2024 through December 31, 2033. The second PPA is a Special Contract with Inland Empire Paper that includes a demand response program. The Special Contract runs from October 1, 2021 through October 31, 2031, with costs associated with the contract being recovered from only Washington customers. For the demand response program, it is voluntary from October 1, 2021 through October 31, 2026 and binding from November 1, 2026 through the duration of the contract.

VI. MODIFIED PROCEDURE

Avista believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 et seq. If the Commission determines that a technical hearing is necessary, the Company will be ready to prepare and present its testimony in such hearing.

VII. REQUEST

Avista respectfully submits this updated load forecast, natural gas forecast, and contract information in compliance with Order Nos. 32697 and 32802 and requests that the Commission issue an order accepting its updated load forecast, natural gas forecast, and contract information.

DATED at Spokane, Washington, this 13th day of October 2021.

AVISTA CORPORATION

/s/ Michael G. Andrea

Michael G. Andrea
Senior Counsel

