

JOHN R. HAMMOND, JR.  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0357  
IDAHO BAR NO. 5470

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

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA UTILITIES' )  
APPLICATION FOR PROPOSED CHANGES ) CASE NO. AVU-E-21-15  
TO SCHEDULE 95 "MY CLEAN ENERGY )  
PROGRAM" )  
 )  
 ) COMMENTS OF THE  
 ) COMMISSION STAFF  
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**STAFF OF** the Idaho Public Utilities Commission, by and through its attorney of record, John R. Hammond, Jr., Deputy Attorney General, submits the following comments.

**BACKGROUND**

On October 18, 2021, Avista Corporation dba Avista Utilities' ("Company") proposed modifications to its Tariff Schedule 95, "My Clean Energy Program" ("Program").

Currently, the Program includes three options: 1) a National Block option where customers can purchase 300 kilowatt hour ("kWh") blocks for \$1 per block, per month with Renewable Energy Credits ("RECs") sourced from anywhere in the United States; 2) a Regional Block option where customers can purchase 100 kWh blocks for \$1 per block, per month for RECs procured in the Western Interconnection, with preference given to the Northwest region including Washington, Idaho, Oregon, California, Montana, and British Columbia; and 3) a 100% Renewable Energy option charged per kWh rather than by block and is priced at \$0.01/kWh. The amount of kWhs purchased will vary each month to match the customers actual kWh usage.

The Company proposes to modify the Program pricing as the price for RECs has increased and to meet the legislative requirement of all costs and benefits being confined to the Program, while optimizing value for Program participants. To prevent loss of revenue within the Program, the Company is proposing revisions to the pricing structure.

National Blocks - Participants can purchase 100 kWh “blocks” for \$1. RECs procured under this option will be sourced from renewable generation anywhere in the United States. This provides customers a low-cost option to continue supporting renewable energy.

Regional Blocks - Participants can purchase 100 kWh “blocks” for \$1.30. RECs procured under this option will be sourced from generation in the Western Interconnection, with preference given to the Northwest region including Washington, Idaho, Oregon, California, Montana, and British Columbia. This option provides customers an opportunity to support regional renewable energy at a price point that is more reflective of the REC market.

100% Renewable Option - One (1) kWh of renewable power from a regional source in the Western Interconnection, with preference given to the Northwest region including Washington, Idaho, Oregon, California, Montana, and British Columbia will offset every kWh used at the customer selected meter. Each kWh is priced at \$0.013 /kWh and the amount of kWhs purchased will vary each month to match the customers actual kWh usage.

The Company will provide notice of the proposed Program changes to participants through email and direct mail communications.

The Company requested that the Commission issue an order approving the proposed modifications to the Program effective January 1, 2022.

## **STAFF ANALYSIS**

The Program is a voluntary option for customers who want to reduce the environmental impact of their electric use through block purchases of bundled RECs. The Company continues to evaluate its voluntary renewable Program. Program participation and the evidence of rising REC prices has prompted the Company to make Program updates that include revisions to the pricing structure.

Through production requests and evaluation of the Application, Staff confirmed that costs of participation in the Program are tracked separately to avoid cost shifts to nonparticipants, and



that the tariff changes are necessary to maintain the Program. Thus, Staff recommends approval of the Application as filed.

Currently, the Program lets customers buy National, Regional and 100% Renewable kWh block of renewable energy. The Company is proposing a price change to all block options for participants of the Program. See Application at 4. The National Blocks option will have a 200% price increase that will allow participants to purchase 100 kWh blocks for \$1.00. This option is sourced from renewable generation throughout the United States and may provide a better opportunity to purchase RECs at the most competitive price.

Regional block options will have a 30% price increase that will allow participants to purchase 100 kWh for \$1.30. The Regional Blocks purchase option sources RECs from the Northwest region. The 100% Renewable Energy/Clean Option will also see a 30% price increase. See Table No. 1.

The Company asserts the pricing was informed using an analysis of the current and forecasted Program budget, expecting the 2021 market price for RECs continuing to increase into the next calendar year. The Company ensures that all costs are covered by expected revenues while setting the pricing at a point that will continue to attract participants. The Company alleges this pricing should tolerate REC market price volatility and that may lead to a budget surplus that may fund non-profit community solar installations. The surplus budget has not funded solar installations in Idaho during 2020 and 2021.

**Table No. 1 – Pricing Structure per Option**

	Current	Proposed	% Increase	Participation
National Block	300 kWh for \$1.00	100 kWh for \$1.00	200%	~950
Regional Block	100 kWh for \$1.00	100 kWh for \$1.30	30%	~50
100% Renewable/Clean Option per kWh used	\$0.01 per kWh	\$0.013 per kWh	30%	

With the majority of the Company’s customers participating in the National Block option, customers will see a 200% increase in price, which could potentially impact customer participation. Staff encourages the Company to monitor participation in the Program as the Company transitions to the proposed pricing structure.

The Company currently reports Program data in its annual My Clean Energy Report filed with the Commission and the Program is certified through the Center for Resource

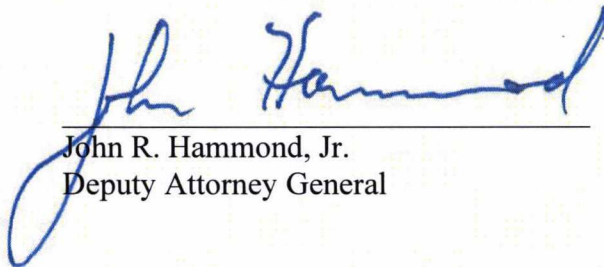
Solutions. Staff recommends that the Company continue to file the annual report with data that includes, but not limited to:

- (1) Annual and cumulative Idaho participation data;
- (2) A detailed breakdown of monthly/yearly Program budget and expenses;
- (3) A list of customers participating, with the amount of blocks purchased per customer;
- (4) A REC detail report that includes: year the energy was generated, the location, the quantity, total annual RECs purchased, the price per REC, REC's retired and year retired for, the weighted average price by year, and any RECs resold previously for the Program;
- (5) A summary of efforts made to promote the Program initiatives by education and outreach;
- (6) The Program content label associated with meeting environmental and consumer-protection standards set forth by the nonprofit Center for Resource Solutions; and,
- (7) Detailed grant project information that includes implementation dates and costs.

#### **STAFF RECOMMENDATION**

Staff recommends the Commission approve the new pricing structure as filed in the Company's Application. Staff also recommends the Company continue to file its annual My Clean Energy Report that includes the information listed in the body of the comments above.

Respectfully submitted this 15<sup>th</sup> day of December 2021.



John R. Hammond, Jr.  
Deputy Attorney General

Technical Staff: Travis Culbertson  
Taylor Thomas

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15<sup>TH</sup> DAY OF DECEMBER 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-21-15, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

SHAWN BONFIELD  
SR MGR REGULATORY POLICY  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-MAIL: [shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com)  
[dockets@avistacorp.com](mailto:dockets@avistacorp.com)

DAVID J MEYER  
VP & CHIEF COUNSEL  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-mail: [david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

  
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SECRETARY