



Avista Corp.

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February 22, 2022

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-22-~~02~~Avista's Capacity Deficiency Application

Dear Ms. Noriyuki:

Attached for filing with the Commission is Avista Corporation's, doing business as Avista Utilities' filing in compliance with Order Nos. 33917, to establish its Capacity Deficiency Period to be used for the avoided cost calculations. The Commission issued Order No. 35257 acknowledging the Company's 2021 Electric Integrated Resource Plan (IRP) on December 16, 2021. With this acknowledgement, Avista hereby submits its Capacity Deficiency Period 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.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy
Avista Utilities
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Enclosure

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Attorney for Avista Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION'S)
COMPLIANCE FILING TO UPDATE)
AND ESTABLISH ITS CAPACITY DEFICIENCY)
PERIOD TO BE USED FOR AVOIDED COST)
CALCULATIONS)

CASE NO. AVU-E-22- 02

AVISTA CORPORATION'S
COMPLIANCE FILING

I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or the 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, seeking approval from the Commission of the capacity deficiency period to be utilized for the Company's avoided cost calculations.

Communications in reference to this filing should be addressed to:

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II. BACKGROUND

In Order No. 33917, the Commission amended Order No. 32697 such that utilities were to file "their first capacity deficiency cases after the Commission has acknowledged their IRP reports." Avista filed its 2021 Electric Integrated Resource Plan (IRP) with the Commission on March 31, 2021. On April 30, 2021 the Company filed an update to its 2021 Electric IRP due to impacts from a hydro slice contract executed with Chelan PUD that resulted from the 2020 Renewables Request for Proposals (RFP). On December 16, 2021, the Commission issued Order No. 35257 acknowledging the 2021 Electric IRP.

III. CAPACITY DEFICIENCY PERIOD

Avista’s 2021 Electric IRP update identifies the first load deficit on November 1, 2026. The addition of the hydro slice mentioned above reduced the amount of the capacity deficiency, but did not change the month and year of the expected deficiency. The deficit is a direct result of the expected economic loss of Colstrip Units 3 and 4 no longer serving Avista’s customers system-wide at the end of 2025, and with the expiration of the Lancaster Power Purchase Agreement (PPA) in October 2026. Figures 1 and 2 below show the net peak position for both the winter and summer peak hour positions (from Figures 5 and 6 on pages 12 and 13 of the 2021 Electric IRP update).

Figure 1: Winter One-Hour Capacity Load & Resources

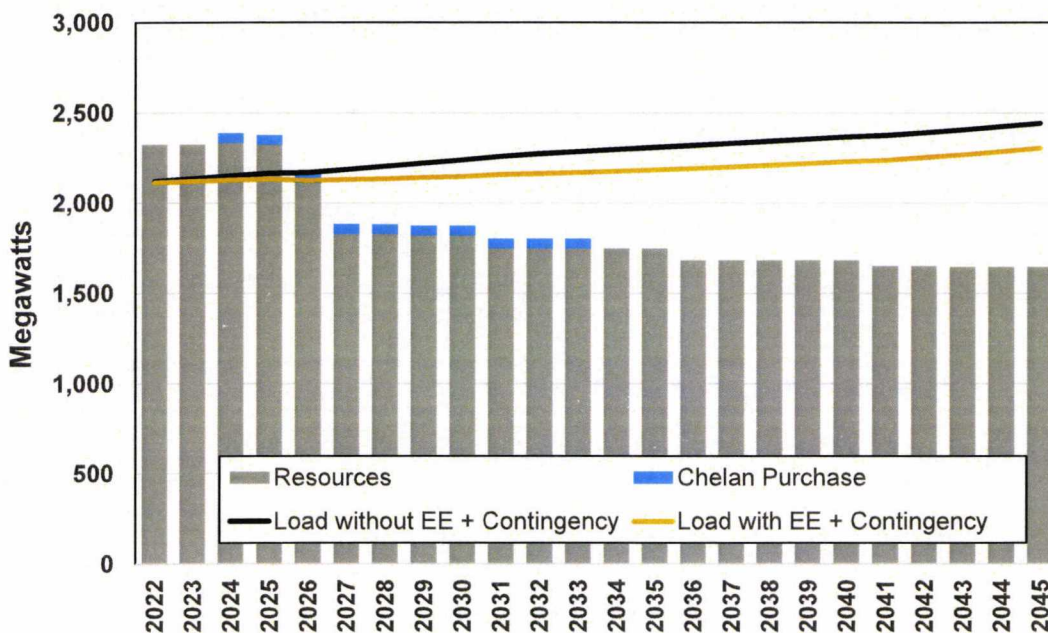


Figure 2: Summer One-Hour Capacity Load & Resources

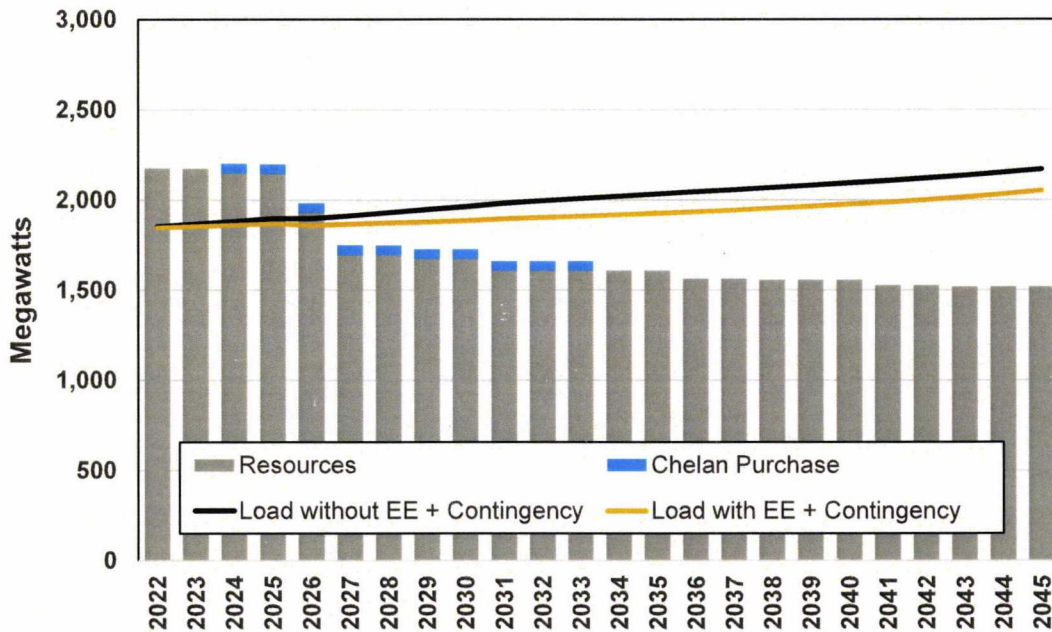
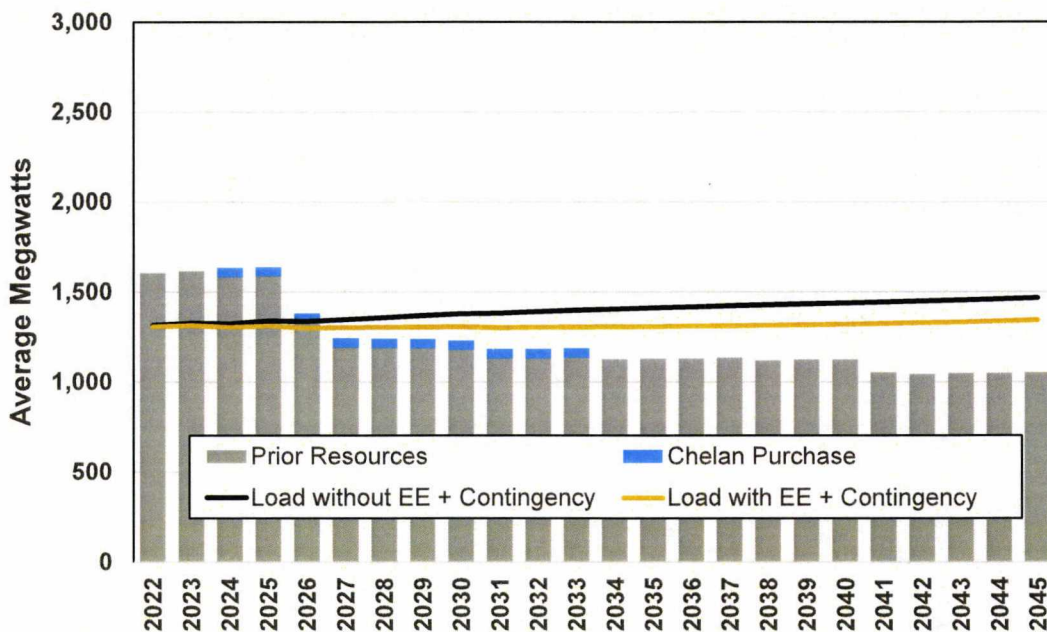


Figure 3 below shows Avista’s annual average energy load and resources balance as identified in Figure 7 of the 2021 IRP Update on page 13.

Figure 3: Annual Average Energy Load & Resource Balance



Because there is no official shut down date for Colstrip at this time, and in concordance with the last capacity deficiency filing, Avista ran the three scenarios regarding the date Colstrip exits Avista’s portfolio as shown in Table 1 below. These scenarios can be found in the attached workpapers. The 2021 Electric IRP relied upon data used in the LR tab of the PRiSM model. This model does not have the capability to show the month of the deficiency, as the capacity report does, but the next IRP should have the monthly capability feature available. Avista was certain of the November 1, 2026 date of the first capacity deficiency because of the end of the Lancaster PPA on October 31, 2026.

Table 1: Colstrip Exit Scenarios

	Idaho Exit	Washington Exit	First Annual Deficit	Deficit Amount (MW)
2021 Electric IRP	2022 (Both Units)	2022 (Both Units)	11/1/2026	(247)
Scenario 1	2025 (Both Units)	2025 (Both Units)	2027	(247)
Scenario 2	2034 / 2036 (Unit 3/Unit 4)	2025 (Both Units)	2027	(171)
Scenario 3	2027 (Both Units)	2025 (Both Units)	2027	(171)

Each scenario does not change the year of the annual deficit. The magnitude of the deficit in the second and third scenarios changes with the Colstrip Units continuing to serve Idaho customers for a longer period.

IV. 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.

V. REQUEST

The Company respectfully requests that the Commission issue an order to approve of its capacity deficiency period, with a first deficit occurring in November 1, 2026.

DATED at Spokane, Washington, this 22nd day of February, 2022.

AVISTA CORPORATION

By /s/ Michael Andrea

Michael G. Andrea
Senior Counsel for
Avista Corp.