

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA’S) CASE NO. AVU-E-23-04
APPLICATION FOR AN ACCOUNTING)
ORDER TO MODIFY ITS POWER COST) NOTICE OF APPLICATION
ADJUSTMENT MECHANISM TO)
ACCOUNT FOR COSTS ASSOCIATED) NOTICE OF SUSPENSION
WITH WASHINGTON’S CLIMATE)
COMMITMENT ACT ALLOWANCES) NOTICE OF INTERVENTION
) DEADLINE
)
) ORDER NO. 35747
)

On March 31, 2023, Avista Corporation, d/b/a Avista Utilities (“Avista” or “Company”) applied for authority to modify its annual Power Cost Adjustment mechanism (“PCA”) to account for costs associated with Washington’s Climate Commitment Act (“CCA”) allowances. Application at 1.

The Company requested its Application be processed by Modified Procedure with an effective date of June 1, 2023. Staff conferred with the Company regarding its requested effective date in the Application, and the Company informally agreed to a proposed effective date of September 1, 2023, which was presented to the Commission at its April 10, 2023 Decision Meeting.

We now issue this Notice of Application, Notice of Suspension of Proposed Effective Date, and Notice of Intervention Deadline setting a deadline for interested persons to intervene.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company reports the CCA requires carbon allowances “to cover the carbon emission of imported power and generation from Washington-based sources emitting 25,000 metric tons or more annually.” *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the CCA’s carbon allowance requirement impacts Idaho customers because it applies to “Boulder Park (“Boulder Park”) natural gas generation, imported carbon emitting thermal generation (Colstrip, Lancaster, Rathdrum and Coyote Springs

2) for surplus sales at the Mid-Columbia (“Mid-C”) trading hub, and all non-specified electricity imported into and for final delivery in Washington, for surplus market sales. *Id.* at 1-3.

YOU ARE FURTHER NOTIFIED that the Company proposes to allocate 35% of the CCA’s carbon allowance costs to Idaho customers based on the Company’s Production/Transmission Ratio (“PT Ratio”). *Id.* at 3.

YOU ARE FURTHER NOTIFIED the Company reports the “Washington State Department of Ecology distributes CCA carbon allowance costs” based on the PT Ratio, and “these allowances are granted at no cost” for “carbon emissions already regulated by Washington State’s 2019 Clean Energy Transformation Act (“CETA”).” *Id.* at 2-3.

YOU ARE FURTHER NOTIFIED that the Company reports Idaho customers benefit from “off-system revenues from power sales at Mid-C” and these benefits exceed the expected carbon allowance costs. *Id.* at 4. The Company indicates it is “pursuing additional methods to reduce costs for Idaho customers” including “wheel through transactions” and “resource netting calculation” to further offset Mid-C transaction costs. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that the Company proposes to record carbon allowance expenses for Idaho in its Federal Energy Regulatory Commission (“FERC”) Account 509.X (Emission Expense Account) and include that amount in its PCA. *Id.* The Company proposes to record off-system sales revenue in its FERC Account 447.X (Sales for Resale) to match expenses with revenues related to the CCA requirements. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission’s office. The Application and documents related to this case are also available on the Commission’s website at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code.

NOTICE OF SUSPENSION OF PROPOSED EFFECTIVE DATE

YOU ARE FURTHER NOTIFIED that the Company filed its Application on March 31, 2023, and requested a proposed effective date of June 1, 2023. The Company subsequently agreed to a proposed effective date of September 1, 2023.

YOU ARE FURTHER NOTIFIED the Commission finds that the Company's proposed effective date does not provide adequate time for Commission Staff and interested persons and parties to evaluate the Company's proposal. Pursuant to *Idaho Code* § 61-622, the Commission suspends the Company's proposed effective date until September 1, 2023, unless an order is entered accepting, rejecting, or modifying the proposed rate increases before then.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 71-73, IDAPA 31.01.01.072-073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation do not have to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

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ORDER

IT IS HEREBY ORDERED that the Company's proposed effective date of June 1, 2023, is suspended until September 1, 2023, unless the Commission enters its order accepting, rejecting, or modifying the proposed rate changes before then.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission no later than 21 days after the service date of this Order.

IT IS FURTHER ORDERED that, after the Secretary issues a Notice of Parties, Staff will informally confer with the parties to discuss the appropriate scheduling of this case.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. See Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

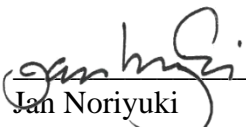
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th day of April 2023.


ERIC ANDERSON, PRESIDENT


JOHN R. HAMMOND JR, COMMISSIONER


EDWARD LODGE, COMMISSIONER

ATTEST:


Jan Noriyuki
Commission Secretary

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