

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER HAMMOND
COMMISSIONER LODGE
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: CLAIRE SHARP
DEPUTY ATTORNEY GENERAL

DATE: APRIL 10, 2023

SUBJECT: IN THE MATTER OF AVISTA CORPORATION'S APPLICATION FOR AN ACCOUNTING ORDER TO MODIFY ITS POWER COST ADJUSTMENT MECHANISM TO ACCOUNT FOR COSTS ASSOCIATED WITH WASHINGTON'S CLIMATE COMMITMENT ACT ALLOWANCES; CASE NO. AVU-E-23-04.

On March 31, 2023, Avista Corporation, d/b/a Avista Utilities ("Avista" or "Company") applied for authority to modify its power cost adjustment ("PCA") mechanism to account for costs associated with Washington's Climate Commitment Act ("CCA") Allowances. Application at 1. The Company would like to include (1) "the costs of purchasing carbon allowances pursuant to the . . . CCA to cover Idaho's share of the Company's Boulder Park natural gas generation plant dedicated to serving its Idaho customers," and (2) "the costs of purchasing carbon allowances for Idaho's share of surplus sales delivered to Mid-Columbia ("Mid-C") trading hub that require an associated carbon allowance" in its PCA mechanism Federal Energy Regulatory Commission ("FERC") Account 509. *Id.* 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 agreed to a proposed effective date of September 1, 2023.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application, Notice of Intervention setting a 21-day intervention deadline, and Notice of Suspension suspending the Company's proposed effective date until September 1, 2023, pursuant to its authority under *Idaho Code* § 61-622(4).

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application, Notice of Intervention setting a 21-day intervention deadline, and Notice of Suspension suspending the Company's proposed effective date until September 1, 2023?



Claire Sharp
Deputy Attorney General

I:\Legal\ELECTRIC\AVU-E-23-04 CCA\memos\AVUE2304_dec_cs.doc