

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA) CASE NO. AVU-E-23-12
CORPORATION’S APPLICATION TO)
UPDATE AND ESTABLISH ITS CAPACITY)
DEFICIENCY PERIOD TO BE USED FOR) ORDER NO. 36127
AVOIDED COST CALCULATIONS)
)

On August 24, 2023, pursuant to Order No. 35810, Avista Corporation d/b/a Avista Utilities (“Company”) applied to the Commission for approval of its capacity deficiency period used for its avoided cost calculations (“Application”).

On January 11, 2024, the Commission issued Order No. 36056 approving the Company’s Application subject to a compliance filing. Specifically, the Order required the Company to use the Traditional Method to determine the Load and Resource Balance (“L&R”) with the most current peak load forecasts for both winter and summer. In addition, the Commission directed the Company, before the next capacity deficiency update, to show that the method used to derive the Company’s Qualified Capacity Contribution (“QCC”) values reflect the generation capacity of the Company’s resources relative to the peak loads within the Company’s system and to develop its Planning Reserve Margin (“PRM”) “driven by the Company’s reliability target and appropriately developed capacity contribution factors [within its] system.” Order No. 36056 at 7.

On January 31, 2024, the Company submitted a compliance filing containing a more recent load forecast, and an updated L&R using the Company’s traditional method with the most current peak load forecasts for both winter and summer. The Company also stated that it “will work on demonstrating the other two issues regarding the Company’s QCC and PRM values for use in its 2025 IRP process and subsequent capacity deficiency filing.” January 31, 2024, Compliance Filing at 3.

After further review of its previously filed load forecast, the Company filed a supplemental compliance filing (“Updated Compliance Filing”) on February 5, 2024, modifying its load forecast to reflect inclusion of delivery losses, removal of the impact of net metered solar generation on the winter peak load forecast, and removal of the impact of cooling load shapes on the winter peak load forecast.

After review of the Updated Compliance Filing, Staff believed that the updated load forecast complied with Order No. 36056. Using the L&R and a capacity deficiency period of 2033 that resulted from the updated load forecast, Staff sent a letter to the Company on February 14, 2024, requesting verification of the updated “Surrogate Avoided Resource (“SAR”) Model and re-calculated avoided cost rates for new contracts to reflect the new capacity deficit information.” Staff’s February 14, 2024, Letter at 2.

On February 20, 2024, the Company filed a correspondence Agreement that agreed with Staff’s update to the SAR model and avoided cost rates.

At the Commission’s March 5, 2024, Decision Meeting, Staff presented a Decision Memorandum which noted that Staff had reviewed the Updated Compliance Filing and recommended the Commission approve the first capacity deficiency year of 2033 based on the updated load forecast, the updated SAR model, and resulting published avoided cost rates with an effective date of January 11, 2024.

The Commission now issues this Order approving the first capacity deficiency year of 2033 based on the updated load forecast, the updated SAR model, and resulting published avoided cost rates with an effective date of January 11, 2024.

COMMISSION FINDINGS AND DISCUSSION

The Commission has reviewed the record, including the Updated Compliance Filing, Staff’s submissions and recommendations, and the Company’s agreement with Staff’s calculations. Based upon its review of the Updated Compliance Filing, the Commission finds that the resulting capacity deficiency year of 2033 is appropriate for Staff to determine updated published avoided cost rates. For these reasons, the Commission finds that the Company has complied with Order No. 36056. Accordingly, the Commission approves the first capacity deficiency year of 2033 based on the updated load forecast in the Updated Compliance Filing and the published avoided cost rates and updated SAR Model—with an effective date of January 11, 2024.

ORDER

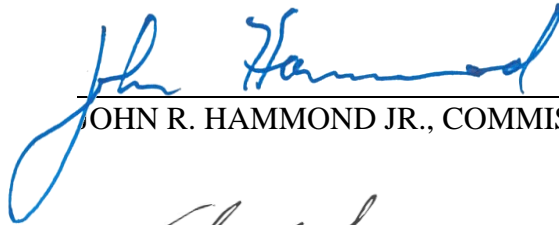
IT IS HEREBY ORDERED that the first capacity deficiency year of 2033, the updated SAR model, and resulting published avoided cost rates are approved, based on the updated load forecast in the Updated Compliance Filing. This approval is effective as of January 11, 2024.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of April 2024.



ERIC ANDERSON, PRESIDENT




JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barriles-Sanchez
Commission Secretary

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