BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION AND CLEARWATER PAPER CORPORATION'S JOINT PETITION FOR APPROVAL OF A POWER PURCHASE AGREEMENT	)	**CASE NO. AVU-E-26-13**
	)	**NOTICE OF PETITION**
	)	**NOTICE OF MODIFIED PROCEDURE**
	)	**ORDER NO. 37214**

On October 2, 2026, Avista Corporation ("Company") and Clearwater Paper Corporation ("Clearwater") (collectively, the "Parties") jointly petitioned the Idaho Public Utilities Commission ("Commission") requesting approval of the Power Purchase Agreement ("PPA") between the Company and Clearwater ("Petition"). The Petitioners request an order by January 1, 2027.

With this Order we issue notice of the Parties' Petition and set public comment and Party reply deadlines.

BACKGROUND

Clearwater owns and operates a paper manufacturing facility in Nez Perce County, Idaho, where it operates four thermal electric generating units with a combined capacity of approximately 132.2 megavolt-amperes ("Facility"). Petition at 2. These units are qualifying facilities under the Public Utility Regulatory Policies Act of 1978 ("PURPA") and its implementing regulations. *Id.*

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that the Parties request Commission approval of a new PPA that would replace all prior agreements involving the Company and the Facility when the new PPA takes effect. *Id.* at 6. The Parties state that circumstances prevent them from continuing their existing arrangement under the amended 2018 agreement, and they are proposing to return substantially to the terms of their 2003 Purchase and Sale Agreement. *Id.*

YOU ARE FURTHER NOTIFIED that under the 2003, 2013, and 2018 agreements, the Company tracked through the Power Cost Adjustment ("PCA") mechanism at 100% the monthly difference between Clearwater's actual power purchase expenses and the amount included in base retail rates established in a general rate case. *Id.* The Company also tracked at 100% changes in

specified Clearwater retail revenue based on kilowatt-hour sales equivalent to Clearwater's generation output. *Id.* The Parties request approval to continue the same treatment under the proposed PPA, including the direct assignment of 100% of Clearwater's actual power purchase expenses to the Idaho jurisdiction. *Id.*

YOU ARE FURTHER NOTIFIED that the proposed PPA would replace the Commission-approved 2018 arrangement and establish revised terms under which the Company will purchase the Facility's net delivered generation output at applicable Commission-approved rates under PURPA, subject to specified treatment of forecast deviations. *Id.* at 6–7. The Parties also propose that they will each retain 50% of the associated renewable energy certificates and other environmental attributes. *Id.* at 7.

YOU ARE FURTHER NOTIFIED that the Parties state that the proposed PPA will preserve the existing interconnection arrangement and establish requirements for operations, metering, billing, environmental attribute tracking, insurance, indemnification, and defaults. *Id.*

YOU ARE FURTHER NOTIFIED that the proposed PPA will run for one year, beginning January 1, 2027, after the current agreement expires on December 31, 2026. *Id.* During this transition period, the Parties state that they will evaluate an arrangement under which the Company purchases all generation from the Facility while Clearwater obtains its full electric requirements through Commission-authorized retail rates. *Id.* The Parties anticipate pursuing longer-term agreements after evaluating this new structure. *Id*.

YOU ARE FURTHER NOTIFIED that in conjunction with the proposed PPA, the Parties also propose an updated Electric Service Agreement and revisions to the Company's Schedule 25P, Schedule 66 (Power Cost Adjustment), and Schedule 91 (Energy Efficiency Rider Adjustment). *Id.*

YOU ARE FURTHER NOTIFIED that the Petition is available for public inspection during regular business hours at the Commission's office. The Petition is 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 case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and that all proceedings in this

matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq*.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201-204, IDAPA 31.01.01.201-.204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Petition may file a written comment explaining why the person supports or opposes the Petition. Persons who would like a hearing must specifically request a hearing in their written comments and explain why written comments alone are insufficient. **Persons interested in filing written comments, must do so by December 11, 2026.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document.

To file by e-mail, persons must e-mail the comments to the Commission Secretary and all parties at the e-mail addresses listed below. Persons submitting a comment by e-mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by e-mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

If computer access is unavailable, then comments may be mailed to the Commission and the Parties at the addresses below. Persons submitting a comment by mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

For the Idaho Public Utilities Commission:

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83702-0074
secretary@puc.idaho.gov

For Avista:

Anni Glogovac
Patrick D. Ehrbar
P.O. Box 3727
1411 E. Mission Avenue, MSC-33
Spokane, WA 99220-3727
anni.glogovac@avistacorp.com
patrick.ehrbar@avistacorp.com
AvistaDockets@avistacorp.com

For Clearwater:

Peter J. Richardson
Richardson Adams, PLLC
515 N. 27th Street
Boise, ID 83702
peter@richardsonadams.com

YOU ARE FURTHER NOTIFIED that the Company and Clearwater must file any reply comments by **December 18, 2026.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its final order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that this Petition be processed under Modified Procedure. Persons interested in submitting written comments must do so by **December 11, 2026**. The Company and Clearwater must file any reply comments by **December 18, 2026**.

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 27th day of October 2026.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary
I:\Legal\ELECTRIC\AVU-E-26-13_CWP PPA\orders\ntc_app_mod_em.docx