

JOHN R. HAMMOND, JR.  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0357  
IDAHO BAR NO. 5470

RECEIVED  
2020 MAY 20 PM 2:08  
IDAHO PUBLIC  
UTILITIES COMMISSION

Street Address for Express Mail:  
11331 W CHINDEN BVLD, BLDG 8, SUITE 201-A  
BOISE, ID 83714

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	
<b>CORPORATION'S PETITION FOR AN</b>	)	<b>CASE NO. AVU-G-20-01</b>
<b>EXTENSION TO FILE ITS NATURAL GAS</b>	)	
<b>INTEGRATED RESOURCE PLAN</b>	)	
	)	<b>COMMENTS OF THE</b>
	)	<b>COMMISSION STAFF</b>
	)	

---

The Staff of the Idaho Public Utilities Commission submits the following comments regarding the above referenced case.

**BACKGROUND**

On January 15, 2020, Avista Corporation ("Company") filed a Petition seeking a filing extension from August 31, 2020 to April 1, 2021 for the Company's Natural Gas Integrated Resource Plan ("IRP").

Washington and Oregon recently passed legislative bills that could have impacts on the Company's natural gas planning. As a result, the Company represents it will take several months to create and implement final rules and expectations for natural gas distribution utilities, which will affect the ability to fully realize the impacts on the IRP process. *Id.*

## STAFF ANALYSIS

Staff reviewed the Company's petition and researched the issues regarding the Company's proposal. Staff reviewed the value of the proposed IRP extension against the possible negative effects of a delay and concludes:

1. An extension from August 31, 2020, to April 1, 2021, for the 2020 Natural Gas IRP is appropriate in order to allow the Company to include the effects of Washington and Oregon legislation on its long-term resource plan which will affect Idaho customers.
2. Because the Company's 2018 Natural Gas IRP did not show any resource deficits in its expected case, Staff believes the proposed extension will not negatively impact planning for future deficits.
3. The 2019-2020 IRP Action Plan, as described in the 2018 IRP, is not affected by the proposed extension and should continue to be pursued by the Company as it develops its 2020 IRP.

Each of the conclusions will be discussed in more detail below along with Staff's recommendations.

### Appropriateness of the Extension

Staff believes the Company's request for an extension is appropriate because without it, the Company's Natural Gas IRP would not include the significant effects of recently passed Washington and Oregon legislation. Granting an extension provides the Company time to assess and incorporate these impacts.

There are multiple legislative bills in Washington and Oregon that could impact the Company's natural gas planning. Of primary concern are Washington Senate Clean Energy Transformation Act ("CETA") or Senate Bill 5116 (which requires 100% carbon free electricity by 2045 and includes Renewable Natural Gas), Washington House Bills 1257 and 1444 (which include new energy efficiency standards for buildings and appliances starting in 2022), and Oregon Senate Bill 98 (which along with Washington House Bill 1257, creates a path for Renewable Natural Gas acquisition). Final rules for natural gas companies, including Avista, are yet to be determined so the precise impact of these bills on the IRP process is not yet known. In light of these uncertainties, Staff believes extending the schedule is a reasonable option for the Company to determine and incorporate the effects of recently passed legislation in its IRP.



### Natural Gas Resource Deficits

The Company's 2018 Natural Gas IRP did not identify any resource deficits in the expected case scenario. However, in the High Growth and Low Prices scenario, existing resources would not meet peak demand starting in year 2032. The Company did not recommend options to address the 2032 deficiency in its 2018 IRP because the deficit is well past the five-year planning horizon required for natural gas IRPs. Staff believes that a filing extension does not increase resource risk because there is sufficient time to analyze resource alternatives before the 2032 deficit.

Additionally, the Company increased the number of defined demand areas in its 2018 IRP. This change allowed the Company to separate demand areas by state. Separating the states benefits Idaho by providing greater detail and allows the model to accept inputs that affect each state differently, including legislative policy differences.

### 2019-2020 Natural Gas IRP Action Plan

The Company's 2018 Natural Gas IRP included a 2019-2020 Action Plan ("Action Plan"), which outlines activities for study, development, and preparation that should be undertaken for the 2020 IRP. *2018 IRP* at 183-184. A summary of the key points of the 2019-2020 Action Plan are as follows.<sup>1</sup>

1. Avista's 2020 IRP will contain an individual measure level for dynamic DSM program structure in its analytics. In prior IRP's, it was a deterministic method based on Expected Case assumptions. In the 2020 IRP, each portfolio will have the ability to select conservation to meet unserved customer demand. Avista will explore methods to enable a dynamic analytical process for the evaluation of conservation potential within individual portfolios.
2. Work with Staff to get clarification on types of natural gas distribution system analyses for possible inclusion in the 2020 IRP.
3. Work with Staff to clarify types of distribution system costs for possible inclusion in our avoided cost calculation.
4. Revisit coldest on record planning standard and discuss with TAC for prudence.
5. Provide additional information on resource optimization benefits and analyze risk exposure.

---

<sup>1</sup> Staff notes that only items 1-5 relate to Idaho.

6. DSM- Integration of ETO and AEG/CPA data. Discuss the integration of ETO and AEG/CPA data as well as past program(s) experience, knowledge of current and developing markets, and future codes and standards.
7. Carbon Costs – consult Washington State Commission’s Acknowledgement Letter Attachment in its 2017 Electric IRP (Docket UE-161036), where emissions price modeling is discussed, including the cost of risk of future greenhouse gas regulation, in addition to known regulations.
8. Avista will ensure Energy Trust (“ETO”) has sufficient funding to acquire therm savings of the amount identified and approved by the Energy Trust Board.

*See generally* Order No. 34227 at 4.

Staff believes the 2019-2020 IRP Action Plan is not impacted by an extension and should continue to be pursued by the Company as it develops its 2020 IRP filing.

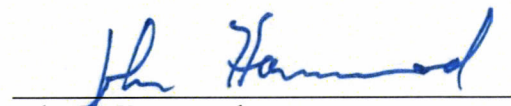
#### **STAFF RECOMMENDATION**

Staff believes an extension from August 31, 2020, to April 1, 2021, for the 2020 Natural Gas IRP is appropriate in order to allow the Company to include the effects of recently passed Washington and Oregon legislation in its long-term resource plan.

Staff recommends the Commission:

1. Grant the Company an extension to file its 2020 Natural Gas IRP on April 1, 2021, rather than August 31, 2020.
2. Direct the Company to pursue its 2019-2020 IRP Action Plan.

Respectfully submitted this 20<sup>th</sup> day of May 2020.

  
\_\_\_\_\_  
John R. Hammond  
Deputy Attorney General

Technical Staff: Kevin Keyt  
Mike Morrison

i:\misc:comments\avug20.1dhkmm comments



## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20<sup>th</sup> DAY OF MAY 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-G-20-01, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

LINDA GERVAIS  
MGR REGULATORY POLICY  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-MAIL: [linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)  
[avistadockets@avistacorp.com](mailto:avistadockets@avistacorp.com)

DAVID J MEYER  
VP & CHIEF COUNSEL  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-mail: [david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

/s/ Reyna Quintero  
SECRETARY