

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-G-21-02
CORPORATION DBA AVISTA UTILITIES')	
2021 NATURAL GAS INTEGRATED)	NOTICE OF FILING
RESOURCE PLAN)	
)	NOTICE OF INTERVENTION
)	DEADLINE
)	
)	ORDER NO. 35021

On March 31, 2021, Avista Corporation dba Avista Utilities (“Company”) filed its 2021 Natural Gas Integrated Resource Plan (“IRP”). The Company filed its IRP by the deadline set in Order No. 34697, which extended the Company’s typical, August 31, 2020 filing deadline to April 1, 2021.¹ The IRP must discuss the subjects required by Commission Order Nos. 25342, 27024 and 27098, and Section 303(b)(3) of the Public Utility Regulatory Policies Act (“PURPA”), 15 USC § 3202. With this Order, the Commission provides notice of the IRP filing and sets deadlines for interested persons to petition to intervene.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that the Company’s natural gas IRP contains an Executive Summary, and chapters on Demand Forecasts; Demand-Side Resources; Supply-Side Resources; Carbon Reduction; the Company’s Integrated Resource Portfolio; Alternate Scenarios, Portfolios, and Stochastic Analysis; Distribution Planning; and the Company’s Action Plan. The following information comes from the IRP’s Executive Summary. Further detail may be obtained in the IRP’s remaining chapters and appendices.

YOU ARE FURTHER NOTIFIED that the Company states its IRP identifies a strategic natural gas resource portfolio that meets expected customer demand requirements over the next 20 years. The IRP involves input from the Company’s Technical Advisory Committee (“TAC”), which includes Commission Staff, peer utilities, customers, and other stakeholders. Topics discussed with the TAC include natural gas demand forecasts, demand-side management, supply-side resources, modeling tools, distribution planning, and policy issues. The Company states the

¹ Per Commission Order No. 32233, Avista must file its IRP by August 31 of every even-numbered year.

IRP process results in an integrated resource portfolio designed to serve customers' natural gas needs while balancing cost and risk. IRP at 1-2.

YOU ARE FURTHER NOTIFIED that the Company states the IRP addresses uncertainties surrounding supply and demand by evaluating multiple scenarios with wide-ranging possible outcomes. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that the Company discusses its demand forecasts. The Company estimates average day, system-wide core demand increasing from 95,126 dekatherms per day (Dth/day) in 2021 to 102,054 Dth/day in 2040. The Company forecasts that coincidental peak day, system-wide core demand will increase from a peak of 363,586 Dth/day in 2021 to 407,216 Dth/day in 2040. Forecasted non-coincidental peak day demand peaks at 349,210 Dth/day in 2020 and increases to 388,615 Dth/day in 2040. *Id.* at 2-4.

YOU ARE FURTHER NOTIFIED that the Company presents its natural gas price forecasts. The Company states gas prices are a significant part of the total cost of a resource option, which affects the avoided cost threshold for determining cost-effectiveness of conservation measures and how customers consume natural gas. The Company expects carbon legislation in Oregon and Washington and stated its current IRP price forecast includes higher carbon adders in those states, but not in Idaho. The Company combined forward prices with three fundamental price forecasts to develop high and low expected price strips at the Henry Hub. The Company notes it used an expected elasticity response factor to model how customers' consumption of natural gas will respond to price changes. *Id.* at 5-6.

YOU ARE FURTHER NOTIFIED that the Company discusses existing and potential natural gas supply resources. The Company states it has a diversified portfolio of gas supply resources, including contracts to buy gas from several supply basins, owned and contracted storage providing supply source flexibility, and firm capacity rights on six pipelines. The Company considers incremental pipeline transportation, renewable natural gas, storage options, hydrogen, distribution enhancements, and various forms of liquified natural gas ("LNG") storage or services as potential resource additions. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Company discusses projected resource needs. In the high growth and low-price and carbon reduction (cost of carbon) scenarios, resource deficiencies were identified. The high growth and low-price scenario observed an energy shortage which would require additional assets to supply more energy. The carbon reduction scenario did

not include an energy shortage, but a need for carbon neutral or carbon reducing resources. However, the Company was not resource deficient in the expected case for the 20-year planning horizon. The Company indicated it would integrate additional information on goals and legislation that come into focus. *Id.* at 7-9.

YOU ARE FURTHER NOTIFIED that the Company states that even with the planning, analysis, and conclusions reached in the IRP, uncertainty still exists. The Company states it will diligently monitor issues and challenges, including: (1) demand scenarios that will provide insight into how quickly resource needs can change if demand varies from the expected case; (2) how natural gas demand in international markets will affect regional gas infrastructure and natural gas pricing; (3) use of natural gas to back up renewable resources and for replacement of retired coal plants; and (4) other issues that might affect demand and pricing. *Id.* at 11-12.

YOU ARE FURTHER NOTIFIED that the IRP contains a 2021-2022 Action Plan outlining activities identified by the IRP team with input from Company management and TAC members. The Company states the Action Plan positions the Company to provide the best cost/risk resource portfolio and to support and improve IRP planning. The Company states ongoing activities include:

- Monitoring supply and resource trends including the availability and price of natural gas, LNG exports, methanol plants, supply and market dynamics, and pipeline and storage infrastructure availability;
- Monitoring availability of resource options;
- Meeting regularly with Staff to provide information on market activities and significant changes in assumptions and/or status of activities related to the IRP or natural gas procurement; and
- Managing existing resources and optimizing underutilized resources.

Id. at 174-75

The Company states new activities for the study, development, and preparation of the 2023 IRP include:

- Completing additional modeling on carbon reduction (Oregon and Washington);
- Investigating new resource plan modeling software and integrating the Company's system to run parallel with current modeling software;

- Modeling all requirements from Executive Order 20-04 (Oregon);
- Ensuring the Energy Trust (“ETO”) has sufficient funding to acquire therm savings of the amount identified and approved by the Energy Trust Board;
- Exploring the feasibility of using projected future weather conditions in its design day methods;
- Discuss integration of Energy Trust (ETO) and Conservation Potential Assessment data, program experience, knowledge of current and development markets, and future codes and standards; and
- Performing high pressure distribution or city gate station capital work as needed.

Id. at 12-13, 174-75.

YOU ARE FURTHER NOTIFIED that the Company’s IRP and supporting workpapers are available for public inspection during regular business hours at the Commission’s office. These documents are also available on the Commission’s web site at www.puc.idaho.gov. Click on the “NATURAL GAS” icon, select “Open Cases,” then 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.

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.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of party (e.g., to file formal discovery, or present evidence, or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission under the Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their e-mail address to facilitate further communications. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party. Once the Notice of Parties has issued, Commission Staff shall informally confer with

the Company and any intervening parties about how to further process this case and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.


ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 21 days from the service date of this Order. Once the deadline has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter.

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 34781, issued September 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. 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 23rd day
of April 2021.



PAUL KJELLANDER, PRESIDENT

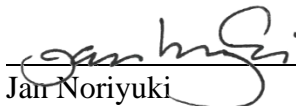


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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