



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

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IDAHO PUBLIC
UTILITIES COMMISSION

April 27, 2023

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A
Boise, Idaho 83714

RE: Avista Utilities 2022 Annual Report on Optional Renewable Natural Gas

Dear Ms. Noriyuki:

Pursuant to Order No. 35520 in Case No. AVU-G-22-01, enclosed for filing is Avista Corporation's dba Avista Utilities' (Avista or the Company) report on optional renewable natural gas (RNG) offered as an option to customers in 2022 under tariff Schedule 195 - Optional Renewable Natural Gas.

Please direct questions on this matter to me at (509) 495-2782 or Stephanie Myers at (509) 495-4620.

Sincerely,

/s/ Shawn Bonfield

Sr. Manager of Regulatory Policy & Strategy
Avista Utilities
Shawn.Bonfield@avistacorp.com



SCHEDULE 195
RENEWABLE NATURAL GAS
2022 ANNUAL REPORT

AVISTA CORPORATION

April 2023

Background

On March 3, 2022, Avista filed its proposed Tariff Schedule 195¹ to provide natural gas customers within Avista’s Idaho natural gas service territory a voluntary opportunity to purchase renewable natural gas (RNG) as part of their monthly billing. On September 2, 2022 the Idaho Public Utility Commission (Commission) issued Final Order 35520, approving Avista’s voluntary RNG program. The Program offers residential and commercial natural gas customers in Idaho with the option to purchase blocks of RNG which includes the environmental equivalent attributes associated with 1.5 therms of RNG. Each block is priced at \$5.00 per block, per month. Customers subscribe on a monthly basis and can cancel and re-subscribe at any time through multiple channels including Avista’s website, bill inserts, and contacting Avista’s contact center. Avista purchases and retires Renewable Thermal Credits (RTCs) on behalf of its customers to supply the program. The Company markets the program through billing inserts, earned media, local public radio, selected fairs, and printed media.

Renewable Natural Gas 2022 Annual Reporting

Table 1 below represents the number of active participants each month.

Table 1 – 2022 Monthly Renewable Natural Gas Participation

2022	ID – Total Participants
Jan	
Feb	
Mar	
Apr	
May	
Jun	
Jul	
Aug	
Sep	1
Oct	84
Nov	88
Dec	88

¹ Advice No. AVU-G-22-01

Table 2 below provides the Idaho RTC purchase details.

Table 2 –2022 RTC Purchase Details

Generator Plant- Unit Name	Location	Qty	RTC Vintage	Total Price
H.W. Hill Renewable Gas Facility	WA	51.6	2022	\$1,238

Tables 3 and 4 below provide a detailed break-down of administrative and marketing costs. These expenses correlate to the overall project expenses and program budget as provided in reporting requirement No. 5.

Table 3 – 2022 Labor Expenses

	Oct	Nov	Grand Total
340 Regular Payroll - NU	5.16	10.77	15.93
509 Pay Ben Inj & Dam	0.07	0.14	0.21
510 Payroll Benefits loading	2.25	4.60	6.85
511 Non-Service Loading	-0.32	-0.67	-1.00
512 Incentive Loading-NU	0.21	0.43	0.64
515 Payroll Tax loading	0.42	0.81	1.23
516 Inctv Pyrrl Tax	0.01	0.03	0.04
520 Payroll Time Off loading	1.19	2.15	3.34
Grand Total	8.99	18.26	27.25

Table 4 below outlines the non-labor expenses. These are primarily due to the software required to retire RTCs on behalf of all customers. While Avista did not start offering a voluntary RNG program to its Idaho customers until September 2022, the Company started using M-RETS to track and retire RTCs in January 2022 for its RNG purchases/retirements for each jurisdiction it serves. The Idaho expenses are prorated for 4 months of the year (not by program participation in Idaho). The RNG purchased is prorated by the number of Idaho participants.

Table 4 – 2022 Non-Labor Expenses

Accounting Period	Expenditure Type	Vendor Name	Transaction Description	Transaction Amount
February 2022	820 Computer Equip Software	Midwest Renewable Energy Tracking System	MRETS Software Subscription	733.33
February 2022	820 Computer Equip Software	Midwest Renewable Energy Tracking System	MRETS Software Subscription	60.55
October 2022	885 Miscellaneous	Puget Sound Energy	RNG Purchase – Sept2022	1,238.00
Grand Total				2,031.88

Program Promotion and Education

Table 5 below provides a list of the promotional communication pertaining to the voluntary RNG program to Idaho customers throughout 2022.

Table 5 – Summary of communication activities in 2022:

April	Message on the bill for residential customers in ID, OR, and WA
May	Email to OR customers, eConnections article for all customers
June	Print and electronic Connections newsletter to all customers
September	Email to ID customers
October	Email to ID customers

Table 6 below provides the provides the break-down of program expenses. These costs and balances correlate to the detailed break-down of itemized expenses provide in Table 3 above.

Table 6 – 2022 Program Expenses

2022	Sch 195 Revenue Gross	Revenue Conversion Factor	Net Revenue
ID	1,815	0.949622	1,724
Project Costs:			
340 Regular Payroll - NU			15.93
509 Pay Ben Inj & Dam			0.21
510 Payroll Benefits loading			6.85
511 Non-Service Loading			-1
512 Incentive Loading-NU			0.64
515 Payroll Tax loading			1.23
516 Inctv Pyrll Tax			0.04
520 Payroll Time Off loading			3.34
820 Computer Equip Software			793.88
RTCs purchased			1,238
Revenue offset			1,724
Net (Benefit)/Costs			(335)