

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-G-23-03
CORPORATION’S 2023 NATURAL GAS)	
INTEGRATED RESOURCE PLAN (IRP))	ORDER NO. 35979
)	

On March 31, 2023, Avista Corporation dba Avista Utilities (“Company”) filed its 2023 Natural Gas Integrated Resource Plan (“2023 IRP”). The Company files a natural gas IRP every two years to describe the Company’s plans to meet its customers’ future natural gas needs. The IRP must discuss the subjects required by Idaho Public Utilities Commission (“Commission”) Order Nos. 25342, 27024 and 27098, and Section 303(b)(3) of the Public Utility Regulatory Policies Act (“PURPA”), 15 USC § 3202.

The Company’s 2023 IRP contains an Executive Summary and chapters on; Demand Forecasts; Demand-Side Resources; Current Resources and New Resources Options; Policy Issues; Preferred Resource Strategy (“PRS”); Alternate Scenarios; Distribution Planning; and the Company’s Action Plan.

The Company represented that the 2023 IRP identifies a natural gas resource portfolio to meet expected customer demand requirements over the next 20 years. The Company stated that development of the 2023 IRP involved input from the Company’s Technical Advisory Committee (“TAC”), which includes Commission Staff (“Staff”), peer utilities, customers, and other stakeholders. The Company represented that TAC considered topics including resources to meet energy demand, energy policy compliance, specific planning topics, the progress of planning activities, and soliciting input on IRP development results. The Company stated the 2023 IRP process resulted in a resource portfolio designed to serve customers’ natural gas needs while balancing cost and risk.

STAFF COMMENTS

Staff reviewed the Company’s 2023 IRP for compliance with the requirements specified by Commission orders. Staff examined the Company’s use of the new PLEXOS® modeling software, natural gas demand forecasts, supply-side resources, Demand Side Management (“DSM”), resource and distribution planning, and action plans. Based on its review, Staff believed that the 2023 IRP contains the required information, and Staff recommended the Commission acknowledge the Company’s 2023 IRP as timely filed and compliant with previous orders.

However, Staff was concerned with the Company's use of marginal avoided costs to represent the avoided costs of its DSM programs. Staff recommended that the Company work with its internal DSM team, contracted third-party tool, and Staff in the IRP planning to develop supporting worksheets detailing the components and calculations used to derive the DSM avoided costs. Staff recommended that the Company provide that worksheet as a supporting document in the next IRP.

Additionally, Staff disagreed with the Company's inclusion of a national carbon tax in the 2023 IRP. Staff recommended that the Commission order the Company to submit a compliance filing containing an updated 2023 IRP avoided cost table that does not include a national carbon tax. Staff also recommends that the Company consider this compliance filing as the "most recently filed IRP avoided cost" for the purposes of DSM program planning and future cost effectiveness evaluations.

Finally, Staff recommended that the Commission require the Company to include updates on PLEXOS® implementation, model validation, and enhancements in the Company's semi-annual Natural Gas Updates with the Commission.

COMPANY REPLY COMMENTS

The Company submitted reply comments including an updated Preferred Resource Selection scenarios avoided cost table, excluding the national carbon tax. The Company also stated that it would provide updates on PLEXOS® implementation, model validation, and enhancements in its semi-annual Natural Gas Updates with the Commission.

COMMISSION FINDINGS AND DECISION

The Company is a public utility as defined in *Idaho Code* §§ 61-116, -117, and -129. The Commission has jurisdiction over the Company and the issues in this case under Title 61 of the Idaho Code, including *Idaho Code* § 61-501. Having reviewed the record, the Commission finds that the Company's 2023 IRP satisfies the requirements in the Commission's prior orders, and the Commission acknowledges the 2023 IRP. While Staff recommended that the Commission order the Company to submit a compliance filing with an updated avoided costs table, the Commission notes that the Company's reply comments contain the requested updated table excluding national carbon tax.

In acknowledging the 2023 IRP, the Commission once again reiterates that an IRP is a working document that incorporates many assumptions and projections at a specific point in time.

An IRP is a plan, not a blueprint, and by issuing this Order the Commission merely acknowledges the Company's ongoing planning process, not the conclusions or results reached through that process.


The Commission does not approve the 2023 IRP, or any resource acquisitions referenced in it, endorse any particular element in it, opine on the Company's prudence in selecting the 2023 IRP's preferred resource portfolio, nor allow or approve any form of cost recovery. The appropriate place to determine the prudence of the Company's decisions to follow or not follow the 2023 IRP, and the validation of predicted performance under the 2023 IRP, is a general rate case or other proceeding where the issue is noticed.

ORDER

IT IS HEREBY ORDERED that the Company's 2023 IRP is acknowledged.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding 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. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of November 2023.



ERIC ANDERSON, PRESIDENT

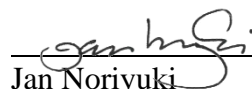


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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