

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL**

DATE: NOVEMBER 15, 2013

**SUBJECT: AVISTA'S APPLICATION FOR APPROVAL OF CAPACITY
DEFICIENCY, CASE NO. AVU-E-13-10**

In Order No. 32697, the Commission directed that a case be initiated outside of each utility's Integrated Resource Plan (IRP) filing for the establishment of the capacity deficiency period to be utilized in the utility's SAR methodology. On October 16, 2013, Avista filed its updated capacity deficiency periods to be utilized in Avista's SAR avoided cost methodology.

THE APPLICATION

Avista's filing is based on an update to the Company's 2013 Integrated Resource Plan (IRP) Loads and Resources, taking into account a new load forecast and new long-term contracts. Within its 2013 Electric IRP, Avista had identified a long-term capacity deficit beginning in January 2020 (summer deficits in 2024 and energy deficits in 2026). Avista reported that while short-term deficits occur before these dates, those deficits would be met with short-term market purchases as described in its 2013 IRP.

Based on updated load forecasts, the Company's net positions changed. Avista states that winter deficits continue to begin in January 2020. However, summer deficits begin in 2023 and energy deficits begin in 2027.

STAFF RECOMMENDATION

Staff has reviewed Avista's report and recommends that the matter be processed by Modified Procedure. Staff further recommends that the Commission allow parties who claim a direct and substantial interest to intervene. After the deadline for intervention has passed, Staff will convene an informal conference with the parties and recommend further procedure to the Commission.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application setting a 14-day deadline for intervention?



Kristine A. Sasser
Deputy Attorney General

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