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IDAHO PUBLIC
UTILITIES COMMISSION



July 27, 2009

Jean Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
472 W. Washington Street
Boise, ID 83720-0074

RE: Case No. AVU-E-09-04
Notice of Withdrawal of Petition of Avista Corporation for an Order Determining Ownership
of RECS.

Dear Ms. Jewell:

Please find enclosed for filing with the Commission an original and seven (7) copies of Avista Corporation's Notice of Withdrawal of Petition for an order determining ownership of RECS.

Please direct any questions pertaining to the transmittal of this filing to Patrick Ehrbar at 509.495.8620.

Sincerely

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State & Federal Regulation

Enclosures

cc: Service List

Michael G. Andrea (ISB # 8308)
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 IDAHO PUBLIC
 UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF A PETITION FILED BY)	
AVISTA CORPORATION FOR AN ORDER)	CASE NO. AVU-E-09-04
DETERMINING THE OWNERSHIP OF THE)	
ENVIRONMENTAL ATTRIBUTES (“RECS”))	
ASSOCIATED WITH A QUALIFYING)	NOTICE OF WITHDRAWAL OF
FACILITY UPON PURCHASE BY A UTILITY)	PETITION
OF THE ENERGY PRODUCED BY A)	
QUALIFYING FACILITY)	
_____)	

Pursuant to IPUC Rule of Procedure 68, petitioner Avista Corporation (“Avista”) hereby submits its Notice of Withdrawal of its Petition for an Order Determining the Ownership of the Environmental Attributes (“RECs”) Associated with a Qualifying Facility Upon Purchase by a Utility of the Energy Produced by a Qualifying Facility (“Petition”).

STATEMENT OF FACTS

On May 5, 2009, Avista initiated the above-captioned proceeding by filing its Petition in which it requested an order declaring that the ownership of RECs associated with PURPA¹ projects will be assigned to the utilities that purchase energy from such projects.² In its Petition, Avista also requested that the Commission issue an order staying any requirement to award

¹ PURPA is the Public Utility Regulatory Policies Act of 1978.
² Avista’s Petition was supported by the Direct Testimony of Clint Kalich, which was filed simultaneously with Avista’s Petition.

RECs to PURPA developers until a final order resolving the issues raised in Avista's Petition was issued.

On May 26, 2009, Sagebrush Energy LLC ("Sagebrush") filed a motion for order rejecting Avista's request for stay.³ Also on May 26, 2009, Exergy Development Group of Idaho ("Exergy") filed a motion to dismiss this proceeding. Oral argument on Sagebrush's and Exergy's motions was held on June 17, 2009. To date, the Commission has not acted on Sagebrush's or Exergy's motions.

NOTICE OF WITHDRAWAL

In its Petition, Avista sought an order from the Commission assigning the RECs associated with PURPA projects to the utilities that purchase the energy from such projects. Avista asserted that such order was necessary in order to reduce the substantial disparity between the avoided cost rate in the State of Idaho and the cost associated with Avista developing and operating its own wind energy project. Such disparity is due, in large part, to the fact that Idaho's avoided cost rate is based on a natural gas fired surrogate avoided cost resource.

Rather than resolving the issue of ownership of RECs raised in its Petition in order to address the current disparity between the avoided cost rate in the State of Idaho and the cost associated with Avista developing and operating its own wind energy project, Avista believes that it may be more appropriate to develop a wind surrogate avoided cost resource ("Wind SAR") to address such disparity. Avista is informed that the Commission is opening a generic electric docket to revisit the methodology for published avoided cost rates. In that generic electric docket Avista intends to present a proposal for a Wind SAR.

³ On June 2, 2009, Idaho Forest Group filed a concurrence to Sagebrush's motion.

CONCLUSION

Avista believes that the development of a Wind SAR may reduce the disparity between the avoided cost rate that Avista is required to pay for energy produced by a wind PURPA project and the cost of developing and operating a similar resource. Accordingly, Avista respectfully submits this Notice of Withdrawal of its Petition.

Respectfully submitted this 27th day of July 2009.

A handwritten signature in black ink, appearing to read "M. G. Andrea", written over a horizontal line.

Michael G. Andrea
Attorney for Avista Corporation

CERTIFICATE OF SERVICE

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I hereby certify that on this 27th day of July 2009, true and correct copies of the foregoing NOTICE OF WITHDRAWAL OF PETITION were delivered to the following persons via overnight delivery (for the Commission) and U.S. Mail or Email for all other participants.

IDAHO PUBLIC UTILITIES COMMISSION

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