

KARL T. KLEIN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0320
IDAHO BAR NO. 5156

RECEIVED
2013 NOV 13 PM 2:55
IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	
CORPORATION'S 2013 ELECTRIC)	CASE NO. AVU-E-13-07
INTEGRATED RESOURCE PLAN.)	
)	COMMENTS OF THE
)	COMMISSION STAFF
)	

The Staff of the Idaho Public Utilities Commission comments as follows on Avista Corporation's Application for its 2013 Electric Integrated Resource Plan.

BACKGROUND

On August 29, 2013, Avista Corporation dba Avista Utilities filed its 2013 Electric Integrated Resource Plan ("IRP") with the Commission. Avista files an Electric IRP with the Commission every two years to explain how it intends to meet its customers' expected energy needs over the next 20 years.

The 2013 Electric IRP guides Avista's resource strategy over the next two years and directs resource procurements over the 20-year plan. It provides a snapshot of Avista's resources and loads and guides future resource acquisitions over a range of expected and possible future conditions. IRP Executive Summary at i.

Avista says its 2013 Preferred Resource Strategy ("PRS") includes energy efficiency, upgrades at existing generation and distribution facilities, demand response and new gas-fired

generation. The PRS balances cost, reliability, rate volatility, and renewable resource requirements. *Id.*

The Company says its 2013 PRS significantly differs from the 2011 IRP resource strategy. Table 1 compares the 2013 PRS with the 2011 PRS.

Table 1: 2013 PRS compared to 2011 PRS (SCCT = Simple-Cycle Combustion Turbine; CCCT = Combined-Cycle Combustion Turbine)

Year	2013 PRS	2011 PRS
2018		83 MW SCCT
2019	83 MW SCCT	4 MW Thermal Upgrades
2019/2020		120 MW Northwest Wind
2020		83 MW SCCT
2021		
2022		
2023	83 MW SCCT	270 MW CCCT
2024		
2025		
2026	270 MW CCCT	270 MW CCCT
2027		
2028	6 MW Thermal Upgrade	
2029		46 MW SCCT
2030		
2031		
2032	50 MW SCCT	
Distribution Efficiencies	<1 MW peak reduction	28 MW peak reduction
Energy Efficiency	221 MW peak reduction	419 MW peak reduction
Demand Response	19 MW peak reduction	-

Avista says its renewable and capacity needs have changed since the 2011 plan. For example, the Company says it satisfied the 2012 Northwest Wind component of the 2011 PRS by adding Palouse Wind to its resource mix in December 2012. Also, changes in Washington law eliminated the need for a 2019/2020 wind resource. Finally, the Company says lower expected

load growth delays the first natural gas-fired resource by one year and eliminates the need for a CCCT in 2023. *Id.*

Avista says its 2013 Action Plan updates progress on the 2011 Action items and outlines activities Avista intends to perform for the 2015 IRP. Avista says the 2013 Action Plan includes input from Commission Staff, the Company's management team, and the Technical Advisory Committee ("TAC"). Action item categories include resource additions and analysis, demand-side management, environmental policy, modeling and forecasting enhancements, and transmission planning. *Id.* at x.

STAFF REVIEW

IRP Requirements

In 1993, the Commission issued Order No. 25260 adopting a statement of policy addressing Integrated Resource Planning. This statement of policy specified that IRPs must:

- Be updated at least biennially;
- Provide an opportunity for public participation and comment; and
- Be filed with the Commission and available for public inspection.

Staff believes the Company's 2013 Electric IRP meets the requirements of Order No. 25260. First, the 2013 IRP updates the Company's 2011 IRP. Second, the Company provided for public participation and comment through a series of TAC meetings held at Company headquarters in Spokane, Washington. The Company says its management and the TAC guide the development of the PRS and the IRP by providing significant input on modeling and planning assumptions. TAC members include customers, Commission Staff, the Northwest Power and Conservation Council ("NPCC"), consumer advocates, academics, utility peers, government agencies, and interested internal parties. *Id.* Staff actively participated in the TAC meetings and offered comments to the Company throughout the process. Staff thoroughly reviewed the draft IRP and provided comments. The Company satisfactorily addressed Staff's comments in preparing the final IRP document. Third, the 2013 IRP has been filed with the Commission and is publicly available.

This 1993 statement of policy built upon an earlier order (Order No. 22299 issued in 1989) outlining requirements for an electric Resource Management Report ("RMR"). An RMR is now referred to as an IRP. The stated goal of Order No. 22299 is "to elicit concise, pertinent

RMRs that provide the Commission, its staff, and other interested parties with an understanding of the utility's present load/resource position, its expected responses to the variety of possible future events, and the role of conservation therein." To meet that goal, Order No. 22299 outlines requirements for an IRP. The requirements most pertinent to current IRPs are:¹

- Identification, by category, of all existing power supply resources;
- Discussion of known or potential changes to existing resources;
- Estimation of future PURPA supplies along with a clear description of the basis for the estimation;
- Expected 20 year load growth scenarios (including peak demand and average energy consumption);
- Identification of assumptions, methodologies, models used in load forecast;
- Examination of load forecast uncertainties;
- Identification of the utility's plan for meeting all potential jurisdictional load over the 20-year planning period, including references to expected costs, reliability, and risks inherent in the range of credible future scenarios; and
- Consideration for conservation and demand management measures equivalent to the consideration given generating resources.

Despite specific issues addressed in these comments, Staff believes the IRP meets the requirements of Order No. 22299 as discussed below.

Existing Power Supply Resources

Avista-owned facilities

Avista-owned resources have a nameplate capacity of approximately 1,800 MW. Hydroelectric plants make up over half (962 MW) of that nameplate capacity. Avista owns eight hydroelectric facilities – six on the Spokane River and two on the Clark Fork River. The Spokane River plants have a combined nameplate capacity of about 180 MW. Five of these plants operate under a Federal Energy Regulatory Commission (FERC) license through 2059.

¹ Some of the requirements in this Order are outdated. For instance, this Order requires that utilities attach a copy of their most recent Form EIA-714 to the IRP and include an appendix with detailed plant data such as the equivalent forced outage rate by month and five-year historic generation from Public Utility Regulatory Policies Act ("PURPA") projects. The Order also stipulates that a resume of the project manager be included as an appendix to the RMR.

The remaining plant, Little Falls, operates under a state license and does not have an expiration date. Two plants, Nine Mile and Little Falls, are currently being upgraded. The Nine Mile upgrades will add 1.4 aMW of energy and 6.4 MW of capacity in 2016. The Clark Fork plants have a combined nameplate capacity of approximately 780 MW and operate under a FERC license through 2046. Both of these facilities have had recent upgrades.

Thermal resources make up the rest of Avista-owned resources. Avista-owned natural gas plants have a combined nameplate capacity of 542 MW (30% of Avista-owned nameplate capacity). The largest plant, Coyote Springs 2, is currently being upgraded. Avista owns 15% of two coal-fired plants – Colstrip 3 and Colstrip 4. These two plants have a combined nameplate capacity of 247 MW (14% of Avista-owned nameplate capacity). The remaining Avista-owned resource is a biomass facility using waste wood and natural gas.

Power purchase contracts

Avista has about 395 aMW in energy purchase agreements.² The largest purchase agreement is the Lancaster Power Purchase Agreement providing 222 aMW. Other large contracts are with several Public Utility Districts (“PUDs”) for the output of their Mid-Columbia hydroelectric projects. Wind contracts (with Stateline and Palouse Wind) and PURPA contracts make up the remaining power purchase contracts.

Customer-owned generation

Avista has 190 net-metering customers supplying 1.1 MW of capacity. Most of these are Washington customers generating solar power. These customers can qualify for incentives from \$0.12 to \$0.54 per kWh from Washington State in addition to federal incentives worth up to \$0.42 per kWh. Avista provides an example showing that the maximum incentive (\$0.96 per kWh) can be greater than the cost of a solar energy system (estimated at \$0.80 per kWh). Avista notes that there might be net metering growth on their system due to the magnitude of these incentives, and it is exploring ways to estimate future net metering effects on load. Staff is looking forward to discussing these estimates further with the Company.

² This includes 10 aMW from the Bonneville Power Administration (“BPA”), which encompasses both a purchase agreement for 42 aMW and a sale agreement for 32 aMW.

Changes to existing resources

Over the next 20 years, contracts supplying a total of 320 aMW will expire. The largest of these is the Lancaster agreement – expiring in 2026. Other large contracts will expire in:

- 2014 – contracts with Chelan PUD (31.7 aMW)
- 2014 - PURPA contract with City of Spokane (16 aMW)
- 2018 – contract with Douglas PUD for 14.7 aMW of annual energy
- 2019 – PURPA contract with City of Spokane (6 aMW)
- 2019 – WNP-3 contract with BPA for 42 aMW purchase and 32 aMW sale

The WNP-3 agreement with BPA will not be renewed, as it was the product of a settlement between Avista, BPA and Energy Northwest regarding construction delays of Washington Nuclear Plant No. 3 (WNP-3). The status of the other agreements is uncertain. For planning purposes, Avista anticipates that the Lancaster agreement and the agreements with Chelan PUD and Douglas PUD will not be renewed. Avista expects to renegotiate the PURPA contracts after they expire. It should be noted that 11 (out of 12) of Avista's PURPA agreements will expire in the next 10 years. All of the projects except one would qualify for Surrogate Avoided Resource ("SAR") published rates. As discussed above, there is also the potential for growth in net metering.

An unknown with respect to existing resources is how future Environmental Protection Agency ("EPA") regulations on greenhouse gas emissions under the Federal Clean Air Act will affect current coal-fired plants. Furthermore, the State of Washington recently enacted legislation to establish an independent evaluation of the costs and benefits of established greenhouse gas emissions reductions programs. Results of this evaluation will be used by the Washington State Climate Legislative and Executive Workgroup to recommend actions and policies to reduce greenhouse gas emissions. These recommendations are due to the Washington State Legislature by December 31, 2013, and will likely be incorporated in future IRP filings. For this IRP, Avista includes a greenhouse gas reduction scenario in its modeling to understand how these yet-to-be determined regulations could affect planning.

Load Forecast

Avista provides energy and peak (winter and summer) forecasts for the next 20 years. There are several steps in these forecasts. For the energy forecast, Avista first purchases

population forecasts for the following metropolitan statistical areas: Spokane, Coeur d'Alene, and Lewiston. Avista then forecasts:

- weather-normalized use-per-customer using temperature data; and
- long-run use-per-customer trends controlling for potential climate change and electric vehicle adoption.

These forecasts combine for a long-term energy forecast. Avista estimates that net native load will grow by 1% annually through 2035.

Avista also forecasts both summer and winter peak demand. The steps in this forecast are:

- normalize peak level usage using historical temperature data and data characterizing the type of day (day of week, holiday, school day), season, and other factors;
- model normalized peak load growth as a function of Gross Domestic Product ("GDP") growth.

Avista forecasts that peak load will grow 0.84% in the winter and 0.90% in the summer through 2035.

The forecasted energy and peak load growth rates are lower than those used in the 2011 IRP. The 2011 IRP used a 1.4% annual growth rate for energy and 1.5% growth rates for summer and winter peak demand. Avista attributes these decreases to downward revisions in expected economic growth at both the national and regional level. Given the large decrease in growth rates between the 2011 and 2013 IRPs, Staff recommends Avista closely monitor actual load growth in preparation for its 2015 IRP. The Company's high and low load growth analysis provides an upper and lower bound allowing the Company to understand how uncertainties in load growth can affect planning (see below).

Avista expects to completely restructure its forecasting methodology by the 2015 IRP cycle. The Company will move to a more traditional time series modeling approach implemented by its new Chief Economist.

Resource Deficiencies

Avista is resource deficient when its resources are not adequate to meet physical energy and capacity needs. Avista has a short-term capacity need in 2014/2015 (64 MW) and 2015/2016 (84 MW). The Company plans on meeting these needs with market purchases – it does not plan to acquire long-term generation assets while the NPCC forecasts the region to have a significant surplus. Avista has long-term winter capacity deficiencies in 2020 and summer capacity deficiencies in 2025.

For winter peak capacity planning, Avista uses a 14% planning margin in addition to operating reserves. Avista notes that “Planning margins are not necessarily a precise target and there is no universally accepted standard.” *Id.* at 8-32. The Company does consider how increasing the planning margin from 14% to 20% would affect resource deficiencies (the first long-term year deficit would occur in 2016).³ But it does not discuss whether 14% on top of operating reserves is too high given the region’s surplus. In light of Avista’s IRP analysis being used to set avoided cost rates in the SAR model, Staff recommends additional review of the Company’s planning margin in its next IRP.

Avista also must meet Washington State renewable portfolio standards. Avista plans to meet or exceed these requirements through the 20-year plan with a combination of hydroelectric upgrades, the Palouse Wind project, the Kettle Falls Generating Station and Renewable Energy Certificate (“REC”) purchases.

Energy Efficiency and Demand Response

The Company relies on its Conservation Potential Assessment (“CPA”) to set the IRP’s energy efficiency targets. The CPA was conducted by EnerNoc and finalized on May 30, 2013. The CPA identifies the 20-year energy efficiency potential specific to Avista’s service territory. The Washington Energy Independence Act (“EIA”) requires electric utilities to biannually update their CPAs. Washington statute also requires the CPA to adhere to the NPCC’s Sixth Energy Plan procedures and methodologies for setting conservation targets. Avista cites several reasons why its short term savings potential is lower than that shown in the Sixth Power Plan. Notably, lower load growth projections, reduced avoided costs, and new residential appliance standards factor into the updated targets.

³ Avista chose the 20% merely to illustrate how the PRS would change under Higher Capacity Planning Margins.

Staff supports using a CPA as a foundation in conservation planning. That said, Staff does not specifically endorse the final results. The Sixth Power Plan projects conservation savings using regional assumptions that may differ from Avista's unique service territory. The CPA adjusts the regional assumptions to better reflect considerations like customer preference, product saturation, and program ramp rates specific to Avista. The end result is considered 'Achievable Potential' savings. Staff believes this is an appropriate procedure, and Staff will work with the Company and EnerNoc to better understand the rationale applied to arrive at the Achievable Potential savings.

Regarding Washington's EIA mandates, Avista must acquire all cost-effective energy efficiency below the 110% avoided cost threshold. The 10% conservation premium is applied to indicate a preference toward investing in demand-side resources rather than building supply-side resources. The conservation premium results in a suboptimal level of conservation acquisition from a purely least-cost perspective. The Company's analysis shows that an additional 10 aMW of energy efficiency can be ascribed to the conservation adder over the planning period, adding \$5.3 million to the levelized PRS cost.

Avista uses an IRP methodology to calculate avoided cost for energy efficiency. The Company uses AURORA to calculate a 20-year levelized market price, assuming no new resource additions, to determine the market or energy conservation value. Capacity value is calculated by building a least-cost resource portfolio to meet the Company's peak needs over the planning horizon. Finally, the Company calculates the risk-reduction premium for energy efficiency by quantifying the cost difference between the PRS and a PRS assuming no additional conservation. The table below illustrates the levelized avoided cost components used in the 2013 IRP. Applying the avoided cost analysis results to the CPA produces 156 aMW of cumulative energy efficiency savings through 2033:

Table 8.8: Nominal Levelized Avoided Costs of the PRS (\$/MWh)

	2014-2033
Energy Forecast	44.08
Capacity Value	11.74
Risk Premium	1.89
Transmission & Distribution Losses	2.69
Distribution Capacity Savings	1.35
Power Act Premium	6.17
Total	67.92

The level of energy efficiency savings is significantly less than that included in the 2011 IRP. There are a couple of notable contributing factors. First, the Company predicts lower load growth relative to the 2011 forecast. Fewer sales generate fewer opportunities for conservation savings. Also, the levelized avoided cost fell by nearly 25% from the 2011 IRP value. A reduction of that magnitude can considerably diminish the number of measures that meet the economic potential threshold.

In response to Staff's recommendation, Avista has included a modest level of demand response in its PRS. Avista intends to assess the potential to acquire the identified 20 MW of demand response during the upcoming IRP cycle. The Company has limited experience managing demand response programs. Currently, it participates in a pilot demand response program as part of the Northwest Regional Smart Grid Demonstration Project.⁴ The Company previously conducted a two-year direct load control pilot between 2007 and 2009 in northern Idaho. *See* Case No. AVU-E-07-04. Both programs focused on residential end use, providing marginal per-participant load reduction. Avista intends to target commercial and industrial participants for its future demand response program.

⁴More information can be found at <http://www.avistautilities.com/inside/resources/smartgrid/pullman/Pages/default.aspx>

Preferred Resource Strategy

Avista uses the AURORA and PRiSM models to determine its PRS. Avista used AURORA to model the Western Interconnect electricity market. Avista inputs their “Expected Case” into AURORA and AURORA generates electricity prices at key market hubs, resource dispatch costs and values, and greenhouse gas emissions.

Avista’s Expected Case has historically included forecasts of greenhouse gas emissions costs. Given the current political environment, Avista no longer believes a national greenhouse gas cap-and-trade system or tax is likely. But the Company’s Expected Case does include the retirement of coal-fired plants due to regulations. Avista considers each coal-fired plant in the Western Interconnect and decides whether or not the plant is likely to face enough regulatory burdens to make it uneconomic. If it does, Avista models it as retiring. The Company forecasts that 12,300 MW of coal generation might shut down over the 20-year planning horizon.

Uncertainties about the future are modeled in one of two ways – either through stochastic modeling or scenario analysis. Stochastic modeling captures “potential” market futures. Monte Carlo-style analysis varies hydroelectric and wind generation, loads, forced outages and natural gas price data over 500 iterations of potential future market conditions. The simulation estimates Mid-Columbia electricity market prices by iteration, and the results collectively form the IRP Expected Case.

Scenario analysis captures the effect of very specific changes to the market or Avista’s underlying assumptions. For example, Avista’s Carbon Pricing Scenario models potential cap and trade mechanisms (high and low carbon pricing starting in either 2020 or 2025). Other scenarios cover no coal-plant retirement, high and low natural gas prices, and increased state renewable portfolio standards.

PRiSM combines the operating margins generated in AURORA with capital costs and fixed operating costs. It then creates an efficient frontier of resources given a certain risk level and other constraints (including capacity, energy, and Washington State’s renewable energy requirements and its greenhouse gas emissions performance standard). This efficient frontier consists of the optimized least cost portfolio for a given risk level. No resource portfolio can be at a better cost and risk combination than these portfolios. The PRS is one of the portfolios on the Efficient Frontier. Avista’s management saw it as the most reasonable path to follow given current information. Avista’s PRS is found in Table 2. It should be noted that Avista’s PRS does not include retirement of either of the Company’s coal-fired plants.

Table 2: Avista's Preferred Resource Strategy (PRS)

Resource	By the End of Year	Nameplate (MW)	Energy (aMW)
SCCT	2019	83	76
SCCT	2023	83	76
CCCT	2026	270	248
Rathdrum CT Upgrade	2028	6	5
SCCT	2032	50	46
Total		492	453
Efficiency Improvements	Acquisition Range	Peak Reduction	Energy (aMW)
Energy Efficiency	2014-2033	221	164
Demand Response	2022-2027	19	0
Distribution Efficiencies	2014-2017	<1	<1
Total		240	164

The first resource acquisition is not until 2019. While it is listed as a SCCT, the technology selection will not be final until a future Request for Proposal ("RFP"). This RFP will likely be released after the 2015 IRP. Avista may begin making major capital investments for this addition in 2017. As these deadlines approach, there will be more certainty about the technology chosen and whether economies of scale could be realized by combining the 2019 and 2023 acquisitions. The 2026 acquisition replaces the expiring Lancaster agreement, but might not be needed if Avista can renegotiate the current agreement. In addition to new resources, the PRS relies on energy efficiency, distribution efficiencies, and, for the first time, demand response.

Avista projects power supply costs for the term of the IRP. After considering future load growth, Avista expects power supply costs to be lower than the 2012 level until around 2023/2024.

The PRS is not the least cost strategy. The least cost strategy would use a SCCT in 2026 instead of the CCCT. But the least cost strategy includes more market risk; i.e., there is more variance in power supply costs under the potential market futures. Avista management decided that the decrease in market risk was worth the increase in cost.

Avista also considered how the PRS would change under different scenarios. These scenarios include:

- Carbon Pricing Scenario – If national climate change legislation is enacted, SCCTs in the PRS are replaced with hybrid CTs and additional energy efficiency is acquired. The Climate Change PRS is higher cost but lower risk than the Expected Case PRS.
- Different Energy Efficiency Scenarios – Under Washington State law, Avista must acquire all cost effective energy efficiency up to 110% of the avoided cost. To understand the costs of this requirement, Avista constructed an optimal portfolio with energy efficiency acquisitions up to 100% of avoided cost. Compared to the PRS, the power supply costs of this new portfolio are 2.7% lower and the market risk is 0.30% higher. In other words, the Washington State law results in a higher-cost PRS.
- “No Colstrip” Scenario – Avista examined a scenario in which Colstrip Units 3 and 4 were no longer resources. An alternative PRS excluding these coal-fired plants results in an addition of a CCCT in 2017. Power supply costs under this scenario are 12.8% higher than under the Expected Case PRS.

Avista also combined the Carbon Pricing Scenario (above) with this “No Colstrip” Scenario. Even under carbon pricing, excluding the Colstrip plants results in power supply costs 10.9% higher than the scenario with the plants.

- New Environmental Regulation Scenario – Avista does not anticipate that there will be significant changes in operation at Colstrip Units 3 and 4 due to Mercury Air Toxic Standards (“MATS”) limitations or coal ash management/disposal issues. But Avista does anticipate that these units could require emission controls in 2027. Avista compared the costs of adding Selective Catalytic Reduction Nitrous Oxide (“SCR NO_x”) controls for the plants to the “No Colstrip” scenario and found that Colstrip Units 3 and 4 “remain a viable and cost-effective resource for Avista’s customers.”
- Load Forecast Alternative Scenario – Avista examined how the PRS would change if different load growth levels were used. Avista modeled Low Load Growth, Medium Load Growth, and High Load Growth scenarios. The first new resource would be added in 2026 under the Low Load Growth Scenario, in 2022 under the Medium Load Growth Scenario, and 2019 under the High Load Growth Scenario. While the Expected Case and the High Load Growth Scenario result in resources being added in the same year, the

High Load Growth Scenario calls for a 150 MW SCCT while the Expected Case calls for a 83 MW SCCT. Even if load growth is higher than expected, the Company has adequate time to adjust its resource plans.

Action Items

The IRP contains the Company's 2013 Action Plan as well as its assessment regarding its progress towards implementing its 2011 IRP Action Plan. The 2013 Action Plan contains activities and studies developed and studied in the Company's 2011 IRP. Significant 2013 Action Plan items include:

- Consider Spokane and Clark Fork River hydro upgrade options in the next IRP as potential resource options to meet energy, capacity, and environmental requirements;
- Continue to evaluate potential locations for the natural gas-fired resource identified to be online by the end of 2019, including environmental reviews, transmission studies, and potential land acquisition;
- Continue to participate in regional IRP and regional planning processes and to monitor regional surplus capacity, and continue to participate in regional capacity planning processes;
- Commission a demand-response potential and cost-assessment of commercial and industrial customers per its inclusion in the PRS;
- Continue to monitor state and federal climate change policies and report work from Avista's Climate Change Council;
- Review and update the energy forecast methodology to better integrate economic, regional, and weather drivers of energy use;
- Evaluate the benefits of a short-term (up to 24-months) capacity position report;
- Evaluate options to integrate intermittent resources;
- Work with NPCC, the Washington Utilities and Transportation Commission ("WUTC"), and others to resolve adjusted market baseline issues for setting energy efficiency target setting and acquisition claims in Washington;
- Study and quantify transmission and distribution efficiency projects as they apply to EIA goals;
- Update processes and protocols for conservation measurement, evaluation, and verification;

- Assess energy efficiency potential on Avista's generation facilities. These are methods to decrease load of station service at Avista's facilities, such as better lighting or more efficient pumps;
- Work to maintain Avista's existing transmission rights, under applicable FERC policies, for transmission service to bundled retail native load;
- Continue to participate in BPA transmission processes and rate proceedings to minimize costs of integrating existing resources outside of Avista's service area; and
- Continue to participate in regional and sub-regional efforts to establish new regional transmission structures to facilitate long-term expansion of the regional transmission system.

STAFF RECOMMENDATION

After reviewing Avista's 2013 IRP, Staff believes that the Company amply provided for public participation and input through the TAC meetings. Furthermore, Staff believes that the Company provided analysis sufficient to give interested parties an understanding of the Company's present load position, how it would respond to different future events, and how energy conservation plays a role in its plans. Staff thus believes this IRP satisfies the requirements set out in Order Nos. 22299 and 25260, and recommends that the Commission acknowledge the Company's 2013 IRP.

Respectfully submitted this 13th day of November 2013.



Karl T. Klein
Deputy Attorney General

Technical Staff: Cathleen McHugh
Bryan Lanspery

i:\misc\comments\avue13.7kkembl comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13TH DAY OF NOVEMBER 2013, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-13-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

LINDA GERVAIS
MGR REGULATORY POLICY
AVISTA CORPORATION
PO BOX 3727
SPOKANE WA 99220-3727
E-MAIL: linda.gervais@avistacorp.com



SECRETARY

CERTIFICATE OF SERVICE