



**Avista Corp.**

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

September 17, 2014

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
P O Box 83720  
Boise, ID 83720-0074

Dear Ms. Jewell:

Re: Avista Application No. AVU-E-14-*ID*

Dear Ms. Jewell:

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests approval to use, when available, funds from Schedule 95 "Optional Renewable Power Rate" to promote grants for rooftop solar installations, 20 kW or smaller, on commercial buildings in Idaho.

Enclosed for filing with the Commission is an original and 7 copies of the Company's application.

Please direct any questions on this matter Renee Coelho at (509) 495-8607 or myself at (509) 495-4975.

Sincerely,

Manager, Regulatory Policy  
Avista Utilities  
[linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)  
509-495-4975

Attachments

RECEIVED  
2014 SEP 18 AM 9:28  
IDAHO PUBLIC  
UTILITIES COMMISSION

1 DAVID J. MEYER  
2 VICE PRESIDENT AND CHIEF COUNSEL FOR  
3 REGULATORY AND GOVERNMENTAL AFFAIRS  
4 AVISTA CORPORATION  
5 P.O. BOX 3727  
6 1411 EAST MISSION AVENUE  
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10

11

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

12 IN THE MATTER OF THE APPLICATION )  
13 OF AVISTA CORPORATION FOR THE ) CASE NO. AVU-E-14- 10  
14 REQUEST TO USE AVAILABLE FUNDS )  
15 FROM SCHEDULE 95 TO PROMOTE )  
16 ROOFTOP SOLAR INSTALLATIONS )  
17 ON COMMERCIAL BUILDINGS )

18

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**I. INTRODUCTION**

20

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company),

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at 1411 East Mission Avenue, Spokane, Washington, respectfully requests approval to use, when

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available, funds from Schedule 95 "Optional Renewable Power Rate" to promote grants for

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rooftop solar installations, 20 kW or smaller, on commercial buildings in Idaho.

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Avista Utilities is a proponent of utilizing a variety of energy resources as well as

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offering energy efficiency measures, to provide safe and reliable service to our customers. One

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example is Avista's Optional Renewable Power Rate Schedule 95 that allows customers to

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purchase blocks of renewable power.

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As part of this program, the Company would like to expand the awareness of renewable

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energy generation options, specifically by funding locally-owned, commercial solar, using funds

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from its current Optional Renewable Power Rate – Schedule 95, as explained further below. The

1 Company's Schedule 95 is known as the Company's Buck-a-Block Program.

2 The Company requests that this filing be processed under the Commission's Modified  
3 Procedure rules.

4 Communications in reference to this Application should be addressed to:

5 David J. Meyer, Esq.  
6 Vice President and Chief Counsel for  
7 Regulatory and Governmental Affairs  
8 Avista Corporation  
9 P.O. Box 3727  
10 1411 E. Mission Avenue, MSC-13  
11 Spokane, WA 99220-3727  
12 Phone: (509) 495-4316  
13 [david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)  
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Linda Gervais  
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15 **II. BACKGROUND**

16 Beginning in 2002, Avista offered electric customers the opportunity to voluntarily  
17 support the development of renewable energy by participating in the Company's Buck-a-Block  
18 program under Tariff Schedule 95 "Optional Wind Power Rate." Avista Utilities' wind power  
19 option was priced in increments, or "blocks", of \$1.00. Each \$1.00 block of wind purchased by  
20 customers equaled 55 kilowatt hours (kWhs).

21 In 2004, the Company filed revisions to the Buck-a-Block program including a change  
22 from Optional "Wind" Power Rate to Optional "Renewable" Power Rate in Tariff Schedule 95.  
23 These revisions also reflected a lower wholesale cost of wind power to Avista and represented  
24 the cost of renewable energy certificates (RECs) associated with that resource. The RECs were  
25 primarily from wind power generated at the Stateline Wind Energy Center, but could also come

1 from other “green-e certified” resources.<sup>1</sup> The revised program continued to include voluntary  
2 participation in increments of \$1 per block. However, each block was modified to be equal to  
3 300 kWh of renewable energy rather than the previous block amount of 55 kWh. This created an  
4 opportunity to enhance the Buck-A-Block program.

5 Today, this voluntary program continues to allow customers the choice to purchase a  
6 “block” of renewable power equal to 300 kilowatt hours (kWh) that is produced through regional  
7 wind or solar projects for \$1 per block.

8 Approximately 3,500 customers purchased nearly 227,000 blocks (68,000 MWh) in  
9 2013. All of the costs and benefits of the program stay within the program. The Buck-a-Block  
10 program requires regular program administration, promotion, and communication with  
11 customers. The intent of the program is to continually match funds collected with the annual  
12 program costs while balancing the need to collect enough funding to meet potential growth and  
13 potentially higher priced RECs. However, due to the availability of low-cost RECs in recent  
14 years and a plateau in subscription levels, it has resulted in surplus revenues that exceed the costs  
15 by approximately \$200,000. This has prompted the Company to explore additional ways to  
16 promote and acquire additional renewable energy for the program.

17

### 18 **III. PROPOSED COMMUNITY SOLAR PROGRAM**

19 Similar to Pacific Power’s Blue Sky Program,<sup>2</sup> the Company proposes to use, when  
20 available, any available funds from Schedule 95 to promote grants for rooftop solar installations,  
21 20 kW or smaller, on commercial buildings in the Company’s service territory in Idaho and

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<sup>1</sup> The Green-e Renewable Electricity Certification Program is administered by the non-profit Center for Resource Solutions, based in San Francisco, California.

<sup>2</sup> Pacific Power Schedule 70 – Renewable Energy Rider - Optional

1 Washington. Successful grant recipients would agree to allow their installation to be made  
2 available for the education of its building occupants and members of the community on the  
3 merits of solar energy generation and the Buck-a-Block program. Preference for grant recipients  
4 will be given to school districts and buildings where the visibility of the installation will have the  
5 greatest impact for both educational purposes as well as solar energy generation. Geographic  
6 distribution throughout the Company's service territory will also be considered as part of the  
7 evaluation.

8 **IV. BUDGET/COSTS**

9 As of June 30, 2014, the Buck-A-Block program (Idaho and Washington combined) had  
10 approximately \$200,000 in available funds.<sup>3</sup> It is estimated that this would fund the installation  
11 of 6-8 small projects (5 kW or less) or 2 larger projects (20 kW or less).

12 The potential number of projects that could be funded is based on estimates obtained  
13 through Company research and from discussions with solar installation companies. Table No. 1  
14 shows estimated equipment costs, and Table No. 2 shows the estimated system costs. Costs may  
15 vary in the future based on market conditions, the size of the installation, and where the  
16 equipment is manufactured.

17 **Table No. 1 – Estimated Equipment Costs**

Equipment	Washington State	Out of State
Solar Panels (1kW)	\$3,000	\$1,000
Inverter	\$1,000	\$1,000
Installation (racking/wiring)	\$1,500	\$1,500
Total per kW installed	\$5,500	\$3,500

22 <sup>3</sup> Projects will only be funded with surplus funds when available.

1 **Table No. 2 – Estimated System Costs**

2

System Size	Washington State Equipment	Out of State Equipment
3 5 kW	\$27,000	\$17,500
4 10 kW	\$55,000	\$35,000
5 20 kW	\$110,000	\$70,000

6 After the application and screening process, grant recipients would be awarded partial or  
7 full funding that could fund the cost of a rooftop solar installation, not to exceed \$70,000 per site,  
8 on their premises. Costs and risks associated with a site feasibility or assessment study, labor  
9 and contracting costs related to the installation, and ongoing maintenance will be the  
10 responsibility of the grant recipient.

11 **V. BENEFITS**

12 Grant recipients will benefit as they would be receiving partial to full funding for a solar  
13 system to be installed on their premises. Grant recipients will experience reduced electricity bills  
14 as compared to what their bills would be without net metered generation.

15 Customers that participate in the Buck-A-Block program will have their surplus funding  
16 being spent on additional Renewable Energy Projects in their communities. They will also have  
17 the opportunity to view the solar installation and operation as the projects must be made  
18 available for educational purposes. Other customers, and the community in general, will have  
19 access to view and learn about solar installation and operation as the projects must be made  
20 available for educational purposes.

21 The Company will benefit from the experience of working with solar development  
22 vendors and projects and also be able to monitor systems to better learn and understand how they  
23 interact with the utility's electrical system.

1 Additional program benefits may include the increased availability and potential reduced  
2 cost of solar equipment, as well as providing a utility experience with the installation of small  
3 scale distributed generation on a potentially diverse group of buildings and geographic locations  
4 in Idaho and Washington.

5  
6 **VI. CUSTOMER NOTIFICATION**

7 Notice to the public of the proposed changes, pursuant to IDAPA 31.21.02.102, will be  
8 posted to the Company's website coincident with this filing. The proposed effective date is  
9 November 1, 2014.

10 **VII. CONCLUSION**

11 WHEREFORE, Applicant respectfully requests the Commission issue its Order  
12 approving the revisions to Schedule 95 to include the use, when available, of any surplus funds  
13 from Schedule 95 to promote grants for rooftop solar installations, 20 kW or smaller, on  
14 commercial buildings in Idaho, with an effective date of November 14, 2014, with this  
15 Application being processed under Modified Procedure.

16 DATED at Spokane, Washington, this 17<sup>th</sup> day of September, 2014.

17 AVISTA CORPORATION

18 By   
19 David J. Meyer,

20 Vice President and Chief Counsel for  
21 Regulatory and Governmental Affairs



# AVISTA TARIFF SCHEDULE 95

## REDLINE AND STRIKETHROUGH

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 95

OPTIONAL RENEWABLE POWER RATE – IDAHO

AVAILABLE

To Customers in the State of Idaho where the Company has electric service.

APPLICABLE

To all customers receiving electric service who agree to purchase blocks of renewable power under this schedule.

BLOCK

One (1) block equals 300 kWh of renewable power.

CHARGE PER BLOCK

\$1.00 per month. This charge shall be in addition to all other charges contained in the customer's applicable tariff schedule.

MONTHLY BILLING

The monthly billing shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block. The Monthly Billing is in addition to all other charges contained in customer's applicable tariff schedule. This schedule's Monthly Billing shall be applied to the customer's billing regardless of actual energy consumption.

RENEWABLE POWER

For the purpose of this schedule, the renewable power sourced through renewable energy certificates (RECs) shall be primarily from Green-e certified wind power but may also come from other renewable sources.~~the renewable energy certificate's would be primarily from wind power generated at the Stateline Wind Energy Center, under a contract executed March 31, 2004, but could also come from other green-e certified resources.~~

PROGRAM ADMINISTRATION:

To ensure that all costs and benefits of this program are only applied to program participants, all funds collected and spent under this Schedule will be separately identified and tracked. Funds received from Customers under this Schedule will be used to cover program costs (e.g.: program management, accounting, communications, etc.) as well as to match block subscriptions to REC purchases.

RENEWABLE ENERGY PROJECTS/GRANTS:

In an effort to promote and build awareness of renewable energy generation options, if available, funds collected, but not otherwise required to meet program obligations may be distributed for one or more of the following renewable projects:

1. Funding for locally-owned, non-residential solar projects. Applicable customers, with a preference for community-based projects that provide for educational and

Issued ~~June 15, September 17, 2014~~ Effective ~~July 15, 2004~~ November 14 , 2014

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 95 - Continued

environmental benefit to local communities, or otherwise receive service under this Schedule, may apply for a grant to cover all or a portion of the cost of installation.

2. Funding for research and development projects that encourage Renewable Energy market transformation in order to accelerate marketability of Renewable Energy technologies.
3. Funding for above-market costs associated with the new construction of Renewable Energy facilities or the purchase by contract of Renewable Energy that reduces the costs of Renewable Energy to be competitive with cost-effective resources.

To the extent an eligible project in Section 1, 2, and 3 above is able to generate RECs, the grant recipient agrees that the Company, on behalf of the Schedule 95 program, has the first right to claim a share of the project's REC output. The amount of these RECs is expressed as a percentage of output when comparing the Schedule 95 financial contribution to the overall cost of the project. The proportional amount of these RECs will be retired on behalf of the program.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this schedule is subject to the Rules and Regulations contained in this tariff.
2. Customers may apply for or terminate from this schedule anytime during the year. The Company may limit availability of this program subject to available renewable power at the cost incurred under the terms described above.
3. The above Monthly Billing is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued September 17, 2014

Effective November 14, 2014

Issued by Avista Corporation  
By Kelly Norwood, Vice President State and Federal Regulation

# AVISTA TARIFF SCHEDULE 95

CLEAN

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 95

OPTIONAL RENEWABLE POWER RATE – IDAHO

**AVAILABLE**

To Customers in the State of Idaho where the Company has electric service.

**APPLICABLE**

To all customers receiving electric service who agree to purchase blocks of renewable power under this schedule.

**BLOCK**

One (1) block equals 300 kWh of renewable power.

**CHARGE PER BLOCK**

\$1.00 per month. This charge shall be in addition to all other charges contained in the customer's applicable tariff schedule.

**MONTHLY BILLING**

The monthly billing shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block. The Monthly Billing is in addition to all other charges contained in customer's applicable tariff schedule. This schedule's Monthly Billing shall be applied to the customer's billing regardless of actual energy consumption.

**RENEWABLE POWER**

For the purpose of this schedule, the renewable power sourced through renewable energy certificates (RECs) shall be primarily from Green-e certified wind power but may also come from other renewable sources.

**PROGRAM ADMINISTRATION:**

To ensure that all costs and benefits of this program are only applied to program participants, all funds collected and spent under this Schedule will be separately identified and tracked. Funds received from Customers under this Schedule will be used to cover program costs (e.g.: program management, accounting, communications, etc.) as well as to match block subscriptions to REC purchases.

**RENEWABLE ENERGY PROJECTS/GRANTS:**

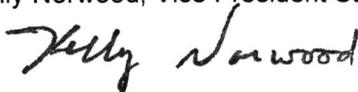
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By Kelly Norwood, Vice President State and Federal Regulation



AVISTA CORPORATION  
d/b/a Avista Utilities

### SCHEDULE 95 - Continued

- environmental benefit to local communities, or otherwise receive service under this Schedule, may apply for a grant to cover all or a portion of the cost of installation.
2. Funding for research and development projects that encourage Renewable Energy market transformation in order to accelerate marketability of Renewable Energy technologies.
  3. Funding for above-market costs associated with the new construction of Renewable Energy facilities or the purchase by contract of Renewable Energy that reduces the costs of Renewable Energy to be competitive with cost-effective resources.

Eligible renewable energy projects would not be considered for purposes of any Renewable Portfolio Standard requirements. Renewable energy that is generated in response to any federal or state statutory requirement to construct or contact for the renewable energy is not eligible for the funding under this Schedule.

To the extent an eligible project in Section 1, 2, and 3 above is able to generate RECs, the grant recipient agrees that the Company, on behalf of the Schedule 95 program, has the first right to claim a share of the project's REC output. The amount of these RECs is expressed as a percentage of output when comparing the Schedule 95 financial contribution to the overall cost of the project. The proportional amount of these RECs will be retired on behalf of the program.

#### SPECIAL TERMS AND CONDITIONS

1. Service under this schedule is subject to the Rules and Regulations contained in this tariff.
2. Customers may apply for or terminate from this schedule anytime during the year. The Company may limit availability of this program subject to available renewable power at the cost incurred under the terms described above.
3. The above Monthly Billing is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued September 17, 2014

Effective November 14, 2014

Issued by Avista Corporation  
By Kelly Norwood, Vice President State and Federal Regulation

