

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-14-10
OF AVISTA CORPORATION FOR THE)
REQUEST TO USE AVAILABLE FUNDS) NOTICE OF APPLICATION
FROM SCHEDULE 95 TO PROMOTE)
ROOFTOP SOLAR INSTALLATIONS ON) NOTICE OF
COMMERCIAL BUILDINGS.) MODIFIED PROCEDURE
)
) ORDER NO. 33151

On September 18, 2014, Avista Corporation dba Avista Utilities filed an Application with the Commission requesting revisions to its Schedule 95 – Optional Renewable Power Rate. The Company seeks to use available/surplus funds from Schedule 95 to promote grants for rooftop solar installations, 20 kW or smaller, on commercial buildings in Idaho. Avista requests that the revisions become effective November 14, 2014.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista states that it is a proponent of utilizing a variety of energy resources as well as offering energy efficiency measures, to provide safe and reliable service to its customers. The Company’s Schedule 95 – Optional Renewable Power Rate – allows customers to purchase blocks of renewable power. In furtherance of this objective, the Company would like to expand the awareness of renewable energy generation options, specifically by funding locally-owned, commercial solar, using funds from its current Schedule 95.

YOU ARE FURTHER NOTIFIED that, since 2002, Avista has offered electric customers the opportunity to voluntarily support the development of renewable energy by participating in the Company’s Buck-a-Block program under its Schedule 95. Avista’s wind power option was priced in increments, or “blocks,” of \$1.00. Each \$1.00 block of wind purchased by customers equaled 55 kilowatt hours (kWh).

YOU ARE FURTHER NOTIFIED that, in 2004, the Company filed revisions to its program. Avista modified the program from an optional wind power rate to an optional renewable power rate. Avista states that these revisions also reflected a lower wholesale cost of wind power to Avista and represented the cost of renewable energy certificates (RECs)

associated with the renewable resource. The RECs were primarily from wind power generated at the Stateline Wind Energy Center, but could also come from other “Green-e certified” resources. The revised program continued to include voluntary participation in increments of \$1.00 per block. However, blocks were modified to represent 300 kWh of renewable energy as opposed to the previous 55 kWh. Avista explains that this created an opportunity to enhance the Buck-a-Block program. Presently, this voluntary program continues to allow customers the choice to purchase a “block” of renewable power equal to 300 kWh that is produced through regional wind or solar projects for \$1.00 a block.

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

YOU ARE FURTHER NOTIFIED that the Company proposes to use, when available, any available funds from Schedule 95 to promote grants for rooftop solar installations, 20 kW or smaller, on commercial buildings in the Company’s service territory in Idaho and Washington. Successful grant recipients would agree to allow their installation to be made available for the education of its building occupants and members of the community on the merits of solar energy generation and the Buck-a-Block program. Preference for grant recipients would be given to school districts and buildings where the visibility of the installation will have the greatest impact for both educational purposes as well as solar energy generation. Geographic distribution throughout the Company’s service territory will also be considered as part of the evaluation.

YOU ARE FURTHER NOTIFIED that Avista estimates that the existing \$200,000 surplus would fund the installation of 6-8 small projects (5 kW or less) or 2 larger projects (20

kW or less).¹ After application and screening, grant recipients would be awarded partial or full funding that could fund the cost of a rooftop solar installation, not to exceed \$70,000 per site. Costs and risks associated with a site feasibility or assessment study, labor and contracting costs related to the installation, and ongoing maintenance will be the responsibility of the grant recipient.

YOU ARE FURTHER NOTIFIED that Avista requests that its Application be processed by Modified Procedure.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission **no later than Friday, November 21, 2014**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Avista at the addresses reflected below:

¹ Future costs may vary based on market conditions, the size of the installation and where the equipment is manufactured.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

David J. Meyer, Esq.
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Regulatory and Governmental Affairs
Avista Corporation
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These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Avista at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that reply comments may be filed **no later than Wednesday, December 3, 2014.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

SUSPENSION OF PROPOSED EFFECTIVE DATE

The Commission finds that the Company's proposed effective date of November 14, 2014, would not allow adequate time for interested parties and this Commission to review and consider Avista's Application. Pursuant to *Idaho Code* § 61-622, the Commission hereby suspends the proposed changes for a period of 30 days or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

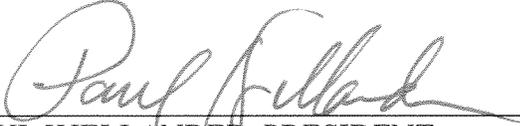
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than November 21, 2014.

IT IS FURTHER ORDERED that reply comments be filed no later than December 3, 2014.

IT IS FURTHER ORDERED that the proposed effective date is suspended for a period of 30 days from November 14, 2014, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of October 2014.



PAUL KJELLANDER, PRESIDENT

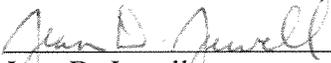


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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