

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. AVU-E-18-13
APPLICATION OF AVISTA AND)	
CLEARWATER PAPER FOR APPROVAL)	NOTICE OF APPLICATION
OF A POWER PURCHASE AND SALE)	
AGREEMENT)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34223
)	

On November 29, 2018, Avista Corporation (“Avista”) and Clearwater Paper Corporation (“Clearwater Paper”) jointly applied to the Commission for an order approving their Power Purchase and Sale Agreement (“2018 Agreement”). Clearwater Paper owns and operates four thermal electric generating units with a combined total nameplate capacity of 132.2 megavolt amps (MVA). Application at 2. The units are qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (“PURPA”). *Id.*

The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that, if approved, the parties’ 2018 Agreement would supersede an earlier Agreement between the applicants that was approved by Commission Order No. 32841 and extended by Commission Order No. 33350 (“2013 Agreement”). *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the 2018 Agreement would require Avista to file a new tariff with the Commission, Schedule 25P Block 2 PURPA rates, under which Avista would buy energy, capacity, and renewable energy credits (RECs) from Clearwater Paper. *Id.* at 4. Under the 2018 Agreement, Avista would also sell all energy and capacity demanded by Clearwater Paper to it at this rate. *Id.* The proposed Schedule 25P Block 2 PURPA rates will be about \$24.50 per MWh. *Id.* at 4, 6-7.

YOU ARE FURTHER NOTIFIED that Avista and Clearwater Paper have contracted with a third-party buyer, Morgan Stanley Capital Group, who will purchase bundled RECs from Avista generated by Clearwater Paper. *Id.* The 2018 Agreement is conditioned on the existence

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of that contract. *Id.* If the 2018 Agreement should take effect but then be suspended or terminated, the applicants would revert to the 2013 Agreement. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that Clearwater Paper would receive 90% of the net revenue from RECs sold under the 2018 Agreement, and the remaining 10% of net revenues would flow through the Power Cost Adjustment to Avista's Idaho customers. *Id.* at 8.

YOU ARE FURTHER NOTIFIED that the applicants request the Application be processed by Modified Procedure. *Id.* at 10.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission offices. These documents are 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, then select "Electric Cases" and 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 specifically *Idaho Code* §§ 61-502 and 61-503.

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.*

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 that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .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 opposition with the Commission by no later than February 4, 2019.** 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 shall be mailed to the Commission and the applicants at the addresses reflected below:

For the Commission:

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

For Avista:

Michael G. Andrea
Senior Counsel
Avista Corporation
1411 E. Mission Avenue – MSC-17
Spokane, WA 99202

For Clearwater Paper:

Peter Richardson
Richardson Adams, PLLC
505 N. 27th Street
P.O. Box 7218
Boise, ID 83702

Michael S. Gadd
Senior Vice President & General Counsel
Clearwater Paper Corporation
601 W. Riverside Ave., Suite 1100
Spokane, WA 99201

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 "Consumers" tab then click the "Case Comment or Question Form" and complete the comment form using the case number as it appears on the front of this document.

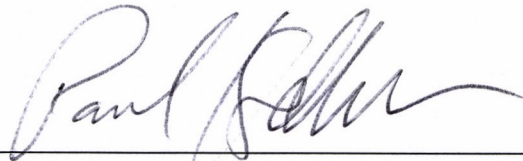
YOU ARE FURTHER NOTIFIED that the applicants shall file joint reply comments, if necessary, **by no later than February 14, 2019.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

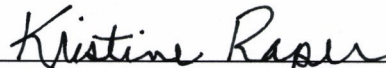
ORDER

IT IS HEREBY ORDERED that Avista's and Clearwater Paper's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by February 4, 2019. Avista and Clearwater Paper may file joint reply comments by no later than February 14, 2019.

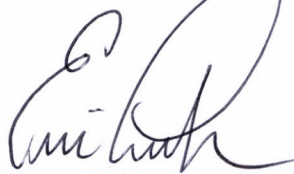
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th day of December, 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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