

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA’S PETITION)	CASE NO. AVU-E-19-01
FOR AN EXTENSION TO FILE ITS 2019)	
ELECTRIC INTEGRATED RESOURCE)	
PLAN)	ORDER NO. 34312
)	

On January 30, 2019, Avista Corporation (“Company”) filed a Petition seeking a six-month extension of the August 31, 2019 filing date for the Company’s 2019 Integrated Resource Plan (“IRP”). On February 22, 2019, the Commission issued a Notice of Petition and Notice of Modified Procedure setting comment and reply deadlines. Order No. 34250. Commission Staff and the Idaho Conservation League (“ICL”) filed the only comments, and supported the Petition. The Company did not reply.

Having reviewed the record, the Commission now issues this Order approving the Company’s Petition.

BACKGROUND

The Company must submit an IRP to the Commission every two years. Order No. 22299. “An IRP is a status report on the utility’s ongoing, changing plans to adequately and reliably serve its customers at the lowest system cost and least risk over the next 20 years.” Order No. 33463. The IRP is a “freeze frame” look at the utility’s fluid resource planning process. *See* Order No. 22299. The Company develops its IRP through a public process in consultation with its Technical Advisory Committee (“TAC”). The TAC consists of more than 100 invited participants, including customers, Commission Staff, the Northwest Power and Conservation Council, consumer advocates, academics, environmental groups, utility peers, government agencies, and other interested parties. *See* Order No. 33971. In developing its IRP, the Company uses a software program called AURORA_{xmp} for electric market price forecasting, resource valuation, risk analyses of the electric market place, and selecting efficient portfolio options while accounting for environmental laws and regulations. *See* Application at 2-3.

THE PETITION

The Company requests a six-month extension of its August 31, 2019 IRP filing deadline. The Company states there are numerous potentially significant legislative proposals in

Washington, Montana, and Oregon that if passed, would have significant impact on the regional electric market. The Company points to proposed legislation in Washington, particularly S.B. 5116 among others, which would require an elimination of coal generation sources serving Washington customers by 2025, 80% carbon-free energy serving Washington customers by 2030, and 100% carbon-free energy serving Washington customers by 2045. The Company states that Oregon is considering a cap and trade bill that the Company believes may impact its Coyote Springs 2 generating facility. Meanwhile, the Company states that Montana House Bill 203 would allow Montana to issue half a billion dollars of bonds to buy Colstrip. In sum, the Company states it would be premature to do IRP model runs given the high level of legislative uncertainty. Therefore, the Company requests a deadline extension in order to run its models with inputs that reflect the potentially changed legislative landscape.

COMMENTS

Commission Staff and Idaho Conservation League filed comments in support of the Company's Petition to delay its 2019 filing date.

I. Commission Staff.

Staff believes the six-month extension is appropriate because of the legislative uncertainty and the related impact on the Company's modeling. Staff identified other regulatory areas that would be impacted by a delay in filing the Company's 2019 IRP—such as avoided cost updates and capacity deficiency dates under the Public Utility Regulatory Policies Act and setting an energy efficiency savings target for the Company's 2020 Energy Efficiency Annual Conservation Plan—and concluded that the Company and Commission Staff could sufficiently mitigate each impact.

II. Idaho Conservation League.

ICL supports the Company's Petition to delay the submission of its IRP and offers uncertainty about the continued viability of Colstrip, of which Avista owns a portion of Units 3 and 4, as additional rationale for why a delay is appropriate. ICL states that Colstrip owners have an exclusive agreement with the Westmoreland Coal Company ("Westmoreland") for the supply of coal to Colstrip. Westmoreland filed for Chapter 11 bankruptcy in October 2018. ICL also notes that Colstrip has had problems meeting air quality requirements and was forced to shut down Units 3 and 4 during summer 2018. ICL also points to remediation of leaking coal ash ponds at Colstrip as another source of liability and costs. ICL believes a six-month extension will allow

the Company time to better analyze its options regarding Colstrip and give the Company time to incorporate any new legislation in its model runs.

COMMISSION FINDINGS AND DECISION

The Company is an electrical corporation and public utility as defined in *Idaho Code* §§ 61-119 and -129. The Commission has jurisdiction over the Company and the issues in this case under Title 61 of the Idaho Code, including *Idaho Code* § 61-501.

The Commission has reviewed the Company's Petition and the comments of Commission Staff and ICL. Based on our review of the record, we find it reasonable to approve the Company's request for a six-month extension of its IRP filing deadline. We believe the additional time will provide the Company better opportunity to analyze its preferred resource portfolio given the relevant regulatory landscape going forward. We continue to recognize that the IRP is an ongoing process and there will likely never be a time free from legislative uncertainty in the energy sector. However, we find the magnitude of the potential impacts of the proposed legislation and the timing of the potential legislation in relation to the Company's model runs to be material considerations in this case.

ORDER

IT IS HEREBY ORDERED that the Company's deadline for submitting its 2019 IRP is extended for six months, from August 31, 2019, until February 29, 2020.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this
day of April 2019.

16th



PAUL KJELLANDER, PRESIDENT

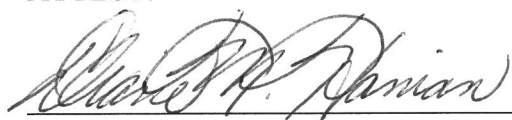


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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