



Avista Corporation

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May 11, 2023

Public Utilities Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3612

RE: Avista Utilities Request for Waiver of OAR 860-0086-0040(2)(j)

Filing Center:

In accordance with OAR 860-001-0400(1) and 860-021-0005, attached for electronic filing with the Public Utility Commission of Oregon (Commission) is the Application of Avista Corporation, dba Avista Utilities (Avista or the Company), requesting waiver of OAR 860-0086-0040(2)(j). This request is being made so that Avista may provide the Energy Trust of Oregon (ETO) with the same customer information allowable under OAR 860-086-0040(1)(b), which is applicable to its industrial customers, so that ETO may offer voluntary energy efficiency programs to Avista's natural gas transportation customers. If you have any questions regarding this filing, please contact me at (509) 495-7839 or jaimemajure@avistacorp.com.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst

Enclosure

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM _____

In the Matter of)
)
AVISTA CORPORATION, d/b/a AVISTA UTILITIES) APPLICATION OF AVISTA
) CORPORATION
Application for Waiver of OAR 860-086-0040(2)(j))
_____)

In accordance with OAR 860-001-0400(1) and 860-021-0005, Avista Corporation, dba Avista Utilities (Avista or the Company), hereby applies to the Public Utility Commission of Oregon (Commission) for an order allowing waiver of specified provisions within OAR 860-086-0040, Gas Utility Customer Information and Transfer of Data, which sets forth the requirements for data sharing with an Administrator.¹ OAR 860-0086-0040(2)(j), specifically, provides that a gas utility may not transfer to the Administrator any proprietary customer information, including usage data, for the gas utility’s transportation customers. Through this Application, Avista requests a waiver of this stipulation, thereby allowing the Company to provide to the Administrator, the Energy Trust of Oregon (ETO), the same customer information allowable under OAR 860-086-0040(1)(b), which is applicable to its industrial customers, so that ETO may offer voluntary energy efficiency programs to Avista’s natural gas transportation customers.

Avista provides natural gas service in southwestern and northeastern Oregon and is a public utility subject to the Commission’s jurisdiction under ORS 757.005(1)(a)(A). This Application is

¹ Per OAR 860-086-0010(1), an “Administrator” means the nongovernmental entity the Commission has designated under ORS 757.612(3)(d). As a natural gas utility in Oregon, the Administrator for Avista is the Energy Trust of Oregon (ETO).

1 filed pursuant to OAR 860-086-0000(2), which authorizes the Commission to waive any of the
2 Division 086 rules for good cause shown. As further explained below, good cause exists to waive
3 OAR 860-086-0040(2)(j), as it allows the Company to offer an energy efficiency programs to its
4 natural gas transportation customers (“transport customers”),² potentially furthering the carbon
5 reduction efforts of Oregon.³

6 Avista requests that all notices, pleadings, and correspondence regarding this Application
7 be sent to the following:

| | | |
|----|--|--|
| 8 | David J. Meyer, Esq. | Patrick Ehrbar |
| 9 | Vice President and Chief Counsel | Director of Regulatory Affairs |
| 10 | Regulatory & Governmental Affairs | Avista Corp. |
| 11 | Avista Corp. | P. O. Box 3727 |
| 12 | P. O. Box 3727 | 1411 E. Mission Avenue, MSC 27 |
| 13 | 1411 E. Mission Avenue, MSC 27 | Spokane, Washington 99220-3727 |
| 14 | Spokane, Washington 99220-3727 | Telephone: (509) 495-8620 |
| 15 | Telephone: (509) 495-4316 | E-mail: patrick.ehrbar@avistacorp.com |
| 16 | E-mail: david.meyer@avistacorp.com | |

17 Avista Dockets (Electronic Only) - AvistaDockets@avistacorp.com

18 **I. BACKGROUND**

19 On December 16, 2021, the Oregon Department of Environmental Quality (ODEQ)
20 adopted the Climate Protection Program (CPP), codified as OAR 340-271, which established
21 rules and requirements intended to “reduce greenhouse gas emissions from sources in Oregon,
22 achieve co-benefits from reduced emissions of other air contaminants, and enhance public
23 welfare for Oregon communities, particularly environmental justice communities
24 disproportionately burdened by the effects of climate change and air contamination.”⁴ To

² Avista’s transportation customers are defined as those taking service under the Company’s natural gas tariff Schedules 439, 447 and 456.
³ Actual reductions to depend on customer uptake of the programs offered.
⁴ See OAR 340-271-0010(3).

1 accomplish this, the CPP, among other actions, sets a declining limit, or cap, on greenhouse gas
2 (GHG) emissions from fossil fuels used throughout the state - including diesel, gasoline, natural
3 gas and propane – used in transportation, residential, commercial and industrial settings. The CPP
4 baseline is set at average GHG emissions from covered entities from the years 2017-2019,⁵ with
5 required reductions from this baseline set at 50 percent by 2035 and 90 percent by 2050.⁶

6 Under the CPP, Avista is a “covered fuel supplier”⁷ and is the point of regulation for the
7 emissions associated with natural gas used by both its sales and transport customers.⁸ Transport
8 customers purchase their natural gas commodity directly from marketers and suppliers and have
9 historically only paid Avista for delivery via the Company’s natural gas distribution system.
10 Covered entities’ GHG emissions are reported annually through the existing ODEQ GHG
11 reporting program, pursuant to OAR 340-215, and compliance will be demonstrated by each
12 covered entity at the end of each three-year compliance period beginning with calendar year 2022.
13 To comply with these requirements, Avista can work to reduce natural gas usage through
14 efficiency measures, introduce renewable and low-carbon alternative fuels, trade for additional
15 compliance instruments with other covered entities, or purchase a limited amount of Community
16 Climate Investments (CCIs).

17 As Avista explored the opportunities for compliance with the CPP, and the possibility of
18 reducing carbon via efficiency measures, the ETO was able to confirm its ability to begin offering
19 programs to transport customers by mid-2023. Measures such as shell measures, equipment
20 upgrades, strategic energy management, and custom projects⁹ would be available to these

⁵ Rulemaking, Action Item A, Greenhouse Gas Emissions Program 2021 Rulemaking Climate Protection Program, at 8 (Dec. 16, 2021); https://www.oregon.gov/deq/EQCdocs/121621_ItemA.pdf.

⁶ Id.

⁷ See OAR 340-271-0020(15).

⁸ OAR 340-271-0110(4).

⁹ <https://www.energytrust.org/industry-agriculture/>

1 customers. Transport customers’ energy savings potential, as provided by Avista’s most recent
 2 Integrated Resource Plan (IRP), is shown in the table below. The Company will continue to work
 3 with interested parties to further determine appropriate programs for transport customers.

4 **Summary of Oregon Transport Industrial Energy Efficiency Potential¹⁰**
 5

| Summary of Energy Savings (Dth), Selected Years | 2023 | 2024 | 2027 | 2032 | 2042 |
|--|-----------|-----------|-----------|-----------|-----------|
| Reference Baseline (Dth) | 2,782,962 | 2,782,624 | 2,781,477 | 2,779,303 | 2,775,037 |
| Cumulative Savings (Dth) | | | | | |
| Achievable Economic | 9,534 | 28,080 | 84,925 | 184,338 | 361,139 |
| Achievable Technical | 9,531 | 28,086 | 84,876 | 183,737 | 359,563 |
| Technical Potential | 12,498 | 35,485 | 105,602 | 225,654 | 436,548 |
| Energy Savings (% of Baseline) | | | | | |
| Achievable Economic | 0.3% | 1.0% | 3.1% | 6.6% | 13.0% |
| Achievable Technical | 0.3% | 1.0% | 3.1% | 6.6% | 13.0% |
| Technical Potential | 0.4% | 1.3% | 3.8% | 8.1% | 15.7% |

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7 **II. NEED FOR WAIVER**

8 Avista has not offered energy efficiency programs for its natural gas interruptible¹¹ or
 9 transport customers in previous years, as historically neither customer groups have been subject
 10 to, or beneficiaries of, the Company’s Public Purpose Funding Surcharge (Schedule 469), which
 11 funds the ETO and its programs. With the passage of the CPP and continued discussions with the
 12 ETO, however, the Company incorporated verbiage into its Schedule 469, effective January 1,
 13 2023, that would allow the ETO the flexibility to serve Avista’s interruptible and natural gas
 14 transport customers¹² as a means to expand energy efficiency efforts and the associated carbon
 15 reductions needed for compliance with the CPP. As noted in its approved filing in Docket No.
 16 ADV 1452, the Company intends to defer the costs associated with this expansion as part of its

¹⁰ See Docket LC 81, Chapter 3, pg. 9 (Table 3.9).

¹¹ Interruptible customers are those defined as taking service under Avista’s natural gas tariff Schedules 439, 440 and 456.

¹² See ADV 1452.

1 CPP deferral in Docket No. UM 2254.

2 The ETO, having worked with industrial electric customers to provide energy efficiency
3 programs and already having existing relationships with many Avista transport customers – as
4 well as having the necessary infrastructure for outreach and ready-made prescriptive and custom
5 offers for a carbon compliance energy efficiency program – is primed to begin working with these
6 customers as soon as possible. However, with the restrictions of OAR 860-0086-0040(2)(j) in
7 place, the Company does not have the necessary permissions to share any transport customer
8 information with its Administrator, as it would for its residential and commercial customers per
9 OAR 860-086-0040(1)(a) or its industrial customers per (1)(b). Without access to similar
10 information through which it could advise transport customers of the availability of a carbon
11 compliance energy efficiency program, or even themselves plan/confirm what types of program
12 offerings could even benefit these customers, the ETO is unable to provide Avista’s transport
13 customers with any such offerings. Therefore, without approval of this Application, the Company
14 and the ETO would be unable to move forward with the possibility of allowing transport
15 customers to participate in any carbon compliance energy efficiency.

16 **II. CUSTOMER IMPACT AND COMPANY MITIGATION OF SUCH IMPACTS**

17 Avista supports acquiring all cost-effective savings as filed in the Company’s IRP¹³ and as
18 approved by the ETO Board of Directors in the annual Budget and Action Plan,¹⁴ which includes
19 any new savings that may be derived from any carbon compliance energy efficiency programs for
20 interruptible and transport customers. The ETO, as provided in the Company’s approved ADV
21 1454 filing, anticipated that the 2023 budget for transport customers’ carbon compliance would be

¹³ See Docket No. LC 81.

¹⁴ <https://www.energytrust.org/about/reports-financials/budget-action-plan/>

1 DATED this 11th day of May 2023.

2 Respectfully submitted,

3 Avista Utilities

4 By: /s/ David Meyer
5 David J. Meyer, Vice President and Chief
6 Counsel for Regulatory and Governmental Affairs