



Avista Corp.

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April 18, 2024

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

RE: Avista Utilities Application for an Extension to File Its Next Natural Gas Integrated Resource Plan

Filing Center:

Avista Corporation, dba Avista Utilities (Avista or Company), submits for filing its application for an order authorizing an extension of the due date of the Company's next Natural Gas Integrated Resource Plan (IRP) to April 1, 2027, as allowed under OAR 860-027-0400(3). If you have any questions regarding this filing, please contact me at (509) 495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ *Shawn Bonfield*

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IN THE MATTER OF THE APPLICATION OF) APPLICATION OF
AVISTA UTILITIES FOR AN ORDER) AVISTA CORPORATION
REQUESTING EXENSION TO FILE)
ITS NEXT NATURAL GAS INTEGRATED)
RESOURCE PLAN)

I. INTRODUCTION

1 Avista Corporation, doing business as Avista Utilities (Avista or the Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully petitions the Oregon Public Utilities Commission (Commission) to issue an order authorizing an extension of the due date of the Company’s next Natural Gas Integrated Resource Plan (IRP) to April 1, 2027, as allowed under OAR 860-027-0400(3). In the interim, Avista will file an update to its 2023 Natural Gas IRP no later than 12 months following the date of the order of acknowledgment of the IRP.

2 Please direct all correspondence related to this Petition as follows:

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II. BACKGROUND

3 As required by OAR 860-027-0400(3):

An energy utility must file an IRP within two years of its previous IRP acknowledgment order or as otherwise directed by the Commission. If the energy utility does not intend to take any significant resource action for at least two years

after its next IRP is due, the energy utility may request an extension of its filing date from the Commission.

Avista's 2023 IRP was filed on March 31, 2023, and at the Commission's Special Public Meeting held on February 22, 2024, the Commission chose not to acknowledge the Company's IRP, but did approve of an Action Plan for the Company to complete for its next IRP. As of the time of filing the application discussed herein, the Commission has not yet issued an order memorializing its decision. The Company's next IRP is due no later than two years following the date the Commission issues an order (i.e., in 2026), however, the Company's next IRP in both Washington and Idaho is due no later than April 1, 2025.

4 For the reasons discussed herein, and pursuant to OAR 860-027-0400(3), Avista's requests an extension of its next IRP due date from Spring 2026 to April 1, 2027.

III. SUPPORT FOR EXTENSION

5 In December 2021, the Oregon Department of Environmental Quality (DEQ) finalized its Climate Protection Program (CPP) rules as outlined in Oregon Administrative Rules chapter 340, division 271 which were designed to reduce greenhouse gas emissions by 50% by 2035 and 90% by 2050, contain costs, and enhance public welfare in Oregon communities, particularly environmental justice communities. Avista filed its 2023 IRP on March 31, 2023, which incorporated strategies and actions to comply with DEQ's CPP rules. In December 2023, prior to the Commission's determination on the Company's 2023 IRP, the Oregon Court of Appeals determined the CPP rules to be invalid, thus significantly altering the actions the Company would have otherwise taken to comply with the CPP as planned in its 2023 IRP and impacting plans for the Company's next IRP.

6 On January 22, 2024, DEQ announced its intent to reestablish the CPP rules through the rulemaking process, with the first advisory group meeting scheduled for April 2, 2024. According to DEQ, they are aiming for new rules to be in place for 2025 and all aspects of the rules are open for discussion and change. With Avista’s next IRP process already underway and the timing and contents of CPP rules uncertain, the Company is not able to include CPP compliance obligations in its base case or Preferred Resource Strategy (PRS). Scenarios that the Company will model will however be reviewed with the IRP Technical Advisory Committee (TAC) during the current IRP development process. A specific scenario will include prior CPP rules along with expected assumptions as included in the PRS.

7 Additionally, Commission Staff has shared its plans to initiating the process for updating IRP guidelines in 2024. While there is no timeline available for this process at the time of this filing, the outcome of this guidance will impact Avista’s future IRPs, of which its 2025 IRP is currently underway. The impact of CPP rules and IRP guideline changes could fundamentally change the regional (and Avista’s) resource mix, and therefore have an impact on Avista’s customers. Thus, to the extent any potential rules or new guidelines are enacted, new models would need to be run to account for the actual impacts of such changes, which there would be insufficient time to complete by the time the 2025 IRP is finalized.

8 Further, Idaho and Washington require Avista’s next two IRPs to be filed no later than April 1, 2025, and April 1, 2027, respectively. Although Avista’s next Oregon IRP would not be due until Spring 2026, meeting this due date would require Avista to move away from a system plan to an Oregon specific plan, which loses many benefits. By extending the Company’s next Oregon IRP due date to April 1, 2027, it aligns with the filing dates required in Idaho and Washington and reduces duplicative and overly burdensome efforts.

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If the Commission approves of the Company’s request to extend the due date of its next Oregon IRP to April 1, 2027, in the interim, Avista will submit an update to its 2023 IRP by within 12 months of the Commission’s acknowledgement order as required by OAR 860-027-0400(11), even though it is not technically required as the Commission chose not to acknowledge the Company’s 2023 IRP.¹ The 2025 IRP update will include scenarios to measure future load projections and risks and costs to meet those projections. A scenario to include the CPP will be included in order to estimate costs and program constraints and update avoided costs based on what is known about the future CPP rules. The update will also discuss any planned capital expenditures for system upgrades if there are any.

V. REQUEST FOR RELIEF

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WHEREFORE, Avista respectfully requests the Commission issue an Order approving an extension of the due date of the Company’s next IRP from Spring 2026 to April 1, 2027, as described above.

DATED this 18th day of April 2024.



By: _____
Patrick D. Ehrbar
Director of Regulatory Affairs

¹ OAR 860-027-0400(11) states that “Each energy utility must submit an annual update on its most recently acknowledged IRP. The update is due on or before the acknowledgment order anniversary date.” Because the Commission did not acknowledge the Company’s 2023 IRP, an update to the 2023 is not technically required.