



**CEIP Advisory Group**

Meeting Date: February 18, 2025  
 Time: 9:00am – 10:30am  
 Location: Zoom Meeting

**Attendees:**

<b>Avista:</b>	<b>Members:</b>
<i>Kelly Dengel</i>	<i>John Hoover</i>
<i>Amanda Ghering</i>	<i>Cindy Kimmet</i>
<i>Shawn Bonfield</i>	<i>Sofya Atitstogbe</i>
<i>Heather Webster</i>	<i>Carol Weltz</i>
<i>Meghan Pinch</i>	<i>Dan Kirschner</i>
	<i>Karen Boone</i>
<i>Mike Magruder</i>	<i>Margee Chambers</i>
<i>John Gross</i>	<i>Charlee Thompson</i>
<i>James Gall</i>	<i>Nora Hawkin</i>
<i>Ana Matthews</i>	<i>Lynn Suksdorf</i>
<i>Josie Cummings</i>	<i>Molly Morgan</i>
<i>Ariana Barry</i>	<i>Nathan South</i>
	<i>Lisa Stites</i>
	<i>Katie Chamberlain</i>
	<i>Jean Marie Dryer</i>

**Agenda**

- I. Welcome & Introductions
  - Overview of Meeting: Rules and Intent
- II. 2025 CEIP Interim Targets and Specific Actions
- III. CEIP Meetings through 2025

**Facilitator**

Kelly Dengel  
  
 James Gall & Kelly Dengel  
 Kelly Dengel

**Meeting Notes**

**Welcome & Introductions**

Introductions and Meeting Rules and Intent and review of today’s agenda.

**2025 CEIP Interim and Specific Targets Review**

CETA Goals:

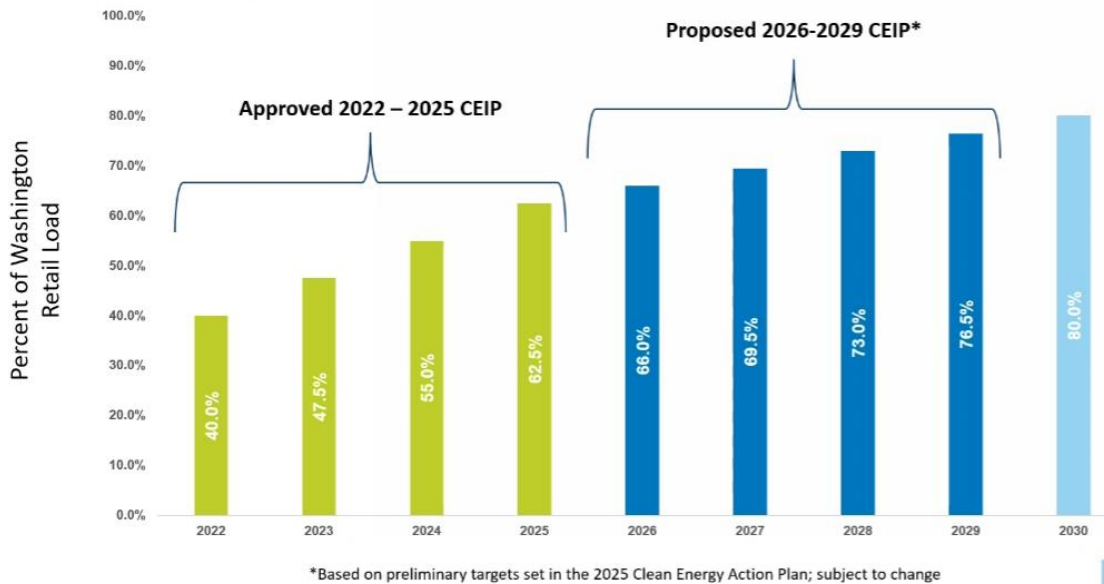
## Washington's Clean Energy Transformation Act



2019 WA State Senate Bill 5116

### CEIP Targets for 2026-2029

## Proposed Renewable Energy Targets



2026-2029 CEIP Advisory Group

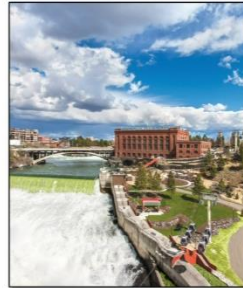
**Molly:** Are these proposed targets the same as the proposed targets in the 2025 IRP?

**Company:** Yes, they are the same. We split resource allocation for the two states we serve electricity to, Washington and Idaho using the "PT ration" 65.5% for WA and 34.5% for Idaho

## Jurisdictional Allocation of Energy Resources & RECs

Balancing Avista's planning and operations at a system level, while honoring WA & ID state energy policies

- Allocate contracts and Avista-owned clean generation resources by **Production/Transmission (PT) ratio of 65.5% WA and 34.5% ID**
- Purchase ID's share of RECs for **Palouse Wind, Kettle Falls Generating Station, Rattlesnake Flats Wind, Columbia Basin Hydro, Chelan PUD Hydro and Clearwater Wind** if needed
- Barring low hydro conditions or major mechanical failures, **avoid purchasing ID's share of existing hydro energy/RECs for primary compliance**
  - Limit the purchase of ID's hydro RECs for alternative compliance



**Lynn:** What does the acronym REC mean?

**Company:** REC stands for Renewable Energy Credit and it's a certificate of proof that the power was generated by a renewable or clean energy source. You can separate the energy from REC and sell both independently or keep them together and sell or retire together.

## Generation Compared to Renewable Energy Targets\* (aMW)

Item	2026	2027	2028	2029	
<b>WA Retail Sales</b>	708.3	713.2	716.4	718.9	
PURPA	20.9	20.9	20.9	20.9	
Solar Select	5.7	5.7	5.6	5.5	
<b>WA Retail Load (Net Requirement)</b>	<b>681.7</b>	<b>686.6</b>	<b>689.9</b>	<b>692.4</b>	
<b>Target Clean % for Primary Compliance</b>	<b>66.0%</b>	<b>69.5%</b>	<b>73.0%</b>	<b>76.5%</b>	} WA Avg. Annual Need: 490.1 aMW
<b>Clean Energy Goal</b>	<b>449.9</b>	<b>477.2</b>	<b>503.6</b>	<b>529.7</b>	
<b>WA Allocated Share</b>					
Clark Fork & Spokane River Hydro	297.1	288.5	289.3	296.8	
Mid-Columbia and CBH Hydro PPAs	159.9	167.2	165.4	165.0	
Kettle Falls	23.3	21.1	18.7	17.7	
Wind PPAs	86.6	87.0	87.0	87.3	
Solar PPA	-	-	-	-	
<b>Available Resources</b>	<b>566.9</b>	<b>563.9</b>	<b>560.4</b>	<b>566.8</b>	} WA Avg. Annual Available: 564.5 aMW
<b>Percent of Retail Load</b>	<b>83.2%</b>	<b>82.1%</b>	<b>81.2%</b>	<b>81.9%</b>	
<b>WA Position Before Idaho REC Purchases</b>	<b>117.0</b>	<b>86.7</b>	<b>56.8</b>	<b>37.1</b>	
ID RECs for Purchase (Wind, Biomass, Hydro PPA)	118.6	121.3	119.0	119.0	} ID Avg. Annual Available: 119.48 aMW
<b>WA Position After Available ID REC Purchases</b>	<b>237.9</b>	<b>211.5</b>	<b>180.9</b>	<b>164.2</b>	

\*Based on 2025 IRP data with average conditions, to be updated in the 2026-2029 CEIP

2026-2029 CEIP Advisory Group



**Nathan:** Does that mean Idaho's percentage of clean energy will remain flat or will it decrease during this time period?

**Company:** There are potential reductions, but it depends on production and if RECs need to be purchased from Idaho to serve Washington. We have had low generation the past couple of years and if we have a low water year in WA then we can draw from our Idaho share of clean energy RECs to cover the low water years. We're typically long and we sell power into the market to benefit customers.

# 2025 All Source Capacity & Energy RFP

- **All Source Request for Proposal:**
  - Between 75 – 375 MW of winter qualifying capacity
  - Between 50 – 350 MW of summer qualifying capacity
  - Between 0 – 200 aMW of annual clean energy
  
- **Independent Evaluator:** Procure Power, LLC

RFP Action	Tentative Schedule*
WUTC Independent Evaluator Approval	February 13, 2025
WUTC All Source RFP Filing	End of February 2025
Issue All Source RFP	May 30, 2025
Bidders Responses Due	June 20, 2025
Evaluation	Thru August 2025
Selection	Q4 2025

\*Coincides with Avista's Transmission Cluster Study

**Nathan:** Are the data centers requiring 24/7 100% clean energy?

**Company:** That depends on where their building is located, Washington or Idaho, they would have to follow that state's laws.

## Low-Income Solar

### Arrays



- 1.5 MW w/multiple 199 kW arrays
- Expand existing Avista solar installation
- May be paired with storage

### Funding



- Implementation estimate: ~ \$3.65M\*
- WSU Community Solar Expansion | HB1814
  - Public Utility Tax Credit upon completion

### Benefits



- Identified low-income emergency assistance estimate: ~ \$47k\*annually
- Retain in-house & allocate to low-income customers for 10 years

\*Amounts shown as estimates; actual costs and benefits subject to change

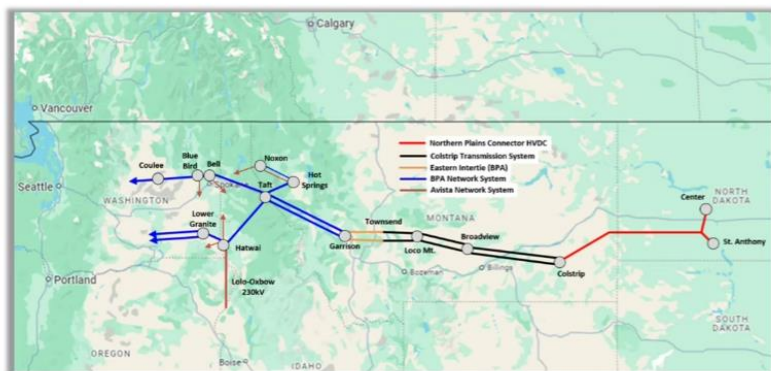


**Company:** Looking for comments throughout the CEIP period and once approved then we will start looking at implementing the project, we would anticipate power to produce

by the end of 2029. We are exploring community solar options; the grant does not cover battery storage, so we are still exploring that option.

**Nora:** The WSU Community Solar Expansion Program can cover the cost of energy storage - just FYI

## Transmission Capacity Expansion Projects



### North Plains Connector

- \$700 M GRIP award\*
- 3,000 MW | 300 MW Avista
- Online by 2033

### Colstrip Transmission System

- 900 MW | 108 MW Avista
- Online by 2033

### Lolo-Oxbow Rebuild

- \$86 M GRIP award\*
- 635 MW | 200-250 MW Avista
- Online by 2030

\*Pending federal Infrastructure Investment & Jobs Act | Grid Resilience & Innovation Partnerships funding

**Company:** Avista plans to participate in these projects and are planned to start before the end of 2029.

**Sofya:** Is there a reason some connections are 2 lines and some are just 1?

**Company:** The two lines are double connectors lines; they determine the capacity amounts.

## 2022 – 2025 CEIP Renewable Energy Conditions

### Condition #2:

Once the Commission has adopted **final “use” rules** in Docket UE-210183, in its Clean Energy Implementation Plan (CEIP) docket, if different than Table 2.1 on page 2-3 in the CEIP, **Avista shall update its CEIP to reflect the percentage of retail sales of electricity supplied by non-emitting resources and renewable resources in 2020 within 30 days.**

Use Rules Pending

### Condition #5: Biennial Update

In future CEIPs, and in Biennial CEIP Updates if Avista proposes to modify its approved interim targets, it will include **descriptions of quantitative (i.e., cost based) and qualitative (e.g., equity considerations) analyses that support interim targets** to comply with the Clean Energy Transformation Act’s (CETA) 2030 and 2045 clean energy standards.

To be discussed at the Incremental Cost meeting

### Condition #6:

In its 2023 Biennial CEIP Update and in future CEIPs, Avista will include **quantitative and qualitative risk analysis, if risk is used to justify deviating from the lowest reasonable cost** solution that complies with CETA.





**Company:** Conditions in our 2021 CEIP, Condition 2 outlined the fine use rules and the thought was that the final use rules were right around the corner and an updated base line would be available, but we still do not have final use rules, I am not sure if this is needed during the next CEIP? Maybe we need to update the baseline? We would like some feedback on that. We are not proposing to deviate from our methodology for our next CEIP, so we are not sure if analysis as outline in condition 5 below is required, so please think about that, but condition 6 will apply.

## Renewable Energy Target Scenarios

2025 IRP Scenario #15

Minimal Viable CETA Target

Year	Target
2026	62.5%
2027	62.5%
2028	62.5%
2029	62.5%

2025 IRP Scenario #1

Preferred Resource Strategy

Year	Target
2026	66%
2027	69.5%
2028	73%
2029	76.5%

2025 IRP Scenario #16

Maximum Viable CETA Target

Year	Target
2026	70%
2027	73%
2028	75%
2029	78%

**Company:** We will study the cost impacts of the targets above and provide them in the final CEIP. Please let us know your thoughts on these proposed studies for comparing costs to comply with the four-year targets. These will be discussed further in our April meeting as well. We can show some scenarios in the May meeting that help discuss the cost of compliance. We can show REC values based on bundled vs unbundled etc.,

## Incremental Cost Calculation Inputs

- Climate Commitment Act REC impact
- CETA REC impact
- Demand response costs
- Community solar costs
- Named Community Investment Fund
- Internal & non-incremental labor/non-labor
- Given RFP responses are planned for Q3-4, how to estimate unknown resource acquisition costs?
- Non-Energy Impacts / Social Cost of Carbon
- 2022-2026 CEIP commitments (including annual O&M) that will continue
- 2026-2019 CEIP commitments/conditions with financial impact

**Company:** These are the input we are currently considering for the incremental cost inputs.

**Margee:** If electric utilities rely on Federal funding to help fund transition to clean energy, and the Federal funding is frozen, will the WA clean power plan/climate commitment act

legislation/regulations be able to adjust targets to reflect the challenge of frozen federal funding?

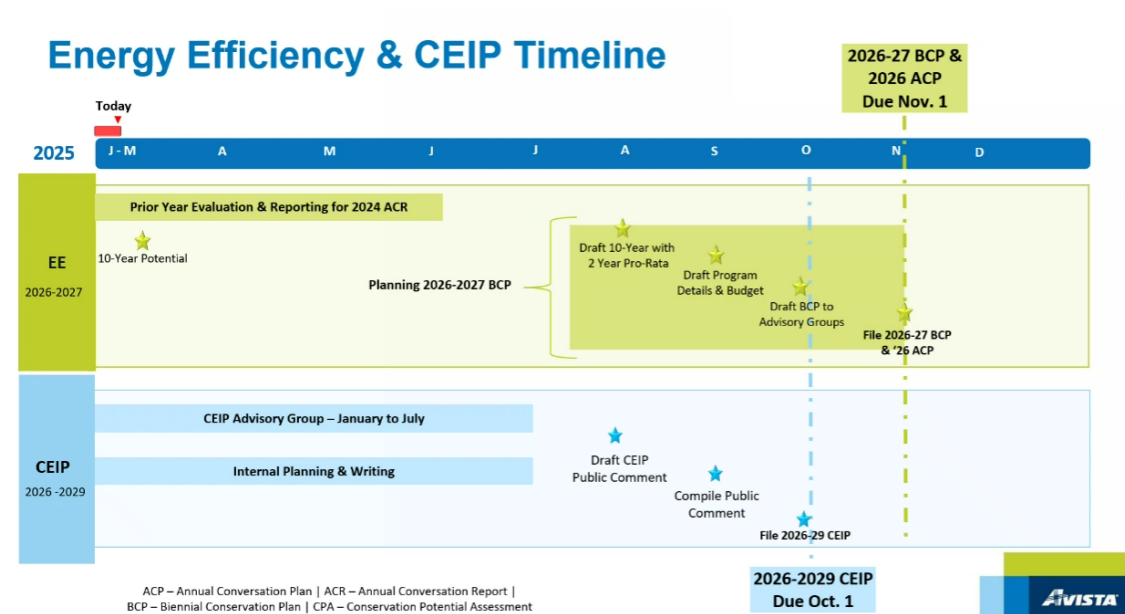
**Company:** The rules are clear on what we have to do, and who pays for that is decided amongst the legislatures. More to come on that depending on the funding outcomes here.

## Energy Efficiency Targets and Specific Actions

### Energy Efficiency Targets & Specific Actions

Targets	Specific Actions
<p><b>2025 IRP Forecasted:</b> 147,344 MWhs EE savings by 2029</p> <ul style="list-style-type: none"> <li>▪ 73,672 MWhs for 2026-2027*</li> <li>▪ 73,672 MWhs for 2028-2029**</li> </ul> <p><small>*Subject to 2025 CPA &amp; 2026-2027 BCP ** Subject to 2027 CPA &amp; 2028-2029 BCP</small></p>	<ul style="list-style-type: none"> <li>▪ Continue existing cost-effective measures/program</li> <li>▪ Pursue CPA identified cost-effective measures/programs</li> <li>▪ Supplement non-cost-effective measures for Named Communities with NCIF Energy Efficiency up to \$2M annually</li> </ul>

**Company:** These are IRP forecasts and not based on actual CPA analysis and will be updated accordingly as information is available.



**Company:** We will include as many calculations and specific actions as possible in this CEIP filing, but due to the misalignment above there may be some items missing but they will be covered in the BCP filing a month later.

**Lynn:** Are there possible costs or assessments related to this misalignment? Any fees or penalty costs?

**Company:** We do not anticipate any penalty or costs, but I do think we will be able to have enough details to know whether the IRP numbers are accurate or not and what needs to be updated for CEIP filing.

### Demand Response Targets and Specific Actions

## Demand Response Targets & Specific Actions

Targets	Specific Actions
Cumulative 5 MW of DR savings during a single peak hour by 2029	<ul style="list-style-type: none"><li>2025 All Source RFP energy &amp; capacity online by end of 2029<ul style="list-style-type: none"><li>Acquire a minimum of 5 MWs DR</li></ul></li><li>Continue Specific Actions from 2022-2025 CEIP<ul style="list-style-type: none"><li>30 MW Large Industrial DR Contract</li><li>Time of Use (A B) Pilots thru mid-2026</li><li>Peak Time Rebate Pilot thru mid-2026</li><li>EV Time of Use rates</li><li>CTA-2045 Grid-Enabled Water Heaters (NEEA)</li><li>Connected Communities</li></ul></li></ul>

**Nathan:** Is there any CETA "credit" available for converting customers from gas to electric? Or does CETA only apply to electricity generation?

**Company:** Only applies to electric generation

**Molly:** Is Avista planning to issue a demand response RFP in 2025 as well?

**Company:** The All-Source energy & capacity RFP will cover Demand response as well as clean energy needs.

### Demand Response Targets and Specific Actions

## Company Initiatives Targets & Specific Actions

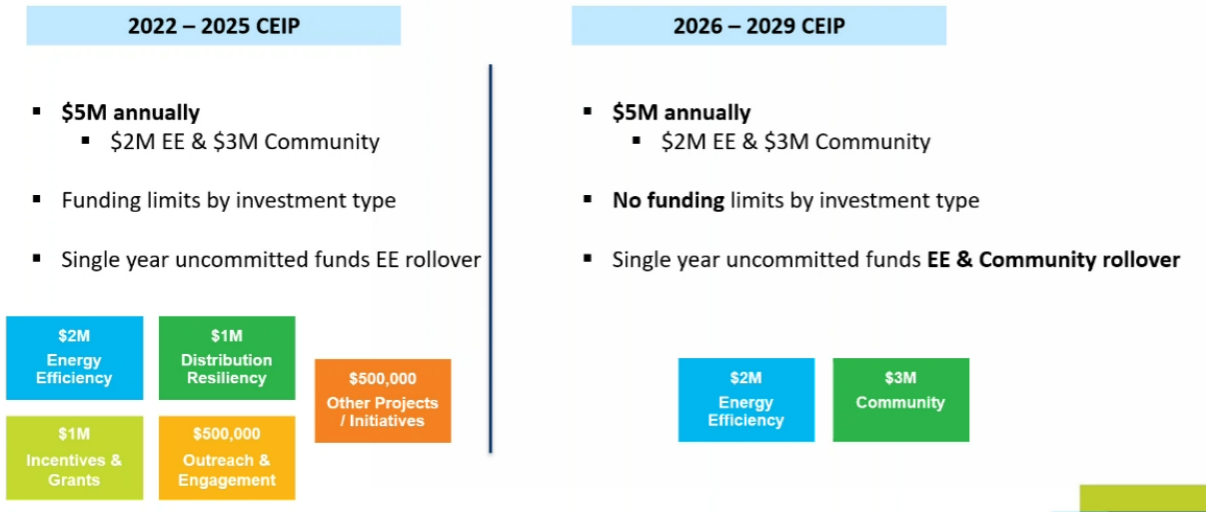
Targets	Specific Actions
Aspirational 2029 goal by equity area  Invest up to \$5M annually in Named Communities	<ul style="list-style-type: none"><li>Aspirational goal specific actions – April CEIP meeting</li><li>Continue Specific Actions from 2022-2025 CEIP<ul style="list-style-type: none"><li>Named Community Investment Fund</li><li>Transportation Electrification Program</li><li>Equity, Inclusion &amp; Diversity Program</li><li>Spokane Tribe Microgrid</li></ul></li></ul>

**Company:** We are setting aspirational goals for each equity area and we will talk about the specifics next month.



## Named Community Investment Fund

# Named Communities Investment Fund Changes



**Company:** We proposed \$5 million in the 2021 CEIP and we made specific spending buckets that were more complicated than they needed to be. We propose removing the limits by funding types and a one-year rollover for Community funds, as we only have a one-year rollover for the EE. The buckets will remain for visibility, but the funding limits in each will go away, if approved.

**Nathan:** Is the \$5M target set by Avista or the state? What drove that amount?

**Company:** In our first CEIP we proposed this as a special action and are the only utility that has this program. We proposed up to 1% of electric retail sales which equated to \$5 million. We removed the 1% caveat and are proposing a flat \$5 million.

**Carol:** Sounds like a good plan. Appreciate the flexibility in Named Community Fund. Thanks for all your hard work.

## Wrap Up

### 2026-2029 CEIP Proposed Timeline

✓	▪ Review of 2022-2025 CEIP	January 14
✓	▪ 2026-2029 Targets & Specific Actions	February 18
	▪ 2025-2027 Public Participation Plan   Named Communities	March 18
	▪ Customer Benefit Indicators   Named Community Investment Fund	April 22
	▪ Incremental Costs & Alternative Compliance Analysis	May 20
	▪ TBD	June 17
	▪ TBD	July 15
	▪ Draft CEIP available for public comment	August 2025
	▪ Compile public comments & finalize	September 2025
	▪ File 2026-2029 CEIP	October 1, 2025



**Company:** Reminder of upcoming meeting on March 18, 2025.

**Company:** Are there any questions or comments?

**Molly:** Can we go back to the conditions slide? Want to make sure I understand the thoughts here. I will look at the original condition and the modified condition from 2023, initial thoughts are that any time there are new interim targets that this condition would apply, so this condition would apply. But I will take a look and do some more thinking for #2 and #6 and get back to you in the next meeting. NCIF changes make sense, why limit yourself.

**Molly:** Talking about the energy efficiency timing of the CEIP and BCP: Staff, myself and Avista have talked quite a bit about this and we have reviewed the original CEIP rulemaking from several years ago and the timing was intentional, but it is something that we could change if there was enough momentum behind it in the future.

**John:** Has there been any thoughts given to the method of providing public information and gaining feedback on the plan? What process was used with the past plan?

**Company:** This CEIP has more time, we will hold these meetings, EAG meetings, hold quarterly meetings and will send out a written draft of the CEIP for feedback before filing.

**Nora:** Can you say a bit more about how the 1.5 MW target for community solar was selected? (Please feel free to point me to the IRP if easier!) And would credits go on customers' bills or go into Avista's energy assistance account?

**Company:** We looked at what amount was available on land we already own and 1.5 is approximately what is available, so it's anticipated it will work out well as long as funding

is received. We are still exploring how to distribute the funds, but at this point we are thinking it will go to low-income customers to prevent disconnection for non-payment. This will be fully discussed with our EAG etc., before any decisions are made.