2025 Electric Integrated Resource Plan

Appendix M – Public Comments



Avista's Natural Gas & Electric Integrated Resource Plan Public Meeting and Public Comments

November 13, 2024

Avista held two Integrated Resource Planning public meetings on November 13, 2024 in an on-line format. Invitations to the meeting were sent to all customers with emails and to all advisory committee members. Meetings were held at 7:30 am and 12:00 pm. The meeting discussed the draft resource plan for the 2025 Electric IRP.

This document summarizes feedback from the participants from these meetings including:

- 1) Poll Question Results
- 2) Table of Questions and Answers
- 3) Follow-up Email Correspondence

In addition to questions asked during the public meeting, questions and comments asked by the general public via's Avista's IRP comment form are also included.

These are results of the poll questions given to the audiences for both public meeting webinars.

Webinar Poll Questions

What would you prioritize among the choices below, acknowledging that they are all important?

- Environmental issues 11
- A reliable system 39
- Affordability 29
- Equitable investments 2

What type of Demand Response program interests you?

- Different electric prices by time or day or season (time of use) 28
- Paid to reduce if utility notifies of an opportunity (peak time rebate) 37
- Utility controls your thermostat or water heater (direct load control) 3
- None interest me 12

What resource technology should prioritize to meet future demand?

- Solar 13
- Wind 8
- Energy Storage- Batteries 11
- Natural Gas 17
- Nuclear 31

Participant Questions/Comments During the Meetings

Avista answered many questions during the two events, below is a list of comments and questions from these meetings with responses.

Question	Avista Response
What assumptions does your model use regarding	Avista's load forecast includes both population
population growth in the geographic areas you	The annual average customer growth rate used in
of that service area also?	the end use load forecast for all sectors was 0.6%
	for Washington and 0.7% in Idaho.
Will the passing of initiative 2066 impact electric	The passing of initiative 2066 protects access to
load forecast (reducing load)?	natural gas for residents and businesses. This
	could reduce electric load relative to assumptions
Do you anticipate an increase in the use of ground	While ground source heat numps are one of the
source heat numps to reduce electricity used by	most efficient ways to heat your home the cost of
standard heat numps (formerly known as air	equipment and installation has always been the
conditioning)?	stumbling block for customers and Avista does not
5,	expect a change in adoption rates unless the net
	benefits of the technology change.
You missed the load that electric vehicles add	Avista includes forecasts for customer-owned
	electric vehicles as part of its load forecast.
Since you purchase energy from Power Providers,	Avista currently offers net metering benefits for
why doesn't Avista buy it from customers? My	systems under 100 kW. Customers may also be
solar array produces about 10,000 kwn/year	eligible for state and/or federal incentives. For
Avista naid customers for their excess solar	questions about your specific situation, contact
power wouldn't that incentivize customers to	solar@avistacorp.com
install solar? It seems that utilities don't like	
customer solar power, for obvious reasons.	
Time of Use would be great, with adjustments for	Thank you for your comment.
any disproportionate impacts on low-income folks	
Many of California's wildfires are due to PG&E's	Avista is committed to keeping people and
overweening focus on growing "green" energy and	property safe. For more information on current
eliminating carbon based energy resources rather	sateguards for preventing, mitigating and reducing
infrastructure. What are your plans for increasing	Wildfire Resiliency plan
and maintaining electricity and natural gas	winding recomency plan.
distribution infrastructure and not following	
California's example?	
Would Idaho [low-income] customers be able to	The Community Solar program is for Washington
participate in the Community Solar program? Or	customers only. The federal government is
would it just be available for Washington	funding a similar program that could be available
customers?	to Idaho in the next year or two.
Recommend Avista not purchase from the just	Thank you for your comment.
County WA Local citizens are 90%+ opposed	
and could be a nightmare for Avista	
Will the levelized costs for P2G used in Avista's	The levelized costs of all resource options,
modeling forecast be made publicly available?	included power to gas, used in modeling are
	available on our website.
What incentives will there be for customers to	For more information regarding incentives, please
install solar panels and possibly batteries on their	contact <u>solar@avistacorp.com</u> or
home?	rebates@myavista.com.

Is Avista still planning to meet a 100% Clean Energy goal by 2045? You note building out new Natural Gas facilities in the 2040's, so I'm trying to figure out how it makes financial sense to build a new gas facility in 2040 and then retire it a few years later by 2045?	Avista is planning to meet its 100% Clean Energy target by 2045 as required by Washington State subject to the cost cap provisions in the law. Avista provides electricity in Washington and Idaho and balances the policies of both states. Retirement of a peaker plant in the 2040s, could require another gas peaker to meet Idaho capacity needs.
Hydro power needs to be a part of your poll question	Thank you for your comment.
The new generation of smaller, modular nuclear reactors may be an interesting option as the technology matures.	Thank you for your comment.
There has been much talk about breaching dams. Will that affect Avista's ability to generate energy, and if so, by how much?	Avita has no plans to breach any of its dams. Avista meets nearly 40% of it's energy need with hydro resources. Hydro meets 55% of winter peak and 61% of summer peak.
Are the solar additions in 2040-2045 standalone only, or inclusive of solar+storage?	Avista's analysis shows it's likely to be solar plus an onsite storage facility.
In estimating cost for building nuclear power facilities, are you using cost of historical nuclear power plant costs (large, completely custom designed and built and hence very expensive)? Or are you using the much lower costs associated with the new, smaller, modular systems?	Avista's modeled the newer small modular reactors as a resource option. Although using cost per kilowatt metrics larger facilities may be lower cost per unit.
Possible AI data centers would be a huge drain. What are the plans to deal with that possibility?	There's pros and cons. A large load (i.e.100- 500MW) would create a larger base to spread fixed costs which would lower costs for other customers. The downside is that Avista would have to build or acquire more generation to serve a data center.
Just to be clear, do you consider Natural Gas to be "clean"?	For Washington, natural gas is not considered a "clean" resource for generating electricity.
What adjustments can Avista make to estimates of demand when the efficiency of heat pumps is considered? Heat pumps are very efficient and imply a reconsideration of primary energy estimates in some cases.	Heat pumps are efficient in certain temperature as low as 30 degrees. At temperatures below that, heat pumps struggle to provide enough heat and may require supplemental heat or oversizing. The load forecast includes increasing adoption of heat pumps and these characteristics.
Will 'Avista be implementing a Virtual Power Plant in the future?	Avista PRS includes customer battery storage and may be termed as a Virtual Power Plant.
What about winterized heat pumps of the kind used in Norway?	Heat pumps are efficient in certain temperature as low as 30 degrees. At temperatures below that, heat pumps struggle to provide enough heat and may require supplemental heat or oversizing. Heat pump technology is being improved with the intent of addressing these cold_weather issues.
Where does nuclear power fit into your IRP?	Avista modeled newer small modular reactors as one of its resource options. It was selected as part of Avista's preferred resource strategy in 2045.
Is natural gas availability effected by clean energy laws?	Technically no.
A new fee is being added on to the electric bill and the gas bill. So some people will get double whammy when they have both. There are many	Thank you for your comment.

people, elderly and low income, that will really feel the affect in their pocket books	
What is the basis for the large EV forecast?	Avista worked with a consultant Cadeo, their study largely looked at consumer trends and commercial demand (via survey) given the local demographics and economy.
Earlier in the year there was a significant amount of press about hydro generation facilities in Oregon and Washington having to meet rigorous demands in order to remain active. How do you foresee the hydropower market remaining a viable resource, or do you foresee the demand for it to be replaced by wind/solar?	Avista sees hydro remaining a viable clean, affordable resource. With current technology, the amount of wind and solar resources necessary to replace hydro capacity is not realistic for many reasons.
Was the one coal fired generation facility the only one in the Avista portfolio that will be coming offline? What was that facilities generation per year?	Colstrip is Avista's only coal-fired generation facility and Avista's 15% ownership of units 3 and 4 will be transferred to Northwestern end of 2025. Avista's portion of Colstrip is 222 MW.
What about other dynamic rate plan options like energy use rate subscriptions?	Avista is not considering a subscription service at this time
Why am I not compensated for excess solar energy production in Idaho while I have friends in Washington that are?	Net metering is available to Washington and Idaho customers. For more information regarding your circumstance, contact <u>solar@avistacorp.com</u> .
How long does it take to import energy from Dakotas to Idaho/wa?	It's instantaneous and seamless to customers.
More efficient devices generate much higher man- made electromagnetic fields that may negatively effect the human body. Being highly sensitive to these electromagnetic fields, this concerns me greatly as man-made electromagnetic fields have negatively effected my health. What options are available more efficient devises that are healthy for the human body?	Thank you for your comment. Community safety and wellbeing is important to Avista.
Is wind low cost simply due to economic incentives? Or for other reasons?	Cost of wind generation is mostly affected by its production capability and cost to construct, for Avista's IRP, it found wind would not be purchased early without the tax incentives.
Don't forget that all fossil fuels are currently enjoying massive taxpayer support	Thank you for your comment.
Will Avista keep your transmission rights out of Colstrip, once you stop ownership of units 3/4?	Avista plans to keep its transmission rights out of Colstrip. This transmission can be used for the transmission from N. Dakota mentioned earlier. Also if there's ever available transmission, Avista can "sell" those rights. Both of these options would benefit customers.
Has Avista looked at Co-gen from waste heat at N.G. Compressor Stations?	Avista does not have any compressor stations on its system. Avista would be willing to purchase power from owners of natural gas compressor stations who develop co-gen.
Do you see a significant difference is energy savings from efficiency programs between WA and Idaho customers given that the WA efficiency rebates tend to be higher?	Yes, Idaho's avoided cost is lower due to the exclusion of clean energy premiums, the Power Act preference and the avoidance of the social cost of greenhouse gas as required by Washington. These requirements lead to greater

	incentives for customers, but come at a cost to higher retail rates.
is it true they are trying to get away from gas? makes it difficult for people that have homes and rentals with has furnaces as that has been the most affordable for people to run so they tend to lean towards natural gas but people are worried that if they put in gas furnaces that they will not have gas available down the round from rumors going around	Washington legislation has not been favorable toward natural gas for end use, making the future of natural gas more tenuous.
Since the Federal Government is pushing clean/green energy are grants and federal funding available to expedite nuclear power generating facilities?	There are funding sources to expedite nuclear power including loan programs and production tax credits.
Why didn't all homes get a solar capable meter upgrade?	All AMI meters are solar capable. Only customers who have chosen to opt-out of receiving an AMI meter would have meters that are not solar capable. Because of that, those customers are not able to install solar.
With Washington pushing toward everything electric, how does Avista expect to increase secondary electrical lines to meet the demand?	The distribution grid is evaluated every two years for capacity constraints looking out ten years. Avista has recently started including electrification forecasts into that evaluation. Avista will reinforce the system as necessary to accommodate those expected needs. The expectation is that a percentage of service transformers, distribution conductor and substation transformers will have capacity constraints as the electrification transition occurs. The annual impacts of the transition may vary greatly as the rate of the transition varies with changes in technology, social drivers, the economy, State policy goals etc.
Who does the current TAC currently consist of?	More information about TAC members and other advisory groups can be found on our website under "Avista Advisory Groups".
I didn't notice anything addressing electricity being transferred back and forth to the CAISO network. Do you foresee that need/ability increasing.	Avista currently trades power with buyer/sellers in California and across the west. As the system depends more on storage and variable energy resources trading energy will likely increase.
What is Avista position on the Lower Snake River Dams	Avista does not own or buy power directly from these facilities and has no position on the future of these facilities.
Does Avista have any incentive to continue using natural gas for electricity because you also have a natural gas utility?	Being a combined electric and natural gas utility does not create any benefit or impact on the decision to use natural gas for power generation. Although offering both energy sources can create economies of scale if our operations.
On the transmission expansion slide, are the small red arrows in between the BPA network system transmission lines areas where Avista is looking to expand?	The small red arrows between the BPA network transmission lines indicate the approximate points where Avista's transmission system connects with BPA and where Avista serves its retail load. The figure on the transmission slides does not represent the entirety of Avista's transmission

	system but highlights the role of transmission from North Dakota in serving our customers.
Not sure if Avista can look into hydro from Canada.	Canada is expanding hydro and Avista would be interested in purchasing more energy permitting there's enough transmission available to get it to us and pricing is comparable.

Public Email Comments & Questions

Reply comments are included where related to resource planning, comments/questions not related to resource planning were directed to other departments within Avista. Customer names were edited to only include first names. Responses below are also edit to pertain to IRP related content.

Email Comment
You should concentrate more on getting through the nert 2-3 years as cycles are suggesting that war,
both international and inteernal (civil) are likely. See Martin Armstrong
https://www.armstrongeconomics.com/
If the grid goes down WHAT IS YOUR ACTION PLAN? How long can the NG flow to households and
husiness w/o electricity? What is your plan to mitigate SABOTAGE?
Diest,
Richard
Denty Despense
Reply Response
Thank you for sharing your concerns. The resource plan is generally designed around how do meet
growing demand to ensure we do not have blackouts. Avista does have plans to deal with energy
security issues, but are not generally discussed publicly.
For your question regarding natural gas flow without power. Avista can continue to serve customers
not year question regarding hadrar gue nos white a power, when a proprior of the barrow of the barro
Email Comment

Reducing and/or outlawing natural gas is one of the stupidest things to come out of "big climate". Please lobby against the ploys of "big climate", even those executives and activists employed by Avista who believe in it. Your job should be to produce plentiful, affordable, reliable energy for your customers. "Big climate" thinking they have some moral high ground, when anyone who looks will find multitudes of professional scientists who disagree with the conclusions of the IPCC and "big climate", is a false appeal to authority.

The most important things the world can do is get those societies who burn dung to instead burn wood, get those who burn wood to burn coal, and get those who burn coal to burn natural gas. The obvious next step is nuclear.

Dennis

Reply Response

Thank you for your comment and it will be noted in our filing so your opinion can be heard. Avista must follow state law regarding climate policy and develop plans and offer services complying with the state law. The best way to be heard or enact change is through our democratic process, so I encourage you to vote your opinion in this election as many of the causes you are concerned with are on the ballot through the initiative process.

Email Comment

I am now confident this email will not matter, but perhaps by letting you know my feelings it will help me and my changing attitude about Avista as an Avista customer.

1) You have scheduled two (2) virtual meetings on the same single day.

As to my schedule, I have back-to-back Teams and Zoom meetings that day and therefore cannot participate in providing feedback or learning more.

You should schedule more than just one (1) day of involvement meetings to facilitate greater feedback. But that may not be your objective.

2) I went to the MyAvista IRP link and found that each individual content item and sub-items has a separate link. There was no way to simply open a PDF file or similar single click option to either download or print out the IRP document(s). After clicking a couple, I experienced great, frustration because the information found in each link was not cohesive to understanding the full IRP plan. Perhaps this is also intentional in order to reduce the number of people who can read and understand the whole document. I believe that is what you are asking people to do in order to provide solid, rather than emotional, feedback to your IRP.

3) A friend in Spokane has told me that your plan includes raising local electrical rates to a level that matches what California is paying Avista for the electricity transferred to the California grid, he reported as 25 cents per KH, or higher. Providing electricity to local markets is easer, less costly, and with less transmission loss than transmitting electricity across multiple state lines and over great physical distances. If this is true, it only represents your utilities desire for greater profits and investor ROI, rather than keeping rates reasonably profitable for Avista and affordable for local service users/customers.

4) With increased data and cloud storage centers being added to Avista's service area, increased demand for electricity for in-home technology, all electric appliances, electric vehicles, and far greater electricity demand from other new technology, Avista should be developing a plan to improve local and service area electricity production to meet the growing demand rather than focusing on pre-establishing a rate Avista wants for their investors and creating a plan that will do that without concern for regular families/couples/individual customers in the service area.

A. Related to that, why do high quantity electricity users get greater discounts than home consumers who are reminded regularly to reduce their electricity consumption?

B. Why is there no adjustment incentive for people to charge their electric vehicles or use of other higher electricity use at night or during periods of less demand? I previously

read Avista is concerned about the growing demand for electricity during daylight hours but does not offer incentives to shift that demand to a more favorable demand timeframe for

Avista. ISN'T THIS PART OF AVISTA'S RATTIONALIZATION FOR THE NEW "SMART" METERS, so Avista can know when the electricity is used?

We only moved back to eastern Washington in December of 2016, and my wife was killed on WA395 in 2017, but sadly my experience of Avista over this time has generally not been good, and the messaging put out by Avista is less than positive or people centered for the average home customer. I miss Utah Power for their great community awareness, and great people centered customer care.

Thank you for reading this, if anyone actually does.

Lynn

Reply Response Thank you for your email. I can try to help you with your questions. I can also jump on a call with you to discuss if you'd like to learn more.

1) We've been testing the most successful ways to find when people are able to attend. We've been mostly focused on the time of day rather than multiple days. I will take that idea to the team who sets

up these meetings. As for now, maybe your best bet to listen to the recording of the meeting, but there will be more of these types of engagement opportunities.

2) I apologize for your frustration accessing the IRP content, the complete draft of the IRP is contained in this link <u>https://www.myavista.com/-/media/myavista/content-documents/about-us/our-company/irpdocuments/2025/2025-draft-electric-irp-complete.pdf</u>, all remaining information on the website is additional information, such as appendices or information from our public process- we have people who are only interested in certain items and the links are arranged in a way to make sure those can find them. Due to the volume of information it is difficult to simplify the data into a few links.

3) On page 53 of the IRP (previous link), you do see the 25 cent rate in 2045. Avista's forecast in future rates is a result of state policy in Washington. Also in the chart is Idaho's rate forecast of 18 cents. The extra cost is due to the clean energy requirements from the state CETA law enacted in 2018, where as in Idaho we do not have the same requirements and the rate forecast is lower. Avista is required to follow state law and will unfortunately have to increase rates by acquiring more expensive generation to comply with the state law. The location of our future resources will be determined by what is lowest cost that meets state law, the only reason we would look for generation sources requiring transmission is if the total cost is less then other options. Regarding how Avista shareholders profit, Avista only makes profit on investments in assets, the location does not matter, nor the type of investment. I'm happy to discuss that with you on a call is well.

4) I would like to know more about what you think we can do to better serve our local community, either we not informing what we are currently doing or we are missing something, perhaps this is something we can discuss as I'd like your input.

a) I think this could be a question of rate class, large industrial customer to pay less then residential. The main reason for this is due to they do not use the local distribution system, so these customers only pay for infrastructure they use, and in this case they do use less of the system. Also large customer energy use is typically flatter, meaning they do not have high demand in extreme weather events, in this case they do not cause the need for extra generation or delivery infrastructure to serve them and if they have what we call "peaky" loads, they pay extra through a demand charge. Regarding the comment regularly reducing energy consumption. Are you referring to our energy efficiency programs? In this case we have programs for all customers, but there are many opportunities to help customers find more effective ways to use less energy at a lower cost. I'm happy to discuss this with you as well

b) Different rates for the time of day is what we refer to as time of use pricing. We are testing this right now in a couple different programs- see links below, but yes, this is one of the advantages of the new meters, in addition to customers having more information about what and when they are using energy. This new pricing structure is first going to be tested with volunteers before we decide if any decisions are made if the company should offer different rate alternatives.

https://www.myavista.com/energy-savings/green-options/peak-time-rebate https://www.myavista.com/energy-savings/green-options/time-of-use

I hope this answers some of your questions and again please take me up on a chance to chat. If so, please reply and I can offer some times I can set up a teams meeting or call you directly,

Email Comment

Here's my response to our future energy needs. As homeowners we are asked to turn our thermostats down, reduce our lighting or use LEDs, and insulate our houses. Those are all good things. However, I think the same should apply to large businesses. For example, I see that the best western in Moscow Idaho has an outdoor gas flame display that serves no purpose other than a decoration. Also, I see other businesses leaving their lights on in the parking areas and inside the buildings at night when nobody is there. I understand a few lights for security are important but it isn't necessary to light up large areas. I also wonder if these large buildings turn the heat down to conserve energy at night when they are empty.

Thank you

Jerry

Reply Response

We appreciate your time to respond to our invite and hope you can join one of meetings. Your comments will be shared across Avista and with our regulatory commissions. But I would like to ensure you we do work with our larger businesses to conserve energy and take advantage of our rebate programs, they are just not as publicly broadcasted like residential programs because we use a different marketing strategy with those customers.

Email Comment

Just because you call it clean energy does not make it CLEAN. WE NEED ALLL ENERGY SOURCES TO BE ENERGY INDEPENDENT. CLIMATE CHANGE IS A CON OR A SHAM AND YOU WANT TO DO SOLAR AND WIND BECAUSE IT IS CLEAN. CHINA IS NOT OUR FRIEND. THE WEF IS NOT OUR FRIEND. JOHN KERRY AND AL GORE ARE NOT OUR FRIENDS. WE HAVE HYDRO POWER WHICH IS CLEAN AND HAS AN AGRICULTURAL BENEFIT NUCLEAR ENERGY IS CLEAN AND ABUNDANT. CITIES WITH AN ABUNDANT WATER SUPPLY COULD HAVE A SMALL LOCAL NUCLEAR POWER PLANT WHCH WOULD CREATE LOCAL JOBS. WE NEED TO DEVELOP ALL THESE OTHER FORMS OF ENERGY BEFORE WIND AND SOLAR. IN SPOKANE WE HAVE SEASONS, SO ELECTRIC CARS AND BATTERIES DO POORLY IN THE COLD. ELECTRIC CARS ARE HEAVIER AND THEREFORE IF ALL THE CARS ARE HEAVIER THEN ROADS AND PARKING GARAGES WILL NEED TO BE ENGINEERED FOR THE INCREASED WEIGHT. I LIKE THE GAS AND DIESEL ENGINS AND THE EFFICIENT AND AVAILABILITY OF THE FUELS. I WOULD SUGGEST STOP SUPPORTING THE PROPAGANDA AND DEVELOP ALL ENERGY SOURCES.

SINCERELY SCOTT

Reply Response

Comment Noted

Email Comment

Quit subsidizing the Dams on the Snake River , with my rate dollars .

Everyone knows they are Loosing Money Big Time .

The energy they produce is NOT NEEDED , and is excess power .

And this at the Cost of All Our Precious Salmon .

You and Bonneville Power and The Army Corps of Engineering are responsible for this , and are what's Wrong with my State of Washington .

Also , You have Lied , Cheated and Broked Your Word and Agreements with the Indigioness Peoples and Nations , of America .

Yet You Continue , have You NO SHAME ???

Reply Response

Thank you sharing your concerns with me regarding the Snake River Dams. Avista does not own or directly buy power from these projects. I'm happy to include your concerns in our resource planning process.

Email Comment

To whom it may concern:

Hello,

Unfortunately, I am unable to attend your upcoming virtual meeting but would like to make a suggestion. I live in the Avondale neighborhood in Hayden and we have had several outages over the years. Your meeting is focusing on the next 20 years of Avista and their future goals.

We currently have "overhead" electrical lines in this neighborhood and I would like to recommend Avista bury those overhead lines to underground lines if at all possible. I believe it would help prevent the several outages which are usually caused by HIGH winds. I feel this improvement would prevent outages and the neighborhood would look so much nicer!!!

Thank you for your time.

Sincerely, Carrie

Reply Response

Thank you for sharing your concerns, this is definitely a common issue across the country. The general purpose of today's meeting is to share and get feedback on how we will provide (or generate) the power to meet growing demand. While your issue is equally important because we need to be able to deliver the power we generate, undergrounding lines is definitely a way to improve our reliability, but it also expensive especially if the system already exists above ground and could create rate pressure. I will definitely share your concerns with others here at Avista. One thing we are thinking about is how we can improve reliability regardless of the line to deliver power, I am referring to home generation or storage, but also improving homes to without retain temperatures longer without heat/AC in the event of an outage. While there is no simple cheap answer to any of these options, trying to develop more resilient system is on our minds, but the greatest challenge will be understanding the trade off between affordability and increased reliability.

Email Comment

I wrote into the Spokane paper a year ago. Wish I had an option to change my Utility company. It's an embarrassment how little to know effort Avista makes in regard to electric charge stations, or credit for home chargers. The charge station at your facility on 15th street, shows what kind of an industry leader you are. Reminded now to post again in the local paper.

Thanks,

Dave

Reply Response

Hi Dave, I forwarded your concern to our electric vehicle team. If you don't get an reply feel free to contact me.

Email Comment

You asked for comments. We just wanted to say that we believe that there is nothing intrinsically wrong with "fossil fuels" for electric generation. America is the best there is in the world at managing emissions and minimizing risk to citizens. Solar panels and wind generators require huge quantities of mined elements and create a lot of toxic waste that has to be disposed of. Situations like the huge solar farm in Texas that was destroyed by hail and created a toxic mess are one more reason to not go that route. The gargantuan blades from the wind generators that have to replaced more often that it seemed like initially, and also create a waste problem. Trucking them to somewhere back East to grind them up, or burying them in middle America is not in the least bit energy efficient. Then there's the hundreds of tons of concrete that is involved in their bases. All mined. Not "green." We will trust that reason and common sense will prevail as we move forward with electric energy plans in America. Reliable is #1, affordable is #2 for us (and not affordable to the consumer because it's government subsidized to make it so). Hopefully, new nuclear technology will help fill the gap. Sincerely,

Danny and Gretchen

Reply Response

Hi Danny and Gretchen,

Thank you for your comments, I appreciate hearing your preference on reliability and affordability. As we are required to change our energy mix to comply with Washington law, we'll continue to do your

best to meet reliability and affordability objectives. We also collect all comments and do include them when we meet with our regulators so customer's voices are heard.

Email Comment

is it true they are trying to get away from gas? makes it difficult for people that have homes and rentals with gas furnaces as that has been the most affordable for people to run so they tend to lean towards n atural gas but people are worried that if they put in gas furnaces that they will not have gas available do wn the rd from rumors going around. Mainly referring to ID & WA as I am a local realtor/broker here an d it is a constant concern

Reply Response

Sorry we did not get to your question during the meeting today. There is no current law prohibiting use of natural gas in homes in WA or ID. The current WA building code does make it more expensive to install natural appliances for new residential construction and basically prohibits it in new commercial buildings. Although with the passage of initiative 2066, the building may have to be modified to remove these requirements. I think some of the concerns with prohibiting natural gas is in two factors 1) its possible the state could prevent replacing existing gas appliances upon failure. This has not happened but has been a concern. The second concern is pricing. The Climate Commitment Act requires utilities to buy "allowances" to offset the greenhouse gas emissions from customers use of natural gas, these allowances are purchased from the state and the cost transferred to customers. Basically this a mechanism to increase the cost to use natural gas to either encourage customers to switch to another source or for utilities to find a way to provide gas without greenhouse emissions (which is significantly more expensive at this time). Lastly, I don't expect Idaho to require any restrictions to natural gas unless it is done at the federal level.

Email Comment

Thanks for asking for my input. I won't be able to attend the meetings but my feedback is that Avista should plan on using nuclear power. In my opinion, solar panel technology will become obsolete before it pays for the cost of installing it not to mention the land required and the birds that will be killed. Solar panel waste when disposal is required will be a huge problem. Windmills also kill too many birds. Additional hydro power should bu e used if available Best regards

Reply Response

Thanks for the input. I hope you have time later to listen to our meeting, we do expect nuclear power in the future as well as retaining our hydroelectric facilities. Regarding wind and solar, we do expect both to be in our energy mix, but understand your concerns. We'll definitely be working with impacted parties to ensure we minimize unintended consequences when it comes time to build these resources.

Email Comment

If WA State eliminates all Nat'l Gas for power generation, how will that impact those home owners with nat'l gas heating and cooking stoves? Thanks!

Tom

Reply Response

Current Washington state law does not prohibit natural gas for home use. With the passage of initiative 2066, there is additional protection for its continued use for existing and future customers.

Email Comment

I read the voluminous sitrep and long term planning document. Lots of complexity and a lot of unknowns. My sense of it all is you folks have done a thorough job. And my conclusion, having done some of this kind of planning work for Seattle City Light in the 70's, is pretty simple: go for the various kinds of what is known as clean energy, especially including wind and solar in the forms that have been

evolving. WPPS was a disaster back in my day; the new small nuke plants may be an improvement over those huge money pits, but I'm still convinced that energy efficiency and decentralized on-site power production is the low cost and best long term solution. That would include solar panels required on all new homes and commercial buildings for domestic hot water, industrial cogeneration where possible, retro-fitted and new smart sensors in all commercial structures for lighting and HVAC, solar-generating shingles, day/night solar/wind hydro pumping options, most-efficient heat pumps, improved transmission lines, and others I'm not very familiar with. All of those can be proposed, encouraged, and often subsidized by Avista in keeping with financial evaluation against other more traditional options.

Which leads to my other major point. Hopefully the utility planning and operations mind-set includes focusing on all of the above as a first option, depending on cost-benefit analysis of course. My experience at Seattle City Light was that the engineering staff had relative blinders on; they were not open to consideration of much of the newer technologies that could not be immediately switched on and off at a central office. But, through public pressure (it's a public utility where the mayor and city council select utility management), we did make strides in home/commercial energy conservation that was absolutely cost-effective.

Lastly, I hope Avista does all it can to avoid encouraging and supplying power to crypto mining facilities. Bad deal all around.

Bob

Reply Response

Hi Bob,

Thanks for the comments. From a resource planning effort, energy efficiency definitely gets priority, the state is ensuring in many cases it passes the cost benefit test by including non-energy benefits and preference adders- this will of course increase cost, but is the direction of our regulator. I will of course include your comments in our plan. Lastly, we don't have any direct large crypto mining facilities yet!

Email Comment

Hi, thank you for your email! I would like to mention a concern I have with regards to phasing out natural gas heating in favor of heat pumps.

I am concerned about the efficacy and longevity of heat pumps in our climate, since we did hit -10° last winter, with a -30° windchill. What I am not sure may be being considered is that my HE condensing furnace is probably way more efficient and practical for the climate of Eastern Washington. Has the governor ever had -30° blast him in the face when he opened his front door?

Heat pumps require running 24/7 in such temperatures, don't they? And just HOW much power does that use, how much would/does it cost compared to my furnace that fires for about ten minutes per hour??? And how much pollution does my ten minutes per hour in -30° actually create?

Another factor is that in times of long power outages, people can still take showers if their hot water tank is gas-an advantage so awesome that people flock to those who have them so they can shower after four days without power. I experienced that growing up, when we lost power for over a week in a deep freeze. A friend loaned us a propain heater for the bathroom so we could shower. We were also able to do laundry, and heated and cooked via wood stove. Some things to consider when we have a high population of vulnerable seniors currently.

It will be neat to hear from others. Thank you for inviting us all into these discussions, Avista!

Reply Response

Thank you for your comments and support for natural gas. We'll ensure to include your comments in resource planning efforts to ensure policy makers are educated on the benefits of natural gas. James Gall

Manager of Resource Analysis, Avista

Email Comment Priest River, ID and Newport, WA would be enhanced by natural gas piping. Reply Response

Hi Jon

You've identified a place we've been looking at for a long time. Unfortunately we need more demand for gas in the area to make it work. The closest pipe is in Sandpoint. I'm not saying we'll never get gas in your area, but it will take a collective effort to make it happen of interested customers in order to make it cost effective for us to do the line extension.

Email Comment

Hello.

Avista requested comments from customers on long-term planning.

The most important thing to me is that Avista focuses on increasing solar and wind energy generation. We need to phase out natural gas and all other unsustainable, polluting resources.

Thank you,

Cariann

Reply Response

Thank you for your comment we'll include it in our resource planning process. With Washington's Clean Energy Transformation Act, we'll continue investing in renewable resources and energy storage until we can reliably and affordable serve customers without using natural gas for power generation.

Email Comment

I got this at 9:06 this morning so I missed the zoom meeting. My thoughts of how we need to move forward as a community is to model ourselves after the German town that had all customers install solar. They paid their normal bill and money earned, set up someone else's solar. Several years later no one paid any electric bills and the overages were sold to surrounding communities and the county. They use all of the proceeds for funding community centers, schools etc. They support the whole community!!!!

Betsy Czinger

Reply Response

Comment Noted

Email Comment

Hi Barbara,

The state government has a war on carbon. Avista sells carbon in the form of methane, sometimes called natural gas.

What is Avista's position on hydrocarbons? We use hydrocarbons to power our cars and homes. Avista appears silent on the decarbonization movement. Our family enjoys the comfort and warmth provided by burning methane and propane.

Has Avista taken a stand? Or is Avista attempting being politically correct? Thank you, Ken

Reply Response

First I would say thank you for your comment- and we appreciate the support of natural gas. Avista is committed to providing natural gas well into the future. The state of Washington has definitely created challenges as you have mentioned. As you know we are subject to the requirements the state legislature and the appointed regulatory commission directs us to. We have seen the Washington citizens pass the initiative 2066 and that does send a message customers would like to retain natural gas as an option. Although, the carbon cap and trade initiative failed. With this a cost of carbon will be factored into how we continue supplying natural gas, there are options to provide carbon neutral or free gas and in some cases electrification may be better from customers in limited circumstances. Regarding our position question, we strive to educate policymakers so they understand the benefits. costs, risks, and consequences as they make decisions regarding energy policy.

Email Comment

I briefly looked through some of the documentation looking for "net zero" or "climate'. My brief search found no reference to either term and that makes me happy.

The federal government has lost sight of the intent of utility regulation by demanding particular emphasis on replaceable, aka renewable energy sources of solar and wind, no matter what that energy might cost since climate is their only concern. All while rate payers want reduced energy cost, not the higher cost of solar and wind hidden by environmentally misguided individuals and foreign governments.

Utilities are paid based upon their costs in an administrative environment. That allows utilities to pass along increases in production no matter whether they are ridiculous in cost or not. Recent wind contracts on east coast off shore wind production produces electricity at \$150/mw. That is ridiculous when natural gas can cost as little as \$20/mw. There is no social cost nor is there an environmental cost to using our natural gas.

To depend upon wind and solar as energy sources leads to needing more than 2000 years of grid upgrades at current construction rates to enable ability to rely on those intermittent non-dispatchable methods.

Neither wind nor solar should be planned for use. Both technologies are expensive compared to natural gas and both technologies are more environmentally destructive than using our natural gas. Using large amounts of land, requiring exemption for killing birds and mammals, plus dependence on the CCP for providing needed metals is not a reasonable, secure, or economic way to increase power delivery to consumers like me..

Now nuclear is again getting some attention by large power users. Data centers cannot rely on solar or wind, they do need uninterrupted, dispatchable power. So, some large data companies, notably Microsoft has purchased into nuclear reviving Three Mile Island. Avista should pursue nuclear since next to hydro, it provides the cheapest energy to consumers like me.

CO2 is not a pollutant. CO2 is plant food and necessary for human habitation of this planet. Believing in the current Washington DC government that there is harm from using coal, natural gas and oil is fake science promoted by the CCP, Chinese communist party. They want to sell the US solar and wind parts. They have no interest in CO2 except to leverage the stupidity of Joe Biden's, declared by executive order, "climate-crisis". Political parties preferring particular power generation must make economic sense for consumers. Solar and wind do not address anything economically nor do they provide any benefit to the climate. There is no reason to mitigate co2 production.

Our recent election demonstrates that most of us, actual voters in the US, reject Joe Biden and his "climate-crisis". Knowing that Joe Bidden's wasteful policies will be removed in favor of using our natural resources makes sense. But that does demonstrate a core administrative dilemma for Avista. Does Avista pursue economically, environmentally sane natural gas or get on the Yo-yo of Washington DC. For the first time in US history communists in China are planning for our natural resource use and that is being stopped by our next President, President Trump. Please place a hold on developing any power source by Washington DC climate dictate. Washington DC under Joe Biden is polluted with climate nonsense.

All warming since the year 2000 is attributable to the Earth's albedo, reflectivity. Recent work by Nikolov and Zeller demonstrates that the actual measured warming, by NASA under Dr Roy Spencer, is totally accounted for by Earth's decreasing albedo. No other cause attributed to actually measured temperature records! Please review "Roles of Earth's Albedo Variations and Top-of-the-Atmosphere Energy Imbalance in Recent Warming: New Insights from Satellite and Surface Observations" Thank you for consideration,

Don

Reply Response

Comment Noted

Email Comment

IRP,

Just wanted to add some comments as I was unable to attend the Zoom. I'm a fan of wind and solar for very small scale use ONLY. Those two sources don't have enough usefulness for large scale projects and should be avoided for an exponentially better option, which is nuclear energy. The latest generation of nuclear reactors are clean, consume their own waste (which eliminates most of the

concern), and provide extremely robust and consistent power - exactly what we need. In fact, no plan is complete without nuclear. The Biden administration in its final days has implemented a plan to move forward with nuclear energy on a national level. The Trump administration should be just as friendly with regards to nuclear and we cannot move forward with nuclear implementation fast enough. Things move too slowly for most citizens.

Also, we cannot foolishly "turn off" hydroelectric power until nuclear comes on line. Anyone suggesting the immediate shut down of hydro sources should be muted - there's no reason to be nice about it. It's not reasonable and the extremist groups (yes, they are extremists) pushing for immediate shut down of hydroelectric dams need to be told their requests will not be fulfilled anytime soon.

We also must use natural gas resources as often as we can. Even coal - we do not want to turn away from cheap plentiful sources until we have nuclear power online and in full force. People want reliable cheap power - that must be delivered!

Thank you,

Chad

Reply Response

Thank you for the comments. We'll ensure your comments are heard.

Email Comment

As a customer and consumer of Avista power, I am concerned that you are talking the talk on climate action (in the form of Green energy projects), but that you do not plan on walking the walk and doing what's necessary to move away from dirty energy.

I am urging you to do all you have promised and more to bring healthier and more sustainable energy solutions to the inland northwest.

Thank you for your time.

Sincerely,

Natasha

Reply Response

Comment Noted

Email Comment

Hi Mr. Lyons:

As a long-time Avista customer, I know you have alternative means for energy production in addition to traditional fossil fuel usage. I'm writing to urge Avista to become even MORE innovative and to make a concerted commitment to green energy in this coming year. Please "lead the walk" into a greener, more sustainable future for our world. We can't afford to talk about this any more. NOW is the time for REAL ACTION as we cut ties to carbon and methane-producing ways. Wind, water, and solar power MUST be developed quickly if we are to save our planet, and ourselves. Thank you for your time. Sincerely, Helen **Reply Response**

Comment Noted

Email Comment

Two areas I would like to see AVISTA pursue in the future: 1. power through forest health residue, and 2. power through recycle waste.

I have seen "power through forest health" used successfully by Chelan County Power in central Washington State. Basically it consisted of portable generators taken to the site where forest managers were thinning and removing tree material to make a more wildfire safe environment. Material was chipped on site and used as fuel for the generator. Power generated was routed directly at a local substation. This accomplishes two objectives: produces rural power, and created a more healthy forest environment.

Years ago I was involved in a similar discussion in southeast Idaho where the power company wanted to harvest 50 MBF of aspen residue each year for fueling power generation. That proposal involved chipping on-site and trucking to a generator. Again the same two benefits of power and healthy forests.

I believe our local recycling programs could be vastly improved and used for power production. If it is true that most of our current recycle material is barged to China, we are wasting a huge resource. I have experienced a much more robust recycle program where residents sorted into three containers: glass, metal and paper. There is tremendous potential for use of at least the paper/cardboard material for power production.

Let's do it!

Reply Response

Thank you for your comments. Avista currently does exactly what you are recommending, not saying we couldn't do more, but we currently burn wood waste from across the region in our Kettle Falls Biomass Plant. Also we are buying power from Spokane's waste to energy facility. We think there is potential in expanding production using wood in our area but the cost is typically more then other resources, but does provide the benefits you are describing.

Responses to WUTC 2025 IRP Comments Washington Utilities and Transportation Commission Comments

The following recommendations and comments on the draft IRP were provided to Avista Utilities on November 15, 2024 as part of Docket UE-230793.

WUTC Staff Recommend the following changes, each with corresponding timelines:

Торіс	No.	Recommendation
Preferred	1	Within 120 days of filing the Final 2025 IRP, issue the required all-source request
Resource		for proposals to evaluate the cost-effectiveness of all resources to cover the
Strategy		capacity shortfall within the next four years.
	Avista Response:	
	It is Avista's intent to provide a draft RFP to staff for comment within 120 days of filing	
	the F	inal 2025 IRP.
Load Forecast	2	For the 2027 IRP Update, continue to use end-use modeling techniques and test
		its accuracy for use in the long-term load forecast. Check the assumptions built
		into the end-use model with real-world trends as they manifest and discuss in a
	A	to Decrements
	AVIS	ta Response:
	AVISI	a intends to perform a plus/delta review of the end use load forecast methodology
		prove and build upon the next forecast subject to stall availability and funding.
	3	A head of the 2027 IPP Lindate, propose to the TAC a workplan for how Avista
	3	will incorporate sub-hourly modeling for DERs, particularly demand response
	Avie	ta Response:
	Avist	a plans to discuss sub-hourly operations with the TAC during the 2027 IRP TAC
	proc	ess. During this future topic discussion Avista will present the options to consider
	sub-	hourly benefits and decide a course of action subject to feedback of the TAC.
	4	For the 2027 IRP Update, show detailed analysis that the representative
		concentration pathway Avista uses is its best estimation of the most accurate
		global prediction, while mitigating both resource adequacy risks and the risk of
		inflated costs due to overbuilding. Analysis should incorporate a range of
		modeling approaches, including but not limited to predictions from the Northwest
		Power and Conservation Council, and the International Panel on Climate
		Change, as well as Avista's independent climate research.
	Avis	ta Response:
	Avist	a will continue to monitor the RCP studies against actual weather records, but
	ultim	ately will not know what forecast is the most accurate forecast regardless of the
	assu	med global greenhouse gas emission levels. However Avista's 2025 IRP's
	objec	ctive was to use current temperature trends taking into account risks of system
	reliai	billy if the temperature forecast is incorrect. Avista has chosen it's approach to
	pian	a system that is resilient to the impacts of Climate change, both in summer and
	long	as the future temperature forecast does place risk to our customer's reliability
	Avist	as the future temperature forecast does place lisk to our customer's reliability.
	/ (10)	
	Back	coround: The 2023 and 2025 IRP uses the same dataset as the Northwest Power
	and	Conservation Council. The base dataset that Avista utilized for assessing the
	impa	ct of climate change on both hydrogeneration and load was the study conducted
	by th	e University of Washington and Oregon State University for the River Management
	Joint	Operating Committee (RMJOC) a committee comprised of the Bureau of
	Recl	amation, Bonneville Power Administration (BPA), and Army Corp of Engineers.
	The	RMJOC used an ensemble approach to modeling which resulted in 80 different
	scen	arios. Each entity using the study is using some method to choose a subset of the

	80 different scenarios. The Northwest Power and Conservation Council chose 3 different scenarios, while the BPA selected 19 of the 80 scenarios as representative of entire dataset. Avista chose to utilize the same scenarios as BPA and will continue to use those scenarios.	
Resource Adequacy	5 Continue to participate with Western Resource Adequacy Program to aid in Avista and the region's resource adequacy, while presumably lessening the burden on any one utility.	
	Avista Response:	
	Avista intends to continue to participate in the WRAP so long as a sufficient number of utilities within the WECC continue to participate to maintain regional reliability.	
Distributed	6 For the 2027 IRP Update, hold a DER-targeted TAC Meeting. Pursue the	
Energy	recommendations that came from the DER Potential Study. Demonstrate through	
Resources	TAC meetings and include in the 2027 IRP Update, how recommendations were	
	included, and if any are not, discuss why.	
	Avista Response:	
	Pursuing the key recommendation of the DER study require dedicated staff and non-	
	budgeted expense. To the extent possible, Avista will begin to address key	
	recommendations of the DER study as staffing and budget allow. Progress on these	
	recommendations and incorporation into the 2027 IRP Update will be provided in	
	Various TAC meetings as appropriate.	
	reducing Qualifying Capacity Credit values for demand response over time, as	
	demand response penetration increases	
	Avista Response:	
	Avista will be participating in a regional study performed by E3 regarding the 2045	
	clean energy goals in Washington state. The study will include forecasting of QCCs.	
	Results will be incorporated into the 2027 IRP Update. Avista will also include any	
	updated information provided by the WRAP to determine future QCC values.	
	8 For the 2027 IRP Update, incorporate time-of-use opt-out assessments in the	
	Demand Response Potential Assessment.	
	Avista Response:	
	The 2025 IRP did include a study on TOU Opt-out, Avista chose not to include this	
	program option as a resource due to peak savings not being materially different than	
	the Opt-In option. However, Avista agrees to include this option as a resource option in	
	the 2027 IRP, but has reservations implementing opt out programs due to customer	
	appropriate for the CEIP process as it may offer a better venue for customer impacts	
	prior to making a decision.	
Supply-side	9 For the 2027 IRP Update, model that the costs of power-to-gas include	
Resources	conversion costs necessary to repurpose existing plants. Additionally, Avista	
	Avista Rosponso:	
	The 2025 IRP included the appropriate costs in its P2G scenarios. Avista will continue	
	to research conversion costs to repurpose existing plants should any scenario warrant	
	repurposing. Further, Avista included the capital costs of hydrogen and fuel as part of	
	the fuel cost approach as these fuels could be used in other industries and therefore a	
	market may develop.	
	10 Ongoing: Use the NARUC Advanced Nuclear Tracker to follow regional nuclear	
	projects around the country, as well as work in conjunction with the Pacific	
	Northwest National Laboratory for more technical questions about the	
	technology. Clearly document and demonstrate that Avista is incorporating the	
	tenants of energy justice particularly as it relates to the impacts of nuclear energy	

	Avista Response:		
	Avista appreciates the suggestion to use the NARUC tracker, while Avista continues to		
	research regional nuclear projects. Avista will address tenants of energy justice relative		
	to nuclear energy as appropriate depending on resource selection.		
	11	Conduct the planned study on distribution-scale energy storage and incorporate	
		results into the 2027 IRP update.	
	Avista Response:		
	The DER potential study was conducted for the 2025 IRP. Avista will continue to make		
	improvements which includes consideration of the study recommendations and include		
	an update in the 2027 IRP.		
Inflation	12	For the 2027 IRP Update, remain up to date on available IRA incentives and	
Reduction Act		incorporate them into the planning and modeling process.	
	Avis	ta Response:	
	Avist	ta will continue to follow available IRA incentives and incorporate within the	
	plan	ning and modeling process.	
Clean Energy	13	For the 2027 IRP Update, continue to model the PRS to pursue the interim	
Transformation		targets, and the 2030 and 2045 CETA targets at the lowest reasonable cost,	
Act		while considering the impact of rate shock in a short period.	
	Avista Response:		
	Avis	ta Response:	
	Avis Avist	ta Response: ta will continue to pursue the interim targets and the 2030 and 2045 CETA targets	
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TAC Member Comments

This Appendix covers TAC member emails of comments made during the 2025 IRP or filed with the WUTC. TAC members generally comment during TAC meetings, those comments and questions are covered in the TAC meeting notes in Appendix A. This document covers comments and questions provided to Avista outside of the TAC meetings.

William Gary, Subject: Avista IRP TAC Equity Meeting Today, 1/30/2024

Hi James,

I really appreciated your meeting today, though I have not heard this detail before on this kind of subject related to Avista. I was taken by surprise when I saw the last slide about what options were purposely not included last year in the Integrated Resource Plan. You asked the audience about what changes might be considered, and I needed some time to think. At least three of the four items need consideration.

For instance, not including renewables outside of Washington seems illogical. The transmission system is allowing exchange of electric generation from Washington hydro across huge distances by way of the HVDC line from Celilo to LA. Californians pay about 32 cents per KWH (according to Bing search), and we pay about 9 cents, causing an imbalance that will not continue. California may presently have no generation we need or want to pay for, but it does exist. And they certainly want our power, which will affect long-term planning. Not considering nuclear power is not environmentally sound or consistent with CETA. While it may not seem good for the price and other social and physical considerations, it certainly is appropriate with the water and land resources we have at Hanford Reach. Nuclear is a clear choice for reducing GHG emissions. It will provoke controversy, just like all proposals. I understand the aversion to community solar, but I don't agree with it. Community solar has more benefit because it demonstrates how people can work together to reduce their carbon footprint. As an educational tool it helps young people and students see one viable way to reduce climate change. Without that hope our future citizens feel less secure with negative attitudes in today's world. This works especially well when panels are installed in view on schools, community centers, and other public buildings. Beyond the Equity metric is this sense of community and future opportunity. I know you don't want another responsibility required by the Office of Future Wellness. Please reconsider participating as a partner, not just a connector, in Community Solar. Clallum Public Utility District is applying directly for low-income community solar grants from WSU's Energy Program that pay for 100% of the installation. These are tax credits, to be sure, and they may not fit with Avista's financial situation.

Thanks again for the opportunity to comment. Bill Garry

I think I was not clear the last slide was a scenario with the purpose was. The goal is to quantify (cost and resource selection) for a future scenario that only focuses on certain criteria (meaning only focusing on the customer benefit indicators). Since there is no requirements for the scenario, we are fishing for what assumptions we should include or not-so thank you for your feedback. You are the second person to mention to me we should add nuclear back, so that is helpful feedback. Lastly, we don't see this scenario as a viable plan, but rather a bookend to understand the cost impacts of only focusing on customer benefit indicators and not least cost planning- but is a requirement for us to analyze.

Also we did include community solar in our last IRP's preferred resource strategy, but we have yet to implement any programs. I'm not sure when we will implement a program, but I have the feeling we'll be asked to create one in the next few years.

Update:

Both nuclear and community solar were selected in the 2025 IRP PRS.

Molly Morgan, WUTC Staff, 4/17/2024

Avista folks,

Staff has some feedback regarding the scenarios, and climate sensitivity analysis of the last two electric TAC meetings. Looking forward to discussing on Thursday!

- 1) Staff strongly recommends that Avista rely on the RCP 8.5 scenario year-round, instead of Avista's proposal to use RCP 4.5 in the winter months and RCP 8.5 in the summer months. Having taken into account Avista's reasoning that it is concerned about the 8.5 scenario potentially not accounting for extreme winter cold snaps, Staff believes there can be other ways to work with this concern such as finding an RCP 8.5 model that includes some degree more of that volatility. Staff highlights that the NW Power and Conservation Council relies on RCP 8.5 for its climate modeling. For the purpose of consistency, Staff urged all utilities during the 2022/2023 IRP cycle to adopt RCP 8.5 as their climate modeling standard. Barring empirical evidence indicating the future will deviate from RCP 8.5, Staff strongly urges adoption of RCP 8.5 to promote regional consistency in analysis.
 - a. WAC 480-90-238 (2) (b) "Lowest reasonable cost" means the lowest cost mix of resources determined through a detailed and <u>consistent analysis</u> of a wide range of commercially available sources.
 - i. Staff believes that using two different climate futures within the same year for planning purposes would not be a consistent analysis. Staff is open to discussing other ways we can agree on to address Avista's concerns with winter cold snaps, but using two different climate futures in each year isn't a reasonable approach from our perspective.
- 2) Staff would like to briefly provide some follow-up to our discussion on Thursday, the 28th. Staff requested that Avista consider a "plausible worst case scenario" that would drive customer flight and, among various variables to consider, listed RCP 4.5 among the variables that might accelerate the possible positive feedback loop noted by Staff. In response, Avsita staff noted that Avista was considering a similar scenario and listed RCP 8.5 as the climate change pathway associated with this scenario.
 - a. Staff recommends that Avista includes RCP 4.5 in a "plausible worst case scenario". Please consider the following table contrasting RCP 4.5 and 8.5 and impacts Staff anticipates:

RCP 4.5	RCP 8.5	
Colder	Warmer	
More Heating Degree Days	Fewer Heating Degree Days	
More Demand from Customers	Less Demand from Customers	
More CCA compliance instruments	Fewer CCA compliance instruments	
acquired	acquired	
More bill impacts on Customers	Fewer bill impacts on customers	
Greater fiscal pressure for customers	Less fiscal pressure for customers to	
to leave gas service	leave gas service	
Less stable customer counts for gas	More stable customer counts for gas	
service	service	

b. If Avista has other justifications for why RCP 8.5 presents a less stable future Staff would be happy to discuss those concerns at a future TAC or inter-staff meeting.

Molly Morgan (she/her)

Avista Response

As you describe, Avista utilized RCP 4.5 for non-summer months so we could test cold events and identify any reliability issues associated with those events. We used RCP 8.5 for summer events so we could test summer heat and identify any associated reliability issues. To address concerns that using RCP 4.5 for non-summer months may overestimate load impacts from climate change we conducted a scenario with RCP 8.5 for the entire year. **Paul Spooner, Subject: Draft Presentations for Avista's 2025 Electric IRP TAC 2**

Paul Spooner, Subject: Draft Presentations for Avista's 2025 Electric IRP TA Meeting 1/29/24

Avista IRP team,

I am an Avista Electric customer in Post Falls ID.

As Avista has requested public comment, I read through the DRAFT TAC2 presentation. In brief, I think you should abandon pursuit of "green" and "equitable" activism and focus on minimizing cost to the end user. I am appalled by the focus on "Renewable Energy" "Clean Energy" and reducing "Greenhouse Gas Emissions". CO2 emissions have improved the climate for both humanity and the ecology. If anything we should be increasing greenhouse gass emissions, not reducing them. I realize much of this is required by regulatory bodies, but you should be loudly pushing back against this foolishness, not acquiescing quietly. I am also deeply offended and alarmed by the insistence on "equity" which amounts to illegal discrimination. Annette Brandon's "Overview of Equity" attempts to equivocate on this topic by equating "Equality" with "Equity" but even this fails on slide 4 where Equity is defined as "Equality in outcomes" in the Venn diagram. This is the kind of resentful excellence-hating thought that killed over 100,000,000 people in the past 70 years in the failed and failing communist states. Since these champions of equity are such foes of competence, it comes as no surprise that Annette has mistyped "Transition fo Clean Energy", has chosen the word "exasperate" when she clearly meant "exacerbate", and has used the misspelling "PARTICPATION" not once or twice, but fully four times. If equality of outcomes is important to Avista, I would expect similar grammatical gaffes elsewhere, but I digress. You are playing with fire here. It would behoove you to quietly cut all ties with the "Equity Advisory Group" and all such ideologically motivated organizations and to comply as recalcitrantly as legally possible with top-down regulatory requirements.

The public utilities should be focused on delivering reliable power at the lowest net cost, without engaging in environmental and social activism. It is true that emissions have some costs associated with them, but they are trivial compared to the cost of "green energy". Enmeshing "equity" concerns in your planning will only lead to grief. Power generation and grid stability is a difficult enough technical challenge on its own. Distracting your organizational focus will only lead to an inability to effectively complete your job, from which failure the poorest and most vulnerable will suffer the most.

For example, poor people die when power fails in the winter. Yet the utility Planning Margin (page 40, labeled "32" of the "DRAFT 2025 IRP TAC2 Presentations 1-30-24" document) forecast shows much slimmer margins in the future, both in winter power generation and overall, in conflict with the margin planning stated by the IRP just a year ago (page 206 labeled 9-15 of the "2023 Electric IRP Final w cover" document) showing consistent wintertime planning margin moving forward. If you think this is all so much scare-mongering, I merely note that the actual reported margins for the latest three semiannual reporting periods (10%, 13%, and 15%) have fallen far below the forecast margin (39%) and are lower even than the lowest margins projected in the future (17%). It appears all it would take is one bad winter and the poor will be very equitably freezing to death while those with foresight keep warm burning wood (which, if it makes a difference, is a far "dirtier" fuel even than coal).

Speaking of "clean" energy, I hope I have made it clear that I am in complete opposition to the notion that CO2 is somehow dirty. However, I grant for the sake of argument that "a transition to clean energy" (or perhaps "transiton" as Brandon might have it) is the goal. With that concession, I find it completely baffling that the only mention of the cleanest, most reliable, safest, and cheapest source of energy is at the very end of the document. Whose unserious, unscientific, kindergarten-level, self-loathing, luddite idea was it to state off-hand "No nuclear energy" as if this was a reasonable assumption? The question is rhetorical. It was, no doubt, a politician. As to the "Affordability Initiative", it's all very nice sounding to forgive "Arrearage" but what this actually amounts to is wealth redistribution under the guise of compassion. If you really wanted to make power more affordable, actually lower your costs and prices for all of your customers. As it is, you are effectively engaging in discriminatory pricing which, I state once more, is totally illegal.

Equity is a far greater danger to the poor than CO2 emissions and climate change. Your job as a utility is to make power cheap and reliable. Focus on that, and the rest will follow. Respectfully,

Paul Spooner P.E.

Avista Response

Thank you for your comments. As an Idaho customer, the equity provisions we are required to follow will apply to Washington portion of our plan, such as the creation of the equity advisory group and tracking of customer benefit indicators. The cost to comply with these requirements will also be assigned to customers in Washington state. Also, our load service in Idaho will have to follow least cost planning, therefore, costs of uneconomic "clean" energy will not be borne by customers in Idaho, if the Idaho Commission does not allow these cost to be included in rates. As you may know we have to balance two very divergent states from a policy point of view, I am sure at some future point we will have separate plans for both Washington and Idaho customers.

Bill Garry, Subject: IRP TAC Comments on climate change 4/22/24

Hi John,

Attached are some comments I wanted you to see. These are a little drastic, but I am concerned that all of us need to better understand the impending catastrophes with some of the "tipping points" approaching. Especially the Atlantic Meridional Overturning Circulation possible collapse, and the loss of Antarctica and Greenland glacier ice. This is all difficult to convey or to predict with certainty, and I appreciate your efforts in planning. Thanks for the opportunity to comment. Bill Garry

Attachment:

Here are some comments on the April 9, 2024, Avista IRP TAC meeting which talked about climate change and climate modeling. I am concerned that using the worst case RCP 8.5, or "business as usual" case, for predicting energy demands and required loads is ignoring the massive impacts that warming of 4-5 degrees Celsius by 2100 would have on the whole world's civil order. We had a simple fire possibly set by a malfunctioning light pole (Medical Lakes, 2023) cause huge destruction and strife. Large-scale migration to avoid impossible living conditions may affect millions, if not billions, of people within 25 years. If Washington State is more favorable for surviving than Bangladesh (which actually might be completely

flooded by 2100) or Mexico City (which may have no more water by 2050) we will see more pressure for more than just "affordable housing".

Simple economics also shows how our cheap electricity will change to expensive as Californians now pay 32 cents per kilowatt-hour and we pay 10 cents. Better transmission lines will also mean better competition as well as better supply. The Pacific Intertie already exists from Celilo to Los Angeles.

I realize the IPCC (Intergovernmental Panel on Climate Change) weaves a web of confusion with its RCP's and SSP's. They have not been successful explaining what is really a difficult and impossible job to predict the future. And I understand Avista's predicament in using that information. You need to use the best available methods. The IRP planning time frame is just two-three years, and 25 years ahead is impossible. I think it would be good to tell people that the realities of climate change are not predictable, but the best guesses by knowledgeable scientists say we face huge problems that will take large investments in production, transmission, and securing our energy supplies. Conservation is by far the cheapest and most desirable first effort. This may be against the direction of stockholders, but Avista is a Public Utility.

Following are a few quotes:

Dr. Richard Moss said in 2010 in the periodical Nature:

"RCP8.5 cannot be used as a no-climate-policy reference scenario for the other RCPs because RCP8.5's socioeconomic, technology and biophysical assumptions differ from those of the other RCPs."

<u>Dr Glen Peters</u>, research director at <u>CICERO</u> in Norway, tells Carbon Brief:

"With the benefit of hindsight, the '<u>new scenario framework</u>' (SSP/RCPs) did not function as planned. The integration between climate models and IAMs (RCPs and SSPs) never really happened; the RCPs were only intended to be a short-cut, and merged with SSPs back in 2012, but it is 2019 and we are only now seeing integration, albeit somewhat limited. At this point I think only a vanishingly small number of modellers on both climate and energy understand the background on why SSPs and RCPs were even developed, and that has led to deep misunderstandings.

Avista Response

Climate science is an ever-changing dynamic field of study. Thank you sharing this information.

Katie Chamberlain, Renewable Energy Technical & Policy Analyst, Renewable Northwest, 1/31/24

Hi John,

I attended the TAC meeting yesterday on behalf of Renewable Northwest (RNW). Thanks for all the info - it was great to hear about the ways Avista is incorporating equity into planning and practice.

I'm emailing Avista for two reasons: first, to offer some thoughts on the overall TAC process to facilitate deeper engagement, and second, to provide some feedback on the storage technologies conversation from the first TAC meeting.

1) RNW finds it helpful that the company sends the slides before the meeting so TAC members can be prepared. In addition, RNW thinks it would be helpful if Avista could highlight the specific topics/questions they are asking us to weigh in on both in advance of the meeting and in a brief summary after the meeting. That way it's quite clear what the company is looking for feedback on, and people can provide comments during the meeting or after in writing.

2) RNW understands that Avista is deciding which storage options to model and we'd like to suggest that the company model options for short, medium, and long duration storage, including lithium ion and sodium ion for short duration, pumped hydro and compressed air energy storage for medium duration, and metal air and flow batteries for long duration. RNW believes that modeling a broader set of commercially available storage options would be beneficial to the resource planning process.

Thank you for your consideration. Katie

Avista Response

As far a storage, we've not yet added Sodium-ion to our list yet, we are not opposed so we'll look into it- if you have any sources for information please send them my way. CAES we dropped a while back and went with the liquid version, maybe we should look into it again. Thanks again for the ideas.

Update:

Avista decided to not include sodium storage due to cost uncertainty and not being materially differentiated from lithium-ion from a high-level operating point of view. Avista does see sodium rather then lithium-ion being a better long-term short-term storage resource if manufactures move to this direction due to public safety. Avista also chose not to include CAES as other storage resources are lower cost for the same benefits.

Katie Chamberlain, Renewable Energy Technical & Policy Analyst, Renewable Northwest, 1/31/24

Hi James,

Thanks for another great TAC meeting today. Kate Brouns (cc'd) and I were in attendance, and we wanted to follow up briefly about the load forecast. I think you mentioned that the load forecast doesn't include data center growth but that you were considering either including that in the high load growth scenario or in a separate scenario. I don't know that we have a preference between those two approaches, but definitely encourage some consideration of data center and large customer growth. Looking forward to continued updates and discussion on this front. Thanks,

Katie

Avista Response

We likely will include a large customer in the forecast for the DRAFT IRP, if the customer pulls out before finalizing the IRP we'll remove them for the final IRP. As far as data center what sizes are you seeing? We have heard of up to 200 MW, but as also around 50 MW. I was considering assuming 100 MW for the scenario.

Update:

Avista ultimately included a 200 MW data center load scenario

Dave Van Hersett, May 13, 2024

May 13, 2024 To: James Gall, John Lyons and TAC members. From: Dave Van Hersett, Retired Professional Engineer and Founding TAC Member Subject: Reflections of six decades of utility service in PNW Reference: Role of WA UTC, then and now

BACKGROUND: These are the reflections of an 85-year-old on the six decades of my career as a Professional Engineer in the electric utility industry here in the Pacific Northwest. I first went to work for The Washington Water Power Company (TWWPCO) the summer of 1960. A college student working with the mechanical maintenance crew. This was a hands-on experience on how the utility generation and distribution resources are kept operational. After graduation from WSU and a tour in the US Air Force during the Vietnam conflict rejoined TWWPCO as a Mechanical Engineer working on the construction of the Centralia 1400 MW coal plant, two gas turbine projects and the conception of and development of the 50 MW wood fueled power plant at Kettle Falls. Note that the 1400 MW centralia plant can run the city of Seattle by itself. For your prospective, it takes one 100 car train of coal to provide the energy to run Seattle for a day.

In 1980 I left regular pay checks to develop 5 – 20 MW wood fueled power plants in Pacific Northwest sawmills. Next co-founded Northwest Energy Services, Inc. to install energy efficient improvements on college campuses, hospitals, schools, and grocery store chains. Measured actual savings and sold these savings to utilities in PNW, mostly Bonneville Power Administration.

WASHINGTON STATE UTILITY COMMISSION (WUTC) MISSION STATEMENT EVOLUTION

These six decades of working in the Pacific Northwest utility industry gives me a unique view of how the WUTC has changed its mission over the years. The Mission Statement for the WUTC is: TO PROTECT THE PEOPLE OF WASHINGTON BY ENSURING THAT INVESTOR UTILITIES ARE SAFE, EQUITABLE, RELIABLE AND FAIRLY PRICED. Over the years the appointed Washington Commissioners have modified their actual mission from representing the customers interests to that of implementing the political programs dictated by the current administration. They implement their desires on the investor utilities by controlling the rate increases they authorize. If the investor utility does not go along with their program, then the rate increases are withheld. In this manner we now have amateurs running our electric and natural gas utilities instead of professional engineers trained and

educated in the development, design, installation, and distribution of electric and natural gas energy resources.

We now see that investor utilities are now selecting more expensive generation options instead of selecting generation resources that are equitable to all customers, reliable 24 hours per day, and fairly priced. The utilities have replaced 2 – 3 cent per kwh fossil fueled generation like Centralia with green 6 -8 cent per kwh wind and solar generation. These green resources require natural gas (another fossil fuel) generation to back-up the wind and solar generation when these green resources cannot meet the customers loads. Natural gas is a energy resource that comes out of the ground and does not need a manufacturing process as compared to coal and nuclear to generate electric power. Natural gas is the lowest cost fossil fuel energy resource. The result of green generation has created a huge demand for limited natural gas resources driving up the price of natural gas two to three times more than the historical price. We now have amateurs dictating the operation of utilities rather than the professionally trained engineers and experts managing and running the utilities.

For instance, how much wind generation is needed to replace the 1400 MW coal plant at Centralia that could provide electric service to Seattle. It would require seven wind mills per mile from Seattle to Spokane, some 300 miles. This would mean the construction and installation of some 2100 wind generators along with the needed new transmission lines to gather this electric energy for delivery to the customers. Note that this green resource would only work when the wind is blowing. Also note that solar only works when the sun is shining. The result we are now experiencing higher energy rates of all kinds for all investor utility customers. In addition we have more forest fires that create orders of magnitude of more emissions that cover the whole state at times, and less reliable generation resources to meet the needs of the investor utilities customers.

The most recent Washington Utility Commion subsidy program, as a result of their caused higher utility rates, is to have the investor utility, Avista, identify "disadvantaged" customers and provide them with funds to offset the higher cost of electric services. These funds will be taken from the existing Avista customers by raising their rates to pay for this subsidy. This is not a fairly priced service to all customers. It is just another way to tax citizens to pay for the implementation of political objectives rather than provide equitable, reliable and fair pricing. It is also another way to get more citizens on the payroll of the government to get more votes. Note that Avista's electric rates historically are among the lowest in the nation due to Avista and Washington Water Power's actions in the past. This too is changing in the near future.

HOW TO GET BACK TO REALITY

So how can we get back to having professionals operate utility systems and eliminate the political influence on our most needed resource, electrical and natural gas energy service to its customers.

Solution 1: APPOINT COMMISSIONERS THAT HAVE EXPERIENCE AND A STAKE IN THE SERVICE AREAS UNDER THEIR JURISDICTION. Change the selection process by removing the appointments by the current political occupants of the state government. We surely do not need a commissioner from California to direct how we obtain our energy resources here in the Pacific Northwest.

Solution 2: CHANGE THE BUSINESS MODEL OF THE INVESTOR UTIITY TO THAT OF A PUBLIC UTLITY ORGANIZATION. This would remove the utility customers out from the jurisdiction of the WUTC. This can be accomplished by a vote of the customers to form a public utility.

The WUTC has changed their objectives under the guise of "environmental goals" as lobbied aggressively by the special interest groups (the one percenters) in the absence of input from

the actual customers. These special interest groups came to the TAC meetings with their plans only to be rejected by the utilities based on the input from their TAC members. So, these special interest groups (the one percenters) then went to the state legislature and were able to pass legislation that required the utilities to adopt higher cost energy resources and resources that created more pollution for the state. These one percenters also were successful in passing legislation changing the way we manage our forests to provide fuel for forest fires rather than to produce products for mankind, like lumber for affordable housing. Timber is like other crops, is used to support mankind's needs. When I was is high school the world population was 2 billion, now it is 7 billion. We need lumber products to provide housing and paper and other products made from trees.

The result is that our state is now having more expensive energy resources for our businesses and customers, reducing their competitive position in both the domestic and international market place. Note that businesses are leaving WA state to find a more friendly business environment, like Boeing.

NOW LET'S LOOK AT THE AVISTA UTILITY'S ROLE FOR ITS CUSTOMERS When I worked for WWP the overriding mission was to provide the best and lowest price energy resources for its customers. Over the years their mission has evolved to that of what they have to do to comply with the dictates of the WUTC. This enabled the utility to provide compensation to its investors. The customer biased mission in the 60' s and 70's brought about low cost-hydro, coal generation and biomass fueled generation. These generation resources were the result of detailed engineering studies and environmental benefits. Their long-term impact to the customer rates were significant to keep their rates among the lowest in the nation. This gave our business and economy an advantage over those states and countries with higher energy costs.

In recent years Avista Utilities has gone along with the demands of the WUTC to insure approvals of their rate increases. Avista has no market risk as their market is held in place by the WUTC. Even so the utility executives in recent times have enjoyed a ten-fold increase in their compensation. At the same time Avista has used the combined strength of the 300,000 plus customers to provide the strength to finance the acquisition of other utility systems and investing in real estate. Avista should be focused on using their customer strength to provide reliable and low-cost energy services. Instead, they are installing higher cost and less reliable wind, solar generation and shutting down low-cost fossil fuel generation per the dictates of the WUTC. Just what do us customers get from the higher priced Avista management other than higher rate increases and less reliable electrical and higher priced natural gas service?

The utility could have gone to the State Supreme Court to challenge the changing role of the utility commission. This would have been good for the customers and maybe not good for Avista and its investors.

WASHINGTON STATE COMPETIVE POSITION HAS DETEORIATED

Now lets look at our state's competitive position in the domestic and international market place. There are about 2400 coal fired coal plants in the world today. China has 950 coal plants and is building 121 new coal plants. India has 285 coal plants and is building 39 new coal plants. The USA has 200 coal plants and is building 4 new plants. Just how much impact on the world pollution will shutting down one coal plant in Washington state impact the world pollution? The new Washington State environmental laws have also reduced the management and harvesting of timber in our state. The result is growing trees to produce fuel for forest fires instead of products for mankind. When I was in high school in the 50's the summers were spending time at the lake water skiing, etc. Smoke from forest fires was an

unusual event. Now we have smoke from forest fires covering the entire state of Washington several times a year. Today we have fires that destroy property and kill our citizens because of the armatures now dictating how to run our forests. We need to revert back to the forest management practices of the 50's and 60's to eliminate statewide pollution and produce timber products for our citizens and export products to the nation and the world. These recent green forest management practices have made ghost towns of 13 towns in the vicinity of Spokane and the loss of employment of some 30,000 people. To offset the tax revenue of this loss economic businesses, the state has increased its taxes to provide for the ever-growing government payrolls. Note the price of gasoline for one.

FAILING TO MEET EVER INCREASING POPULATION GROWTH

As I have observed during these 60 years of reflections working in the utility industry, my hope is that we return to time when we had technically trained personnel running and managing our greatest resource, energy. Water and energy are the two most important resources that our customers and citizens need to meet the needs of our ever-expanding population. When I was in high school in the 50's the world population was 2 billion. The world population today is 7 billion. Today we have many in the world going hungry and no water. To provide food, water and shelter for the ever-increasing population we have to carefully manage and optimize our limited resources. Letting the special interest groups, the one percenters, call the shots is turning our state and businesses backwards, increasing pollution and mismanaging our limited resources. The politicians of today seem to be more interested in getting reelected rather than serving the best interests of the people they represent.

OUR EDUCATION SYSTEM IS FAILING TO KEEP UP WITH WORLD COMPETITON Our education system has also lost its way, we now have to get our technically trained personnel from around the world rather than from our own states and nation schools. Just compare the names of the doctors on the hospital directories from the 60's to that of today. I am lucky to be able to retire and enjoy my grandchildren and golf with friends. My wife of 62 years and I have been blessed with four children. They include two engineers, a school teacher and a business owner and six grandchildren.

GOOD BYE, I TRIED MY BEST, HOPE YOU WILL TOO

There are ten veterans in my extended family. We know the price of freedom and the risks of not speaking up to those taking our rights for their benefit.

Good bye and good luck, Dave Van Hersett, senior citizen.

Avista Response

Thank you for your comments.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

Avista deserves recognition for its thoughtful planning and commitment to transparency by making materials, data, and models accessible, while demonstrating increased dedication to community engagement. We appreciate the company's shift since the last IRP, now focusing on actionable steps needed before 2030. Overall, we commend Avista for presenting a thorough, balanced, and well-documented proposal and provide the following high-level points to help shape the final Electric IRP and Washington CEAP. And on the last point, while we have concerns and perspectives on the details, we are reassured by Avista's stated commitment, supported by the details of the Clean Energy Action Plan, to faithfully adhere to the requirements of the Clean Energy Transformation Act ("CETA").

Avista Response

Avista appreciates the comments.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

Load Forecast:

We share the rising concerns of all involved in electric resource planning across the Northwest about the future magnitude and shape of new power demand. The projected increase has substantial uncertainty but also offers the prospect of driving sustainable economic expansion, emissions reductions, eventual cost stabilization, and contributions via load flexibility to system resource adequacy and reliability.

The increasing gap in the growth rates between average and peak demand rightly gets attention in the draft IRP and puts more focus on the ability of demand response ("DR") and storage to reduce critical peaks and the scarcity pricing, resource adequacy and reliability stresses.

This is no longer a theoretical issue, and recent heat waves and the extended January 2024 freeze have taught us all difficult and expensive lessons. But that also opens a "learning opportunity" for closer focus particularly on the critical peak value of energy efficiency, demand response/load flexibility and storage (both grid-connected and customer-side).

We suggest that Avista immediately begin supplemental studies to go further into the dynamics of demand surges and the diverse range of measures and strategies for reshaping demand and reducing cost and reliability risk. With less urgent needs than other regional utilities, Avista is in a position to address these issues thoroughly and effectively without needing to make snap decisions.

Avista Response

Avista appreciates these concerns and will consider supplemental studies into the dynamics of demand surges as staffing and budget allows.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

Customer Energy Efficiency, Demand Response, and Storage:

NWEC has proposed "customer side resources" as a useful framing for spotlighting the very large, durable and nimble assemblage of actions that customers can take to provide value to themselves and to the grid. This can be operationalized under the "virtual power plant" concept or otherwise, but the key attributes are a balance of interests and capabilities between the utility and customers.

Concerning energy efficiency, NWEC applauds Avista's statement that "Energy efficiency continues to be a cost-effective method to reduce customer demand and avoid new generating resources," and that over 150 MW has already been achieved, with an additional 105 aMW in reach by 2045, covering 32% of new demand.

However, we encourage Avista to take a closer look at how the context for utility operations, resource costs and critical peak challenges is dramatically increasing the real cost-effectiveness of energy efficiency, including a revamped assessment of diurnal, seasonal and critical peak conditions. We believe this will open up considerable headroom for additional and accelerated energy efficiency acquisition, especially when combined with opportunities for more efficient options for new large loads and building and vehicle fuel switching toward electric supply.

On demand response, we confess to disappointment with the draft IRP. From now until 2045, just 30 MW of "pricing" DR and 58 MW of "DLC" programmatic DR is included, most of it after 2035. In addition to mature methods for existing large commercial and industrial load, as well as important but not yet fully defined options for new data centers and manufacturing facilities, there is tremendous opportunity for automated appliance DR (space and water heating, EV charging, etc.).

A moderate "rule of thumb" suggests that achievable DR potential is 10% of peak load. Over the planning horizon, Avista should consider a DR target level in that range, and for 2030 with about 2300 MW of peak demand, 5% of that (115 MW) as a potentially achievable target. Furthermore, the deeper analysis of critical peak conditions we mentioned above has special relevance here. That amount of DR is the equivalent of a full gas peaker without the associated scarcity pricing and gas delivery risk, both of which Avista and its customers unfortunately experienced in January 2024.

No doubt the effort to achieve substantial and accelerated DR is considerable and will take several years. But the results of the draft IRP pose a serious threat of "analysis paralysis." Just to name one clear opportunity, Washington state regulations now require that every new electric water heater be equipped with a CTA-2045 or similar device which provides a literal plug-and-play for utility device management and flexing peak-correlated water heating demand in response to grid conditions.

As the cost of highly efficient heat pump water heaters continues to fall, their uptake for electric water heater replacements, new buildings and gas to electric conversions will grow rapidly. This is an ideal opportunity for Avista to put grid-managed water heating at the front end of a broad and fast-growing integrated demand response resource in partnership with its customers.

Likewise, the opportunities for storage will only grow in the coming years. While lithium ion batteries remain relatively expensive, they and other formats can be deployed in almost any context at any scale, and provide reliable and precise capabilities for almost any customer and grid service. We think storage can be counted on for a greater amount of new system resources starting immediately.

Avista Response

Avista will continue to evaluate DR potential within our service area and take reasonable actions that are consistent with our strategy.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

New Supply Resources:

We are encouraged by Avista's commitment to releasing an all-source RFP immediately in early 2025. This will apply early-mover advantage to Avista's effort to stay with and ahead of CETA requirements, resource adequacy needs and development of crucial operational experience, while directly diminishing supply chain constraints and cost and delivery risks.

We also believe this is a big step in the right direction toward resource diversification specifically to diminish gas power plant wholesale cost and delivery risks, both during stress periods and generally as LNG exports from western Canada start to shift the supply/demand balance for the domestic market. In turn early action to acquire clean and diverse resources could diminish and defer the need for the projected new gas peaker in 2030.

While Avista proposes an action plan item to investigate options to increase natural gas availability for existing and potential natural gas generation, NWEC is concerned about the limited topology of the Northwest gas transmission network and increasing operational and scarcity pricing impacts that already pose serious risks to customer value and system reliability. As a result, any effort to increase rather than decrease reliance on wholesale natural gas for power production, especially during critical peak periods, must receive the closest scrutiny in comparison to alternatives.

Indeed, reliable, clean and affordable opportunities are now available from a diverse strategy to address those risks: acceleration of customer side resources (energy efficiency, demand response, distributed generation and storage), additional transmission, and participation in the widest possible power market to take advantage of load and resource diversity and optimized dispatch.

On the last point, in mid-January 2024 Avista's participation in the Western Energy Imbalance Market ("WEIM") provided crucial access to resources and transmission across almost all of the western grid and flexibility mechanisms within the market to afford relief at that crucial moment, even as Avista resources were curtailed due to upstream gas pipeline curtailments. While not directly under the auspices of the IRP, we encourage Avista to move forward on joining the Extended Day Ahead Market ("EDAM") and augment the demonstrated benefits of the WEIM.

In conclusion, while investigating further extension to wholesale gas supply would provide useful information, we strongly recommend adding a comprehensive assessment of these non-gas alternatives.

Avista Response

Avista investigates a broad range of alternatives to meet customer load, and will continue to do so.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

Transmission:

While NWEC does not generally take a formal position on new resource and transmission projects, we are generally supportive of Avista's interest in development of the proposed North Plains Connector project, along with other regional utilities. While the draft IRP

indicates a related interest in upgrading the Colstrip Transmission System ("CTS"), we also encourage Avista to consider the possibilities for transmission expansion between the CTS and the Avista system. While that is necessarily a long and complex build and would involve multiple partners, we believe there is major value in strengthening access to Montana wind as well as the MISO and Southwest Power Pool markets that could be enabled by North Plains.

Finally, we congratulate Avista for its joint effort with Idaho Power on the Lolo-Oxbow upgrade and the federal grant that will enhance available transmission capacity and wildfire resilience.

Avista Response

Thank you for the comment.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

CETA Compliance

NWEC is generally supportive of the draft IRP's directional approach. As mentioned above we believe the most prudent strategy is "smart from the start," combining the 2025 RFP with accelerated efforts on customer side resources – demand response, storage and energy efficiency. While CETA compliance is a requirement, it is also the foundation of a stronger, cleaner, more resilient and more affordable power supply for customers going forward.

On November 4, 2024, the UTC released another iteration of "CETA Use" draft rules that remove the prior-proposed monthly use cap for utility compliance (UE-210183). These draft rules would establish additional utility reporting requirements in order to gather data that would have been used to calculate and assess the monthly use cap. As this proposal is finalized, we encourage Avista to support these reporting requirements and recognize the UTC's authority to implement a monthly use cap in the future.

Avista Response

Avista will continue to monitor the development of the "CETA Use" rules and respond in a manner consistent with our planning strategy.

NW Energy Coalition, Fred Huette, letter filed with UTC on November 15, 2024

Resource Adequacy

NWEC participates in the public process of the Western Resource Adequacy Program ("WRAP") and applauds Avista's program participation. We encourage a more nuanced approach to its inclusion within the IRP context. The WRAP program requirements include qualifying capacity contribution ("QCC") methods, planning reserve margin ("PRM"), capacity critical hours, and other aspects that are tightly bound to the short term (season-ahead) and operational phases of the program, not to the more dynamic view needed for longer term IRP. We agree with Avista's choice of using its own PRM values and urge caution in copy-and-pasting other aspects of the WRAP approach into the IRP context.

In a related matter, we are supportive of Avista's forward-looking approach to a climateadjusted baseline. However, we also encourage Avista to adopt a consistent approach to use of IPCC metrics and methods. For example, in our view RCP 4.5 ("representative concentration pathway") should be employed year-round. That RCP level actually encompasses quite high future fossil fuel and other emissions with even more limited mitigation measures than are currently registered within the UNFCCC Paris Agreement framework. While there is some risk that climate change will advance more rapidly than considered under RCP 4.5, there is very little chance that it would reach the levels in the RCP 8.5 analysis. And going forward, the use of split seasonal approaches could create analytical discontinuities.

Avista Response

Avista chose to use RCP 4.5 for non-summer months and RCP 8.5 for summer months. This allowed us to evaluate our reliability both with colder winter months and warmer summer months. Our 2023 IRP utilized RCP 4.5 for the entire year, as you suggest. Avista will continue to evaluate the use of climate modeling in our load forecasting and IRP reliability modeling to meet our analysis needs. Avista also appreciates the recommendation of using RCP 4.5 going forward and will conduct additional analysis to use this data differently to achieve outcomes covering the risks Avista has with using future temperatures.

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