December 5, 2025

Via Electronic Filing

Attn: Jeff Killip, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
P.O. Box 47250
Lacey, WA 98503

Re: Comments on Behalf of the NW Energy Coalition and Renewable Northwest on Avista's Final Clean Energy Implementation Plan (CEIP) (**Docket UE-250746**)

Dear Director Killip:

NW Energy Coalition ("NWEC") and Renewable Northwest ("RNW") appreciate the opportunity and time given to provide feedback on Avista's Final CEIP. This CEIP is easy to understand, makes progress and improvements since the 2021 CEIP, and aligns with the information shared in the CEIP advisory group. We directly provided the Company with feedback on its Draft CEIP and now offer some of that same feedback for the record in this docket as well as provide new, supplementary comments.

Introduction

Since Avista's 2021 CEIP, significant changes have occurred—new state laws, two rate cases, UTC guidance on energy justice and performance-based ratemaking, a state Transportation Electrification Strategy, and a new federal administration. Avista has engaged in and responded to these developments, culminating in this 2025 CEIP.

Now that the first CEIP implementation period is coming to an end, we offer some reflections. We recognize Avista's leadership and collaboration in the development of its CEIPs and Biennial Update. Each Plan was submitted on time and has offered interested parties a sufficient opportunity to assess and provide feedback. Both the 2021 CEIP and 2023 Biennial Update were approved with settlement conditions, which Avista has made a good-faith effort to fulfill. The Company has also consistently engaged advisory groups, including NWEC and RNW, throughout implementation.

In the IRP advisory group, we supported Avista's inclusion of climate change in resource modeling. Furthermore, we appreciate that Avista updated assumptions in the 2025 Preferred Resource Strategy as it drafted the 2025 CEIP, resulting in a revised resource portfolio for 2026–2029.

We see that Avista has learned a lot since 2021 and is finding its rhythm. A great example of this is the company's Named Communities Investment Fund (NCIF). Originally proposed in the 2021 CEIP, the NCIF sets aside $5 million annually for projects to advance the equitable distribution of energy and non-energy benefits among Named Communities. Since its proposal, the Company has worked with its advisory groups on the fund's design, project prioritization, and program evaluation. After realizing how the NCIF could be modified to allow greater funding flexibility, Avista consulted with its advisory groups and now proposes a revised NCIF in this 2025 CEIP which we are supportive of.

Finally, we would also like to commend Avista for following the UTC guidance on Procedural Justice by improving public access to CEIP docket information on its CETA website.

CEIP Advisory Group

Avista's CEIP advisory group process was well-designed and effective. Monthly meetings began in January and were structured around specific CEIP content, which offered clarity and focus. The process felt transparent and easy to follow, with meeting materials posted online for easy review. What we see in this CEIP is reflective of the material presented in the advisory group. ***We recommend*** Avista continue this process as it drafts future CEIPs and that the UTC encourage other IOUs to adopt a very similar approach for future CEIP (or Integrated System Plan, ISP) engagement.

Targets

Broadly speaking, we support Avista's interim targets for renewable energy, energy efficiency, and demand response. The renewable energy targets demonstrate a steady glidepath toward meeting the 80% clean electricity requirement by 2030. As shared in the CEIP Advisory Group, a major change in the updated Preferred Resource Strategy is a significant increase in demand response, with a 55 MW cumulative capacity target. We believe this will provide meaningful benefits to customers and enable a flexible resource acquisition strategy as peak loads grow, and we support Avista's plan to pursue all cost-effective demand response beyond this target if identified in the 2025 All-Source RFP. While Avista's energy efficiency targets declined between the 2021 CEIP and the 2023 Biennial Update, this 2025 CEIP proposes targets that slightly exceed the Biennial Update. Together, these targets position Avista well ahead of 2030. Though we propose some considerations below.

While Avista's proposed glide path toward its 2026-2029 renewable energy targets may have been reasonable prior to the passage of H.R.1, the level of uncertainty introduced by this federal action warrants a meaningful reassessment to ensure the Company is strategically positioned ahead of the 2030 mandate. In particular, ***we recommend*** Avista reconsider its reliance on renewable energy credit (REC) retirements as the primary means of meeting near-term clean energy requirements. Procuring renewable resources out of the 2025 All-Source RFP—instead of deferring acquisition—would allow Avista to capture federal tax credits while they remain available, thereby reducing overall CETA compliance costs for customers.

Avista acknowledges in the CEIP that the loss of PTC and ITC support will shift additional cost burdens onto Washington customers and could alter resource decisions. This is the risk we seek to mitigate. In comments submitted in Docket U-250534 regarding "changes in 2025 federal laws impacting clean energy," NWEC, RNW, and Climate Solutions recommended Washington utilities take proactive steps to accelerate procurement by 1) conducting voluntary RFPs under WAC 480-107-009(3), 2) issuing bilateral calls for tax-credit-eligible resources, 3) seeking targeted exemptions where Commission processes would impede timely contracting, and 4) designing solicitations that explicitly accommodate transitional cluster projects.[1]

At the same time, we see an even more immediate opportunity within Avista's 2025 All-Source RFP. Developers selected for the shortlist later this year could still achieve "start of construction" by July 2026—*but only if Avista expedites shortlist advancement, bilateral negotiations, and contractual execution.* Given the time sensitivity of federal tax credit eligibility and considering that Avista's current compliance spending remains well below the cost cap, ***we recommend*** the Company link the 2025 CEIP to the implications of H.R.1 and affirm that accelerated near-term procurement is consistent with lowest reasonable cost principles.

Finally, Avista's Clean Energy Action Plan (CEAP) projects the need for new clean energy resources beginning after 2033. Early procurement—when federal tax credits are still available—would reduce long-term portfolio costs, hedge against future load growth risks, and improve reliability outcomes. While we appreciate Avista's intention to maintain a smooth and measured glide path toward CETA compliance, the shifting federal landscape makes a front-loaded approach both prudent and economically advantageous for customers. ***We therefore encourage*** Avista to adapt its CEIP to these new conditions and seize the cost-saving opportunities still available under the fading federal incentive structure.

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[1] Oct. 31, 2025, Comments of RNW, NWEC, and Climate Solutions in Docket U-250534. https://www.utc.wa.gov/casedocket/2025/250534/docsets

Specific Actions

We appreciate the breadth and specificity of Avista's specific actions across renewable energy, demand response, energy efficiency, and company initiatives.

As Avista's 2025 CEIP makes clear, peak demands are growing, and the Company faces significant near-term capacity needs. Avista's 2025 All-Source RFP seeks up to 415 MW of winter qualifying capacity and 425 MW of summer qualifying capacity, reflecting rising peak pressures that threaten reliability if unaddressed.[2] Avista also reports receiving over 3,000 MW of preliminary requests from potential large loads, with individual data center requests ranging from 200 to 500 MW—well above Avista's all-time peak of 1,981 MW.[3] These trends mirror regional dynamics in which utilities increasingly justify new gas investments to meet short-duration peak needs, despite the long-term risks to customers and compliance requirements.

Accordingly, ***we recommend*** Avista prioritize peak-shaving strategies and flexible, clean resources as its first line of response to rising capacity needs. As NWEC and RNW argued in the Oregon Public Utility Commission's Idaho Power IRP (LC 87) proceeding, cost-effective demand response, targeted load flexibility, and distributed storage can reduce the need for new gas capacity while maintaining or improving reliability.[4] These resources create headroom for renewable and nonemitting resources that would otherwise be displaced by capital-intensive thermal generation—particularly when gas units carry 40- to 50-year cost and operational risk profiles that expose ratepayers to fuel price volatility and potential stranded cost outcomes. The same logic applies here—clean peak-shaving tools are faster to deploy, lower-risk, and far more adaptable to uncertain load growth than new gas.

We appreciate and agree with Avista's commitment to pursue all cost-effective demand response identified through the 2025 All-Source RFP and look forward to reviewing the results. NWEC and RNW also encourage the Company to take a more assertive and forward-leaning approach. Avista's 2026 TOU/PTR pilot evaluations should inform a robust, expanded suite of demand response programs in the 2027 Biennial CEIP Update. ***The Company should*** set clear goals to rapidly scale peak-focused DR programs and evaluate targeted locational DR to offset capacity needs associated with large-load interconnection requests.

Finally, it is helpful to see Avista's additional actions and initiatives that don't fall under the targets. We support Avista's exploration of transmission expansion and continue to believe the

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[2] Avista 2025 CEIP, page 69.
[3] Avista 2025 CEIP, page 71.
[4] Nov. 3, 2025, Comments of NWEC and RNW to the Oregon Public Utility Commission (Docket LC 87) regarding the Idaho Power Company's 2025 Integrated Resource Plan.

Named Communities Investment Fund is an exemplary program, demonstrating flexibility, community prioritization, and intentional relationship-building between the utility and communities. We appreciate the integration of Avista's Transportation Electrification Plan into the CEIP and see a potential opportunity to connect the Company's clean energy implementation to its wildfire mitigation and resilience work. Finally, we commend Avista's commitments to supplier diversity and DEI, even in the absence of strong federal leadership on these topics.

Customer Benefit Indicators (CBIs)

We support the addition of directionality for the CBIs that show desired increases and reductions. This aligns with PSE and PacifiCorp's approach to CBIs. We also support the reorganization of the CBI Summary Table (Table 5.3) which organizes CBIs by CETA benefit area.

Avista was clear with its CEIP Advisory Group about its proposed modifications, additions, and deletions of metrics. We appreciate Avista's responses to our feedback on CBIs. Our priority is to ensure that the number and percentage of disconnections for nonpayment by census tract by month for all customers, known low-income (KLI) customers, and Named Communities is retained somewhere in the Company's reporting, whether that be the CEIP or another report.

It's our understanding that, under Avista's proposal, we'd lose KLI data by month and census tract for the percentage of disconnections for nonpayment. ***We recommend*** that Avista keep this KLI data in the CBI: Disconnection for Nonpayment or report it elsewhere.

Incremental Cost

According to the 2025 CEIP, Avista is not planning to exceed its 2% cost cap ($157.2 million) or use an alternative compliance mechanism for this 2026-2029 CEIP period. We appreciate Avista's explanation and inclusion of its calculations in the CEIP.

In reviewing Avista's incremental cost analysis, ***we identify several opportunities*** to strengthen the assessment and better reflect the cost impacts of near-term procurement decisions.

Avista's incremental cost analysis understates the long-term cost implications of its resource decisions because the Company's Reasonably Available (RA) and Alternative Lowest Reasonable Cost (ALRC) portfolios are effectively modeled as identical.

As noted in Chapter 10, Avista treats the two portfolios as differing only in REC sales and CEIP administrative costs,[5] with no difference in resource additions despite evidence elsewhere in the CEIP that substantial new capacity will be required during this period. By holding portfolios constant across scenarios, Avista's analysis does not capture how clean energy procurement choices—especially accelerated procurement before federal tax credits expire—would affect the actual incremental cost of CETA compliance. This masks the substantial avoided costs that early clean energy procurement could generate in reaction to fading federal tax credits.

As we previously stated, the Company's 2025 All-Source RFP seeks up to 415 MW of winter qualifying capacity and 425 MW of summer qualifying capacity,[6] and Avista reports more than 3,000 MW of preliminary large-load interconnection requests.[7] These peak and load pressures will inevitably require new capacity resources, yet Avista's incremental cost comparison assumes identical resource outcomes in the RA and ALRC portfolios. This fails to evaluate whether CETA requirements influence the type and timing of resources selected, making the incremental cost analysis backward-looking. Given H.R.1's accelerated phase-out of the PTC and ITC, a forward-looking cost comparison is critical.

Additionally, we note that Avista's projections show substantial room under the 2% incremental cost cap. Avista calculates a four-year cost cap of $157.2 million for the 2026-2029 period and a four-year incremental cost of $68 million[8]—less than half of the allowable cap. This headroom leaves cost-risk flexibility for Avista to explore affordable acceleration of clean energy procurement, especially in 2025-2026 when federal tax credits remain available. Moreover, because Avista's RA and ALRC portfolios are constructed identically and therefore exclude the avoided costs of front-loaded procurement, the existing incremental cost analysis underestimates the economic benefits of capturing tax credits before they expire under H.R.1.

In Appendix B, Avista responds to a comment NWEC had provided on the Draft CEIP regarding how the inclusion of resources from the 2025 AS RFP may impact the incremental cost in this compliance period. In the Company's response, it is noted that Avista doesn't plan to update the incremental cost after the RFP concludes or in the 2027 Biennial CEIP Update, as neither are required. However, Avista does plan to include actual incremental costs in the next clean energy compliance report in 2026. ***We recommend*** that Avista's incremental cost update in the 2026 clean energy compliance report reflect the actual resource additions that will shape its compliance trajectory, and that the update include a revised RA and ALRC portfolio comparison with RFP selected resources incorporated as well as an assessment of how accelerated clean

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[5] Avista 2025 CEIP, page 121-123.
[6] Avista 2025 CEIP, page 69.
[7] Avista 2025 CEIP, page 71.
[8] Avista 2025 CEIP, page 124-125.

energy procurement prior to H.R. 1's tax credit deadlines affect long-term compliance costs. We look forward to reviewing this report in 2026.

Other

Finally, we commend Avista for its work in better identifying Vulnerable Populations since the 2023 Biennial CEIP Update. We recognize the challenge and necessity of knowing which customers in Avista's service area are in Named Communities. Avista's work to update its Vulnerable Population designation speaks to recognition justice and distributive justice. The next step we see in making this identification actionable is determining who in Avista's Named Communities have the deepest need for clean energy benefits.

After the Commission required that Puget Sound Energy (PSE) work with its advisory groups and interested parties to identify the Named Community customers and with deepest need and to set a minimum designation of benefits to these customers, PSE pursued this work in a way we found effective and helpful for the ongoing prioritization and distribution of energy benefits.[9]

Because of this, ***we agree with and support*** Staff's two recommendations from their December 5, 2025 comments on this point, stated below:

> **UTC Staff Recommendation:** In a compliance filing due before December 31, 2026, Avista should identify the customers and communities with deepest need within the broader category of Named Communities in consultation with interested persons and advisory groups. In this filing Avista should also set a minimum designation of energy benefits to customers in deepest need that is at least equal to that subset's proportion of electric customers in the Company's 2025 CEIP.
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> **UTC Staff Recommendation:** In the 2027 BCEIP, Avista should build upon the work done in the December 2026 compliance filing and modify existing (or provide additional) specific actions Avista will take to address the equitable distribution of benefits and burdens to communities in deepest need. These specific actions could span the categories of renewable energy, energy efficiency and demand response, or include other actions outside of those categories.[10]

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[9] Matter of Puget Sound Energy Clean Energy Implementation Plan, Docket UE-210795, Final Order 08, Condition 20, page 75. June 6, 2023.
[10] Commission Staff Comments Regarding Avista Corporation d/b/a Avista Utilities' Clean Energy Implementation Plan, page 5. December 5, 2025. Docket UE-250746.

Conclusion

As Avista continues to map a path to achieving an equitable transition to 100-percent clean electricity, the CEIP is an important document for communicating to customers how Avista plans to supply them with clean electricity and meet the requirements of the law. We commend the progress Avista has achieved so far and offer these comments in the spirit of improving the final product .

Thank you for the opportunity to comment. We look forward to continuing to work with Avista, the UTC, and interested parties to develop and implement the 2025 Clean Energy Implementation Plan.

Respectfully submitted,

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