



# Avista's Decision to Join the EIM

RIF Meeting 8/27/2019

Scott Kinney

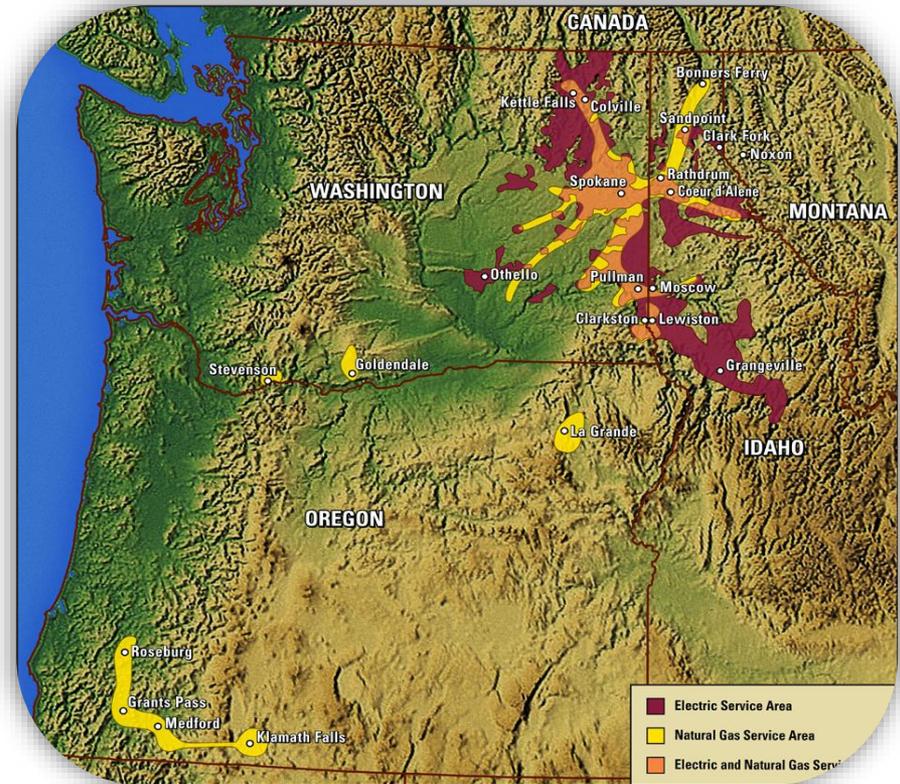
# Discussion

- Avista overview
- Decision to join the EIM
  - Market monitoring
  - Drivers and risks
  - Costs and benefits
- Implementation status update

# Company Overview

## *Utility Service Territory*

- Generates, transmits and distributes electricity and distributes natural gas in WA, OR, ID, MT
- Electric customers: 379,000
- Natural gas customers: 343,000
- 1750 employees
- Alaska Electric Light and Power



# Generation and Load Overview

- Maximum generating capacity: 1875 MW
- Resources under long-term contract:
  - 550 thermal, hydro,
  - 50 MW PURPA,
  - 105 MW wind,
  - 20 MW solar,
- Native Load:
  - Average: 1070 aMW
  - Winter peak: 1763 MW
  - Summer peak: 1716 MW
- Balancing Area peak load:
  - Winter peak: 2380 MW
  - Summer peak: 2245 MW



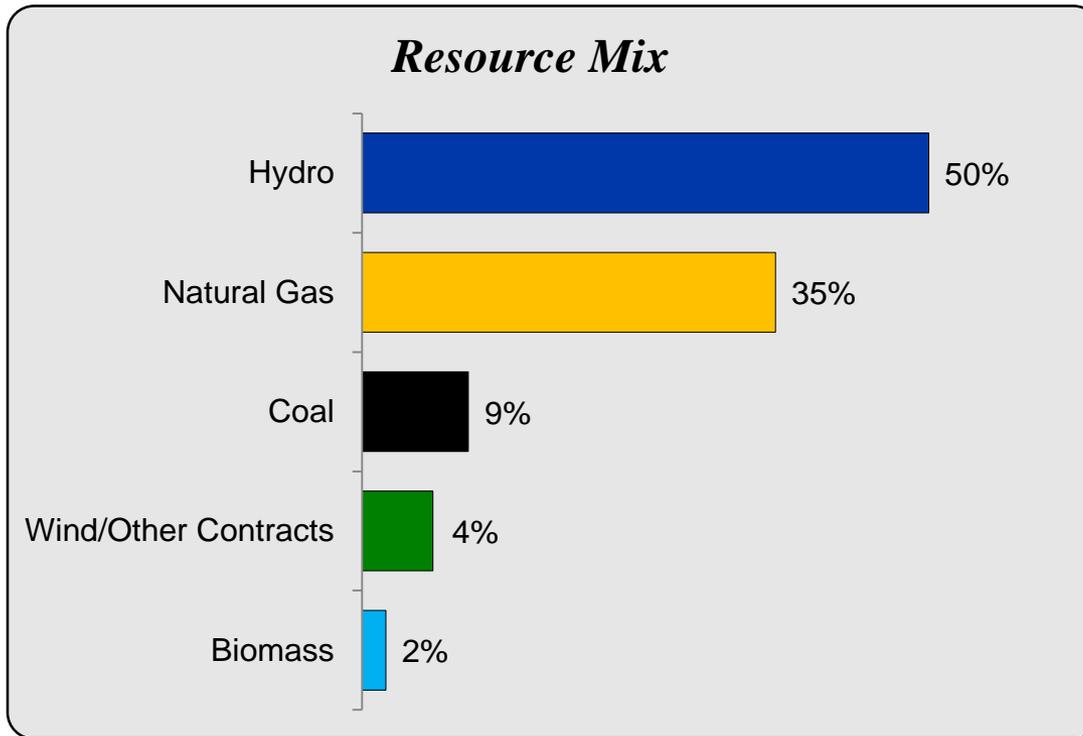
Noxon Rapids



Kettle Falls Biomass

# Responsible Resources

*Well positioned with a strong base of sustainable resources*

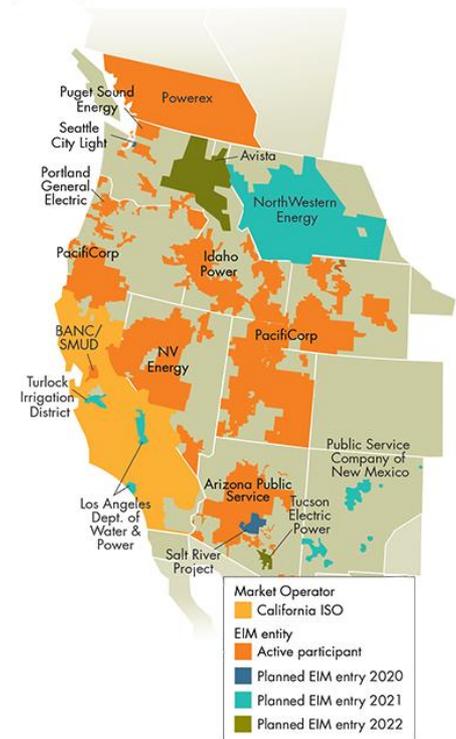


*From top:  
Post Falls Dam  
Palouse Wind Farm*

WA RPS: 2016 – 9%, 2020 – 15%

# Market Monitoring 2015-2018

- Limited needs and risks
  - Small renewable penetration
  - Economics not compelling
  - Other large technology projects
- Monitor market development
  - Engage in public processes and meetings
- EIM Entity outreach and site visits
- CAISO Scheduling Coordinator certification
  - June 2016
- Infrastructure evaluation



# Avista Decision Drivers and Risks

- In-hour market liquidity concerns
  - 2018 summer experience
  - NWE joining in 2021
  - BPA potential in 2022
- Renewable energy integration potential
  - Transmission interconnection queue – 1100 MW
  - Increased PURPA interest
  - Rattlesnake Wind PPA - 145 MW end of 2020
  - Avista's Clean Energy Goals
  - State policies and regulations
    - WA SB5116 – No coal after 2025, 100% clean by 2045
    - WA PURPA rule changes
    - Oregon Cap and Trade

# Avista Decision Drivers and Risks cont.

- Economics
  - Rate payer benefits
    - Cost/benefit ratio
  - Risks of not joining
    - Higher resource dispatch costs
    - Reduction in current optimization opportunities

# Estimated EIM Costs and Benefits

- Anticipated EIM costs (Utilicast)
  - \$21 - 26 M start-up
  - \$3.5 - 4.0 M on-going
  - Estimate 12 new FTE for on-going support
- Estimated annual benefits (E3)
  - Full gross range \$ 2 - 12 M
  - Expected net range \$3.5 - 9.2 M
  - Base net \$5.8 M

# Implementation Status Update

- Officer approval on April 15 to join EIM
  - Go-live April 1, 2022
- CAISO Integration Agreement signed on April 25
- Utilicast hired as System Integrator in May
- Current Efforts
  - Upgrade/replace meters and generation controls
  - Expand telecomm networks
  - RFP development for EIM applications
    - Issued Outage Management RFP on August 13
    - Plan to issue Bid to Bill RFP this fall
  - Staffing and training
- CAISO FERC Implementation Filing Q1 2020

