



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

POWER SERVICES

May 01, 2018

In reply refer to: PSI-6

Mr. Larry LaBolle, Director of Federal & Regional Affairs  
Avista Corporation  
P.O. Box 3727  
Spokane, WA 99220

Re: BPA's Renewable Energy Credits CY 2013 through CY 2017

Dear Mr. LaBolle:

Under the FY 2012 Residential Exchange Program Settlement Agreement, REP-12-A-02, Appendix A, July 2011 (REP Settlement), Avista Corporation (Avista) and the other investor-owned utilities (IOUs) are entitled to share in a 14% allocation of new Renewable Energy Credits (RECs) that come from Bonneville Power Administration's (BPA) Tier-1 system.

The Residential Exchange Program (REP) benefit amounts determine the percent allocation of RECs for each IOU and are calculated pursuant to sections 6.1.1 and 6.1.2 of the REP Settlement and without regard to any adjustments to IOU-specific REP Settlement amounts pursuant to section 6.2. (*see* REP-12-A-02A, page 79, and BP-14-FS-BPA-01A and BP-16-FS-BPA-01A, Table 2.4.11)

Beginning in November, 2013, upgrades to the Federal Columbia River Power System began to produce incremental hydro RECs at a small rate each year. As such, to avoid unnecessary administrative burden, the IOUs agreed to wait to receive payouts until the amount totaled at least \$100,000 in overall REC benefits. In April of this year, BPA received confirmation that the amount reached \$129,257.

BPA calculated the payout allocation of REC benefits based on the utilities' pooled sales for CY 2013 through CY 2017, and each utility's average percent allocation of its REP benefits during the corresponding Exchange Periods (FY 2014-2015 and FY 2016-2017).

The table below provides each utility's REC payout.

| CY         | Credits from REC Sales for all IOUs (\$) | IOU                | REP Benefit Allocation FY14-15 & FY16-17 (average %) | REC Payout to Specific IOU (\$) |
|------------|--|--------------------|--|---------------------------------|
| 2013       | 1,615                                    | Avista             | 3.17   | 4,097                           |
| 2014       | 15,918                                   | Idaho Power        | 6.42   | 8,298                           |
| 2015       | 51,565                                   | NorthWestern       | 2.35   | 3,038                           |
| 2016       | 28,918                                   | PacifiCorp         | 27.35  | 35,352                          |
| 2017       | 31,241                                   | Portland General   | 24.64  | 31,849                          |
| Total (\$) | 129,257                                  | Puget Sound Energy | 36.08  | 46,636                          |

Later this month, Avista will receive its \$4,097 REC payment. These dollars are considered a benefit of the REP and must be passed through to Avista's residential and farm customers.

If you have any questions or comments, please contact Julia Shaughnessy, REP Manager, at (503) 230-7443 or [jmshaughnessy@bpa.gov](mailto:jmshaughnessy@bpa.gov), or Scott Wilson, Senior Customer Account Executive, at (503) 230-7638 or [skwilson@bpa.gov](mailto:skwilson@bpa.gov).

Sincerely,



Scott K. Wilson  
Senior Account Executive

cc:  
Karen Schuh, Avista

bcc:

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N. Gschwend – LP-7

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CCM Authentication – KSC-4 (Avista, 11PB-12463)

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