

Avista Comments in Response to Electricity Imports and Centralized Electricity Markets Rulemaking

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Attn: Camille Sultana
Washington Department of Ecology
CCAElectricity@ecy.wa.gov

Avista Corporation, d/b/a Avista Utilities, (Avista) respectfully submits the following comments on the 2025 Electricity Imports and Centralized Electricity Markets Rulemaking by the Washington Department of Ecology ("Ecology"). Avista appreciates the opportunity to continue engaging with Ecology on these important issues and reiterates the points raised in our previous comments submitted in January 2025, particularly regarding the definition of "Common Point" and the treatment of Multi-Jurisdictional Retail Provider (MJRP) utilities.

Definition of Common Point

Avista seeks clarification and proposes alternate language for the following definition currently under consideration in WAC 173-441-124:

"Common Point- for purposes of identifying electricity wheeled through the state, any PORs and PODs within the same BAA located entirely in Washington.

As currently written, the proposed definition is ambiguous. It is unclear whether the term "entirely in Washington" refers to the Balancing Authority Area (BAA) as a whole or to individual POR and PODs. This ambiguity raises concerns about the treatment of BAAs that are partially, but not entirely, located within Washington State, particularly as it relates to MJRPs. To address this, Avista proposes the following revised definition:

<u>Proposed Definition of Common Point:</u> for purposes of identifying electricity wheeled through the state by a BAA and MJRP, (a) the combined PORs and PODs located within the state or (b) the combined PORs and PODs located outside the state.

This approach ensures large volumes of power contracted in support of utility transactions, but not flowed to serve loads in Washington and therefore do not generate emissions in Washington, are not counted in emissions reporting. Please see Avista's previous comments on the Linkage topic, dated September 17, 2024, for further explanation.

Balancing Energy

Avista generally supports Ecology's approach to energy balancing and appreciates the agency's responsiveness to stakeholder feedback. We commend Ecology for incorporating prior comments and adjusting its position accordingly.

Leakage

Avista is concerned about the approach to leakage mitigation, particularly regarding the risks associated with different greenhouse gas (GHG) program designs. For entities operating outside of the Extended Day-Ahead Market (EDAM), the modeling used for base scheduling may not accurately reflect actual operations, potentially leading to misaligned emissions outcomes. Avista wants to ensure emissions are not double counted but we continue to have questions about how leakage will be determined.

Avista values the opportunity to provide input on this rulemaking and supports Ecology's efforts to develop fair and effective rules for centralized electricity markets and imports. Avista believes the comments submitted by PacifiCorp and Western Power Trading Forum, raise valid points that merit consideration. We recommend that Ecology take these perspectives into account as future conversations surrounding this rulemaking proceed. The outcomes of this process will have significant implications for our operations and customers. It is essential that we work collaboratively to ensure the successful implementation of this program for the benefit of Washington State.

We welcome the opportunity to further discuss the comments and questions raised above. Please feel free to contact me at <u>janna.loeppky@avistacorp.com</u> to arrange a follow up conversation.

Sincerely,

Janna Loeppky

Clean Energy Policy & Implementation Manager

Avista Corp.

