

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

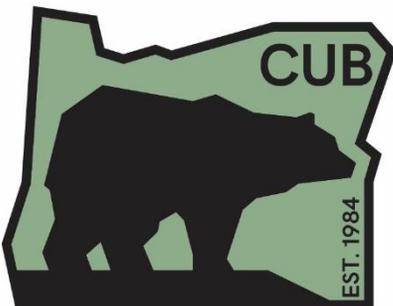
**LC 72**

In the Matter of )  
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AVISTA UTILITES )  
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2018 Integrated Resource Plan. )  
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OPENING COMMENTS OF THE  
OREGON CITIZENS' UTILITY BOARD

November 19th, 2018



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**I. INTRODUCTION**

The Oregon Citizens' Utility Board (CUB) files these initial comments on Avista Utilities's (Avista or the Company) 2018 Integrated Resources Plan (IRP or Plan). CUB's primary recommendation is for Avista to evaluate the impact of fuel switching on future load growth in its next IRP.

**II. FUEL SWITCHING**

CUB is encouraged that the Company has evaluated a wide variety of scenarios in its Integrated Resource Plan. In this IRP, the Company added a new risk scenario called "80% below 1990 emissions" as a lower band of risk. This scenario assumes a reduction of natural gas use to 80% below the 1990 targets in Oregon and Washington by 2050. CUB is supportive of this change in the lower band of risk. The 80% below 1990 emissions reference case suitably

indicates the risks of a scenario with the overall goal of reducing natural gas emissions.

However, the reference case does not consider what methods will be used to get to these levels.

In the next IRP cycle, CUB asks Avista to explore estimating the effect of customer's fuel switching away from natural gas. Numerous natural gas customers in the state have discussed a desire to switch away from natural gas usage due to concerns about carbon emissions. In particular, CUB can foresee this type of activity occurring in Jackson County, Oregon, where the City of Ashland offers a \$500 incentive for customers to switch to electric heat.<sup>1</sup>

Previously, electric utility IRPs did not model rooftop solar additions because it did not have a major impact on system planning. Additionally, rooftop solar systems were not least cost resources for residential customers. Today, rooftop solar additions are included in electric utility IRPs. This is not due to rooftop solar being a least cost/ least risk resource.

A fuel switching scenario should be included in future IRPs because future resource needs are not solely affected by least cost/least risk analysis, but by the decisions of individual ratepayers. While Avista may not agree that fuel switching is the best environmental answer to reduce carbon emissions, the IRP should be concerned with customers conducting fuel switching away from natural gas. CUB would like Avista to explore including a forecast of customer's fuel switching away from natural gas in future IRPs.

### **III. PIPELINE RUPTURE**

In early October, there was a major disruption of the Enbridge pipeline. CUB is thankful that there no injuries due to the pipeline rupture and that service has been restored on the pipeline. In response to this supply interruption, Avista asked all customers in Southern Oregon to reduce

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<sup>1</sup> <http://www.ashland.or.us/Page.asp?NavID=17190>

natural gas usage following the pipeline rupture. CUB would be interested in a supplement to this IRP providing detail as to the impact of this supply interruption on Avista's system and the company's response to the supply interruption.

#### **IV. CUB RECOMMENDATION**

- Overall, CUB is supportive of Avista's 2018 IRP. However, CUB recommends that Avista include a fuel switching forecast in its next IRP.
- CUB would like additional detail about Avista system's response to the supply interruption in early October.

CUB appreciates the opportunity to provide these initial comments.

Signed this 19<sup>h</sup> of November, 2018.

William Gehrke  
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