

Invenergy appreciates the opportunity to comment on the Puget Sound Energy 2015 Integrated Resource Plan and respectfully submits the following comments.

Invenergy is deeply concerned about the analysis that underlies the Puget Sound Energy IRP. Notably, the IRP singles out Gray Harbor Energy Center, a 650 MW gas fired power plant owned by Invenergy, and subjects that facility to inappropriate scrutiny in order to justify Puget Sound Energy's reduction in their reliance on purchasing power from the wholesale market. It is highly unusual for an IRP to focus so much attention on a single facility, much less a facility that is not under the control of the utility.

The IRP states that the Grays Harbor facility cannot be depended upon to provide capacity to Puget because it currently does not have primary firm gas supply. The analysis of firm gas supply was not performed on any other third party facility in the IRP – solely Grays Harbor. There are many other natural gas fired facilities in the Pacific Northwest that sell into the wholesale market and provide the capacity that Puget Sound Energy relies on to meet its energy needs, but the IRP did not consider the commercial arrangements for fuel supply for any of these other power plants. Instead of examining the statistical fuel risk of the entire regional energy market, the IRP merely singled out one unit and declared it unfit to provide capacity. This is especially concerning because Grays Harbor is an important contributor to the regional energy supply. It is a modern, highly efficient facility that has the lowest carbon emissions of any gas-fired plant in the State of Washington. It also provides much needed energy supplies in low hydro years such as 2015, when the plant ran continuously from June 3rd through November 16th to help keep the lights on during the drought. In the plant's seven years of operation it has never been curtailed due to lack of gas, so it is unclear what has triggered this additional scrutiny in the 2015 analysis that was not warranted in previous years.

By removing Grays Harbor from the market capacity analysis, PSE has made an inappropriate temporal assumption. The IRP contemplates a 20 year planning horizon, while the availability of fuel supplies for power plants are changeable on much shorter timeframes. There are currently no physical limitations that would prevent Grays Harbor from procuring firm gas supply in the timeframes contemplated in the IRP that correspond to increased need for gas-fired capacity.

The radial line connecting the Grays Harbor Energy Facility to the main gas line is oversized for the needs of the plant, and has ample capacity to flow gas to the plant. If the Grays Harbor facility had a commercial imperative to procure firm gas supply, there are multiple options to provide that supply, including purchasing capacity rights from current gas supply owners, or funding upgrades to upstream gas transmission facilities.

Invenergy respectfully requests that the Commission reject any language in the IRP that unnecessarily disparages otherwise reliable third party generation resources.