



**STATE OF WASHINGTON**  
**UTILITIES AND TRANSPORTATION COMMISSION**

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December 29, 2021

Amanda Maxwell, Executive Director and Secretary  
 Washington Utilities and Transportation Commission  
 P. O. Box 47250  
 Olympia, Washington 98504-7250

RE: *WUTC v. Puget Sound Energy, Inc., Docket UE-200980, Order 05, Final Order Approving and Adopting Settlement Agreement, June 1, 2021, ¶¶ 23 and 25.*

Dear Ms. Maxwell:

In the above referenced order, the Commission directed parties to the settlement to engage in collaborative discussions on the Company's treatment of EIM costs and benefits.<sup>1</sup> Although Public Counsel did not join the settlement, it also participated in these collaboratives. On June 15, 2021, the EIM Collaborative team met for its first workshop and participants reached consensus as to the collaborative's overall objective which was to: "agree on a method to quantify and account for the net impact of EIM participation in PSE's rate year power cost forecasts."<sup>2</sup>

The collaborative effort involved five separate workshops over a 4-month period. The subject matter covered in each workshop is provided below:

1. Objectives and principles of the collaborative;
2. Existing benefit estimates and PSE's current approach to modeling power costs;
3. Proposed approach to including the impact of EIM participation in current power cost models using sub-hourly modeling
4. Detailed discussion with analysts
5. Follow up discussion with analysts.

At the conclusion of the EIM Collaborative, the parties to the settlement and Public Counsel agreed that the approach to incorporating EIM impacts on rate year power costs described in PSE's EIM Collaborative Summary report is a reasonable method for quantifying and accounting for the net impact of EIM participation in PSE's rate year power cost forecasts. The EIM Collaborative Team recommend use of this method to quantify EIM benefits in the Company's future rate proceedings and agree that it

<sup>1</sup> Docket UE-200980, Order 05 at 25.

<sup>2</sup> Confidential Compliance Filing, on behalf of Puget Sound Energy, 200980-PSE-EIM-Collaborative-Summary- (11/22/2021) filed on 11/29/2021, Page 3.

will be used in PSE's 2022 GRC. However, this recommendation does not preclude any party from reviewing the accuracy of the calculation of PSE's projected EIM benefits in the 2022 GRC or future cases; nor does it preclude any party from proposing modifications or recommending an alternative approach in response to changed circumstances in future cases (after the 2022 GRC).

Sincerely,

David C. Gomez  
Assistant Power Supply Manager, Energy Regulation