



UE-210220

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October 21, 2021

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Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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COMMISSION

Re: *Puget Sound Energy's All-Source Request for Proposals for Renewable and Peak Capacity Resources, Docket UE-210220*

Dear Amanda Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits these comments in response to the Notice of Opportunity to File Written Comments related to Puget Sound Energy's Effective Load Carrying Capability Estimates and use in the Company's All-Source Request for Proposals (RFP). Public Counsel believes that the Washington Utilities and Transportation Commission ("Commission") should encourage Puget Sound Energy (PSE or "Company") to implement the recommendations from Energy and Environmental Economics (E3) in their October 8, 2021, report on PSE's energy effective load carrying capability methodology.

Public Counsel's Recommendation

Public Counsel recommends that the Commission encourage PSE to implement the recommendations from E3 in their October 8, 2021, report on PSE's energy effective load carrying capability methodology.

In Order 01 in this docket, the Commission set out several conditions for additional review of PSE's effective load carrying capacity (ELCC) estimates and methodology.¹ To comply with those conditions, PSE hosted a workshop in August to discuss the Company's ELCC assumptions and methodology. E3 presented at that workshop and later filed a report with their

¹ See *In re the Petition of Puget Sound Energy for an Order Approving Proposed Request for Proposals*, Docket UE-210220, Order 01 ¶ 33 (June 14, 2021).

To: Amanda Maxwell, Executive Director and Secretary
Re: Puget Sound Energy's All-Source Request for Proposals for Renewable and Peak Capacity Resources,
Docket UE-210220
Date: October 21, 2021

Page 2 of 3

review and recommendations. E3's report, filed October 8, 2021, concludes that PSE's approach to the ELCC is reasonable and makes six total recommendations to PSE. E3 recommends that prior to conducting their portfolio analysis in the current RFP, PSE should:

- 1) Conduct an additional GENESYS model run assuming regional capacity additions such that the region meets a 5% LOLP standard before recalculating ELCC;
- 2) Restate ELCC values for battery storage in a manner more aligned with industry standards, such that storage can discharge at maximum capacity for X hours if the storage is defined as having X hours of duration, and align the presentation of ELCC values with the characterization of minimum, maximum, and nameplate MW values in RFP documentation; and
- 3) Re-calculate battery storage ELCCs under the assumption that PSE's treatment of its own Contingency Reserves and the NWPP's Reserve Sharing Program is the same as in PSE's Base Case without battery storage, and investigate the significance of the revised results.²

Regarding future IRP cycles, E3 recommended that PSE should:

- 1) Utilize weather-matched load that is aligned with wind and solar data;
- 2) Reevaluate its current approach to considering temperatures in developing load shapes based on (1) the use of two different weather stations, and (2) the changing climate;
- 3) Update modeling to incorporate hydro dispatch capabilities and hydro energy limitations.³

Public Counsel attended the ELCC workshop and reviewed E3's subsequent report. We appreciate the efforts of the Company to provide information and education about its methodology. We also value the opportunity to review the E3 report and their recommendations. As the report acknowledges, this is a complicated subject with no single national standard or method for determining resource adequacy. There are a number of important issues that are interacting in this case, including the role of the Mid-C market, the dependence of the Pacific Northwest on hydropower, and the changing climate. Public Counsel believes that the recommendations made by E3 with regard to the RFP and future IRP cycles are reasonable and address a number of concerns held by stakeholders. We believe the Commission should encourage the Company to implement these recommendations, which should provide additional confidence in PSE's methodology.

² Gregory Gangelhoff et al., *Review of Puget Sound Energy Effective Load Carrying Capability Methodology* at 3–4 (E3 2021), <https://www.pse.com/pages/energy-supply/acquiring-energy?srce=rfp> (posted Oct. 8, 2021) (link located under 2021 RFP Bidder's Conferences and Stakeholder Workshops, ELCC Workshop "E3 report").

³ *Id.* at 4.

To: Amanda Maxwell, Executive Director and Secretary
Re: Puget Sound Energy's All-Source Request for Proposals for Renewable and Peak Capacity Resources,
Docket UE-210220
Date: October 21, 2021
Page 3 of 3

We appreciate the opportunity to provide comments and look forward to reviewing other stakeholder comments and further discussion at the open meeting. If you have any questions about this filing, please contact either Stephanie Chase at (206) 521-3212 or via email at Stephanie.Chase@ATG.WA.GOV.

Sincerely,

/s/ *Lisa W. Gafken*
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