

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY,

Schedule 91 Tariff Revisions and Request
for Exemption from WAC 480-106-
040(1)(b)

DOCKET UE-230880

ORDER 01

GRANTING EXEMPTION FROM
WAC 480-106-040(1)(b);
ALLOWING TARIFF TO GO INTO
EFFECT BY OPERATION OF LAW

BACKGROUND

- 1 On October 26, 2023, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to Tariff WN U-60, Schedule 91, Purchases from Qualifying Facilities of Five Megawatts or Less, which governs the avoided cost rates paid to qualifying facilities (QFs) with a nameplate rating of five (5) megawatts or less within the meaning of the Public Utility Regulatory Policies Act of 1978 (PURPA).
- 2 The October 26 filing included a one-year request for exemption in its cover letter, as well as language in tariff sheet No. 91-A to provide PSE with an ongoing exemption to WAC 480-106-040(1)(b) – a rule that requires utilities to file a schedule of estimated avoided costs that includes specific items based on the utility’s most recently acknowledged Integrated Resource Plan (IRP). PSE requested a longer exemption than in previous years because on July 25, 2023, the Commission issued a Notice of Change to the Electric Integrated Resource Plan Process (Notice) stating, “As part of the Commission’s effort to reduce unnecessary administrative burden and duplicative processes, we are discontinuing our practice of issuing acknowledgment letters for electric IRPs in all cases.”¹ After communicating to PSE that Commission Staff (Staff) would prefer a time-bound exemption, PSE agreed to make a revised request via an updated cover letter. A five-year exemption was suggested by Staff, in the hope that a rulemaking will be completed within this timeframe to eliminate the need for annual waiver requests.

¹ See *Notice of Change to Electric Integrated Resource Plan Process*, Docket UE-200304, July 25, 2023.

3 On November 8, 2023, PSE filed a revised cover letter in this docket requesting a
five-year exemption from WAC 480-106-040(1)(b) (Petition). In this revised cover
letter, the Company also withdrew tariff sheet No. 91-A from its original October 26
filing to eliminate the ongoing exemption initially included in this tariff sheet.

4 For purposes of estimating the avoided cost of capacity in this 2023 tariff revision,
PSE requests to use its most current estimated avoided cost of capacity information
from its 2023 Electric Integrated Resource Plan Progress Report.² Staff asserts that
this new source proposed by the Company represents an improvement, and that
including this more up-to-date information is in the public interest.³

5 Staff reviewed PSE's Petition and recommends granting the Company's request for
exemption and allowing the tariff filing to go into effect by operation of law.

DISCUSSION

6 We grant PSE's request for a five-year exemption from WAC 480-106-040(1)(b).
Under WAC 480-106-003, the Commission may grant an exemption from the
provisions of any rule in WAC 480-106 if doing so is consistent with the public interest,
the purposes underlying regulation, and applicable statutes.

7 We find that granting the Company's request for a five-year exemption is in the public
interest and consistent with both the purposes underlying the rule and applicable statutes.
We further agree the tariff filing should be allowed to go into effect by operation of law.

FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the State of Washington vested by statute with
the authority to regulate the rates, rules, regulations, practices, accounts,
securities, transfers of property and affiliated interests of public service
companies, including electric companies.

9 (2) Puget Sound Energy is engaged in the business of providing electric services
within the state of Washington and is a public service company subject to
Commission jurisdiction.

² See *2023 Electric Progress Report*, Docket UE-200304, March 31, 2023.

³ Per WAC 480-106-003.

- 10 (3) Puget Sound Energy is subject to WAC 480-106-040(1)(b), which requires electric companies to calculate the avoided cost of capacity based on its most recently acknowledged IRP.
- 11 (4) Under WAC 480-106-003, the Commission may grant an exemption from the provisions of any rule in WAC 480-106 if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes. See also WAC 480-07-110.
- 12 (5) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 13 (6) After review of the tariff revision and request for exemption filed in Docket UE-230880 by Puget Sound Energy on October 26, 2023, and revised on November 8, 2023, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted. The tariff should be allowed to go into effect by operation of law.

ORDER

THE COMMISSION ORDERS:

- 14 (1) Puget Sound Energy's Petition for a five-year exemption from WAC 480-106-040(1)(b) is granted.
- 15 (2) Puget Sound Energy's tariff filed on October 26, 2023, in this docket, as revised on November 8, 2023, is allowed to go into effect by operation of law.
- 16 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER
Acting Executive Director and Secretary