

Redacted Version

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Wells Hydro Slice Auction



EMC Decisional

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Proposal to bid on a 5.5% slice of the Wells Project output

- Proposal to bid on 5.5% slice (42.5 MW/25.5 aMW) with 370 MWh of storage from the Wells hydro project for a 3-year & 1-month term (9/1/2018 - 9/30/2021)

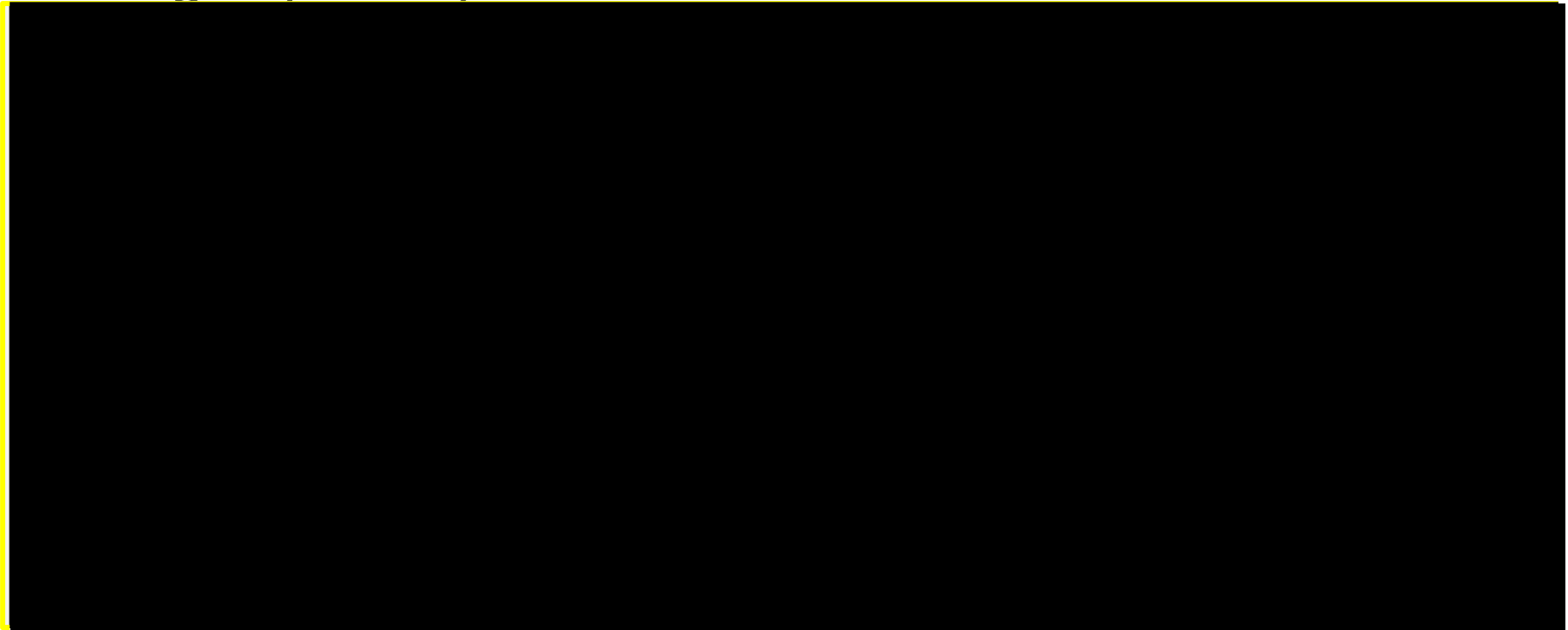
Background:

- Douglas PUD is auctioning a 5.5% slice of the Wells Hydro Project on behalf of the Colville Tribe, the auction particulars were published 5/10/2018
- Term of contract is 9/1/2018 - 9/30/2021 (3-years & 1-month)
- All environmental attributes are included in the Wells slice product
- Competing bidders expected to be Avista, PGE, Avangrid, & Shell
- Bids are due June 4, 2018

EMC Decisional:

- Request for EMC approval via email before June 4, 2018

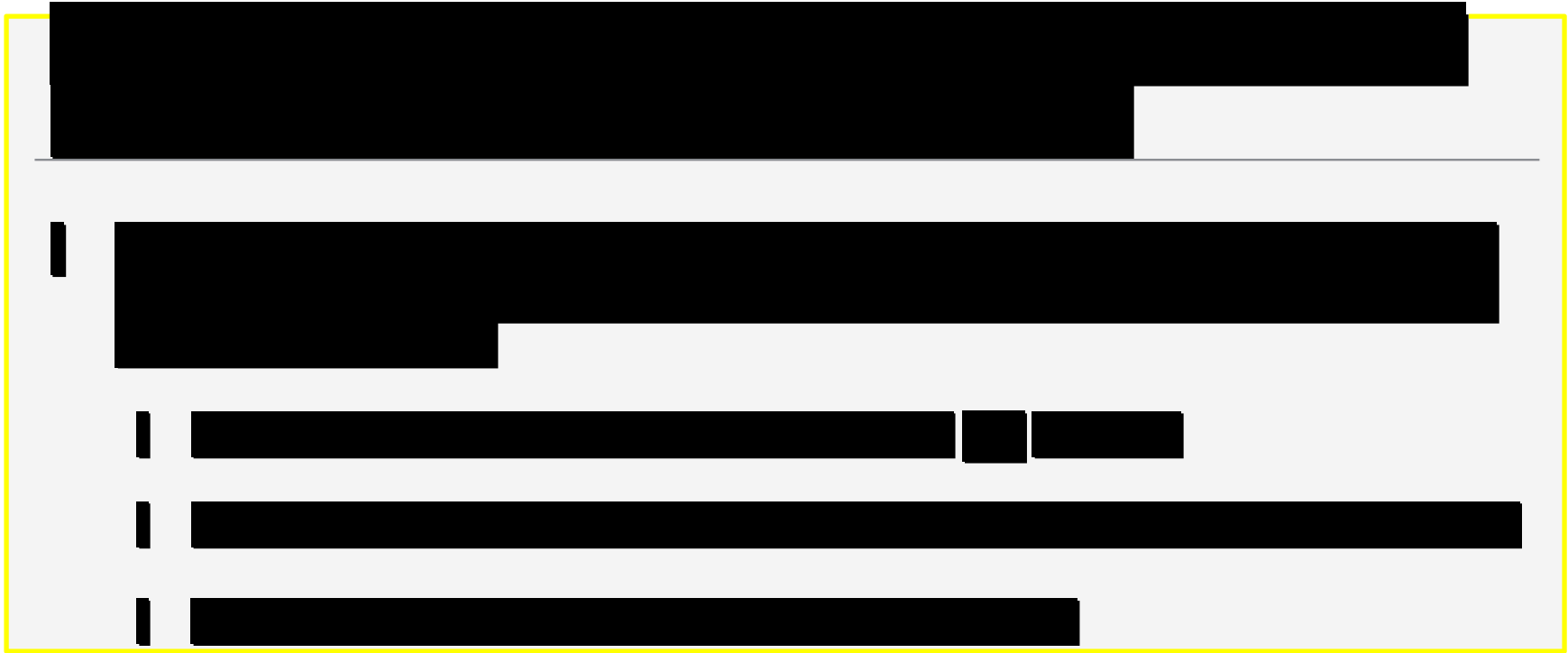
Proposed purchase would increase hydro contribution to hedged power position



Benefits of Proposed Purchase

- Provides energy to meet PSE's load obligation for winter months
- Replaces hedging transactions while also providing operating reserves
- No incremental integration costs as additional Wells contract blends with existing contracts





- Next Steps
 - Recommendation and request for email approval before June 4, 2018
 - Bid submittal: June 4, 2018
 - Notification of the successful bidder: Anticipated June 7, 2018

Appendix

Stochastic Analysis

