#### Energy Independence Act (I-937) Report Workbook Published 3/31/2017

Deadline: June 1, 2017 Submission: Email this workbook and all supporting documentation to EIA@commerce.wa.gov Questions: Glenn Blackmon, State Energy Office, (360) 725-3115, glenn.blackmon@commerce.wa.gov

> Enter information in green-shaded fields. Do not modify blue-shaded fields.

### RCW 19.285.070

#### Reporting and public disclosure.

(1) On or before June 1, 2012, and annually thereafter, each qualifying utility shall report to the department on its progress in the preceding year in meeting the targets established in RCW <u>19.285.040</u>, including expected electricity savings from the biennial conservation target, expenditures on conservation, actual electricity savings results, the utility's annual load for the prior two years, the amount of megawatt-hours needed to meet the annual renewable energy target, the amount of megawatt-hours of eligible renewable resource acquired, the type and amount of renewable energy credits. For each year that a qualifying utility elects to demonstrate alternative compliance under RCW <u>19.285.040</u>(2) (d) or (i) or <u>19.285.050</u>(1), it must include in its annual other the saving requires that the criteria in that section. A qualifying utility must be report to the department in the criteria in that section. A qualifying utility must be report to the department that the criteria in that section. A qualifying utility must be report to the department on the monitor of the prior tow.

(2) A qualifying utility that is an investor-owned utility shall also report all information required in subsection (1) of this section to the commission, and all other qualifying utilities shall also make all information required in subsection (1) of this section (1) of this section available to the auditor.

(3) A qualifying utility shall also make reports required in this section available to its customers.

#### WAC 194-37-060

### Conservation reporting requirements.

Each utility shall submit an annual conservation report to the department by June 1st using a form provided by the department. The conservation report must show the utility's progress in the preceding year in meeting the conservation targets established in RCW 19.285.040 and must include the following:

(1) The total electricity savings and expenditures for conservation by the following sectors: Residential, commercial, industrial, agricultural, distribution system, and production system. A utility may report results achieved through nonutility programs, as identified in WAC <u>194-37-080</u>(5), by program, if the results are not included in the reported results by customer sector. Reports submitted in odd-numbered years must include an estimate of savings and expenditures in the prior year. Reports submitted in even-numbered years must include the amount of savings and expenditures in the prior two years. All savings must be documented pursuant to WAC <u>194-37-080</u>.

(2) A brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-effective conservation.

(3) In even-numbered years the report must include the utility's ten-year conservation potential and biennial targets established pursuant to WAC 194-37-070.

### WAC 194-37-110

#### Renewable resource energy reporting.

Each utility must submit a renewable resource energy report to the department by June 1st of each year using a form provided by the department. The report must reflect the actions that the utility took by the previous January 1st to meet the renewable requirements of chapter <u>19.285</u> RCW for that year. For example, a utility must report by June 1, 2015, the actions it took by January 1, 2015, to meet requirements applicable to the 2015 target year.

(1) Reporting requirements applicable to all utilities. Each utility must report the following information:

(a) The compliance method:

(i) Renewable energy target using renewable resources and RECs - RCW 19.285.040 (2)(a);

(ii) Incremental cost – RCW 19.285.050; or

(iii) No-growth cost - RCW 19.285.040 (2)(d).

(b) The utility's load for the two years preceding the target year and the average load for those two years.

(c) The utility's renewable energy target for the target year.

(d) The amount of eligible renewable resources, RECs, and multiplier credits to be applied toward the utility's renewable energy target for the target year. The report must identify, by generating facility or hydroelectric project, including the WREGIS generating unit identification where applicable, and, in the case of RECs, by vintage year:

(i) The eligible renewable resources in megawatt-hours to be applied toward the renewable energy target for the target year;

(ii) The RECs to be applied toward the renewable energy target for the target year

(ii) The Additional predictional crediction eligible renewable resources on RECS from generating facilities eligible for the apprentice labor provision in RCW <u>19.285.040</u> (2)(h), applied toward the renewable energy target

for the target year:

(iv) Any additional credit for RECs from generating facilities eligible for the distributed generation in RCW <u>19.285.040</u> (2)(b), applied toward the renewable energy target for the target year. (e) The percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits. Each utility must include in its report

### documentation of the calculations and inputs to this amount.

(2) Incremental cost compliance method report. Each utility reporting pursuant to subsection (1)(a) of this section its use of the incremental cost compliance method for the target year must include the following information in its report:

(a) Annual revenue requirement for the target year:

(b) The annual levelized delivered cost of its eligible renewable resource(s) reported separately for each resource:

(c) The annual levelized delivered cost of its substitute resources and the eligible renewable resource with which it is being compared:

(d) The total cost of renewable energy credits to be applied in the reporting year;

(e) The percentage of its annual revenue requirement invested in the incremental cost of eligible renewable resources and the cost of RECs; and

(f) The most current information required by WAC 194-37-160 used for this financial demonstration.

(3) No-growth cost compliance method report. Each utility reporting pursuant to subsection (1)(a) of this section its use of the no-growth cost compliance method for the target year must include the following information in its report:

(a) Annual revenue requirement for the target year;

(b) Actual and weather-adjusted load for each year used in determining that the utility's load did not increase;

(c) Delivered cost of its eligible renewable resource(s), RECs or a combination of both for the target year to be applied to the one percent of annual revenue requirement, reported separately for each resource; (d) Generating facility identification, vintage, quantity and cost of any RECs to be retired as an offset for nonrenewable resource purchases pursuant to RCW <u>19.285.040</u> (2)(d).

(4) Final compliance report. A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this

section or, if no revisions were made, notify the department that the initial report should be considered the final report. For any target year that a utility demonstrates to the auditor that it did not meet the annual renewable resource requirements in chapter 19.285 RCW due to events beyond the reasonable control of the utility per RCW 19.285.040 (2)(i), the utility must summarize these events in the final

# RENEWABLE ENERGY WORKSHEET - REVISIONS TO 2015 REPORT

In addition to submitting the 2017 report, each qualifying utility should review the renewable energy report it submitted in 2015. In many cases, the specific resources and quantities actually used to comply with the 2015 target differ from what the utility reported in June 2015. <u>Utilities</u> should submit a revised 2015 report if the actual values differ from the values reported in 2015.

WAC 194-37-110(4): Final compliance report. A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report.

Please use the 2015 template and mark it as "revised." Contact Commerce to obtain a copy of the 2015 reporting template if necessary.

20479093.5

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2016 Achievement

Energy Independence Act (I-937) Conservation Report 2017

Utility	Puget Sound Energy	Plan	ning
eport Date	June 1, 2017	2016 - 2017	' Plai
Name/Dept	Dan Anderson/Energy Efficiency Services	Ten Year	201
Phone	425 424-6837	Potential	Т
Email	Daniel.anderson@pse.com	(MWh)	(

### Achievement

	_•	
Conservation by Sector	MWh	Utility Expenditures (\$)
Residential	141,896	\$46,327,483
Commercial	128,878	\$35,107,733
Industrial	14,320	\$3,900,859
Agriculture		
Distribution Efficiency		
Production Efficiency	3,323	\$C
NEEA	8,760	\$4,028,530
Pilots	17,348	\$933,949
sector expenditures		
Portfolio Support		\$6,315,736
Research & Compliance		\$2,500,313
Other Electric Programs		\$1,819,291
Total	314,525	\$100,933,894

2,770,663	605,194
2017 Acl	hievement
	Utility
	Expenditure
MWh	s (\$)
-	SI SI

2017 Planning 2016 - 2017

> Target (MWh)

Utility Puget Sound Energy iance Year 2017

# Notes, including a brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-

1) 2016 achievement figures are detailed in PSE's 2016 Annual Report of Energy Conservation Accomplishments., including program-specific discussions of adaptive management and hard-to-reach segments initiatives. The Report is filed with the Washington Utilities and Transportation Commission in Docket UE-152058.

2) PSE's 2-year 2016-2017 target isbased on its pro-rata share of its 10-year potential, as discussed in PSE's 2015 IRP. Exhibit i of PSE's 2016-2017 Biennial Conservtion Plan also contains discussions of its 2-year target determination. Exhibit i is also filed in the UTC Docket No. UE-152058.

3) Exhibit i, with references to PSE's 2015 IRP, indicates that all cost-effective, reliable and feasible conservation measures were identififed in its Conservation Potential Assessment. It also indicates that PSE's assessment process was consistent with the Council's methodology. PSE's prorata share of the 10-year potential was determined by dividing the 10-year potential into equal 1/5 segments, rather than accounting for ramping of measure installations over the 10-year period. The pro rata IRP conservation potential does not include any savings from behavior modification. The IRP also does not differentiate between savings that are best achieved by local utility or regional market transformation programs. Furthermore, the Washington Utilities and Transportation Commission, consistent with PSE's Conservation Resouurce Advisory Group, indicated that pilot programs and NEEA savings should be excluded from PSE's EIA penalty targets.

4) PSE's biennial decoupling target savings of 27,993 MWh is included in the overall Portfolio biennial target of 605,194 MWh. It isn't possible to attribute those savings to a particular program, measure, or time period; PSE does not calculate savings for this target on an annual basis.

## Energy Independence Act (EIA) Renewable Energy Report 2017

								Loads ar	nd Resources	6		
Utility		Puget Sound Energy							2015 Annual	Load (MWh)	20509764	
Report Date		June 1	1, 2017						2016 Annual	Load (MWh)	20448423	
Utility Contact Name/Dept		Chris Schaefer				Average of 2015 & 2016 Annual Loads (MW				Loads (MWh)	20479093.5	
Phone		425-45	56-2932					2017 Re	newable Targe	et (% of load)	9%	
Email		chris.schaefer@pse.com					2017 E	Eligible Renew	able Energy T	arget (MWh)	1843118	
							2017 8	Eligible Renew	able Resource	es and RECs	1919762	
2017 Compliance Method:												
PPS Target [DCW 10.295.040(2)(a)]						Expenditures	on Renewat	ole Resources	s and RECs -	2017		
<b>w</b> h3 Talget [RCW 19.265.040(2)(a)]				Amount invest	sted in increm	ental cost of e	ligible renewa	ble resources	and the cost	of RECs	\$27,810,000	
Resource Cost [RCW 19.285.050]				Total annual	retail revenue	nue requirement - 2017					\$2,003,605,159	
Nd Load Growth [PCW 19 285 040(2)(d)]				Investment in	renewables a	and RECs as a	percent of reta	ail revenue req	uirement		1.4%	
					r.		1					
	Wator	Wind	Solar	Goothormal	Landfill Gas	Wave,	Gas from	Rindiasal	Biomacc	Qualified	Apprentice Labor	Distributed
	Water	wind	301ai	Geotherman	Lanunii Gas	Ocean, Tidal	Treatment	Dioulesei	Diomass	Biomass	Credit	Credit
Eligible Renewable Resources (MWh)	114,286	-	-	-	-	-	-	-	-	-	-	
Renewable Energy Credits		1,570,906	-	-	-	-	-	-	-	-	234,570	-
Total Renewables (MWh+RECs)	114.286	1.570.906	-	-	-	-	-	-	-	-	234.570	-

### 2017 Reporting Year:

This renewable energy report summarizes the eligible renewables resources and renewable energy credits (RECs) that the utility has acquired by January 1, 2017 for the purpose of meeting its Energy Independence Act (EIA) renewables target for 2017. The actual resources and RECs used to comply with the 2017 EIA target may vary from those reported here. Utilities will report in June of 2019 on the actual results for 2017.

### Compliance Methods:

The EIA provides three compliance methods for utilities:

-- Meet the renewable energy target using any combination of renewable resources and RECs. The target for 2017 is 9% of the utility's load

-- Invest at least 4% of the utility's annual revenue requirement in the incremental cost of renewable resources and RECs.

-- Invest at least 1% of its annual revenue requirement in renewable resources and RECs. This option is available only to certain utilities that are not growing.

All utilities must report the renewable resources and RECs acquired for the 2017 target year. Utilities that elect to use a compliance method based on renewable investments must provide additional information demonstrating compliance with that method. Refer to WAC 194-37-110(2) and (3) for specific requirements.

NOTE: This is a general explanation of the renewable energy requirements of the Energy Independence Act, intended to help members of the public understand the information reported by the utility. Consult Chapter 19.285 RCW and Chapter 194-37 WAC for details.

Renewabl	e Resources
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Utility	Puget Sound Energy
<b>Compliance Year</b>	2017

Appre	ntice
Lac	or

			Apprentice	Generation	Amount	
		Resource	Labor	Amount	(MWh	
WREGIS ID	Facility Name	Туре	Eligibility	(MWh)	equiv.)	Explanatory Notes (as needed)
W4865	Baker River Project - Lower Baker Unit 3	Water	No	93,789	-	Utilizes UTC Method 2 for incremental hyro28.3% of generation
W4866	Snoqualmie Falls - Snoqualmie Falls Units 1-4	Water	No	20,497	-	Utilizes UTC Method 2 for incremental hyro8.5% of generation
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	
			No		-	

	No	-	
	No	-	

# Renewable Energy Credits

Utility Puget Sound Energy Compliance Year 2017

		REC		Apprentice	Distributed		Apprentice Labor	Distributed Generation	
		Vintage	Resource	Labor	Generation	Quantity	Amount	Amount	
WREGIS ID	Facility Name	(Year)	Туре	Eligibility	Eligibility	REUS	www.equiv.	wwn equiv.	Explanatory Notes (as needed)
W183	Wild Horse - Wild Horse	2016	Wind	No	No	-	-	-	Quantity reflects planned RPS Compliance Usage Only
W184	Hopkins Ridge - Hopkins Ridge	2016	Wind	No	No	398,058	-	-	Quantity reflects planned RPS Compliance Usage Only
W1364	Wild Horse - Wild Horse - Phase II	2016	Wind	Yes	No	130,423	26,085	-	Quantity reflects planned RPS Compliance Usage Only
W1382	Hopkins Ridge - Hopkins Ridge Phase II	2016	Wind	No	No	-	-	-	Quantity reflects planned RPS Compliance Usage Only
W2669	Lower Snake River - Dodge Junction - LSR-Dodge Junction	2016	Wind	Yes	No	600,881	120,176	-	Quantity reflects planned RPS Compliance Usage Only
W2670	Lower Snake River - Phalen Gulch - LSR-Phalen Gulch	2016	Wind	Yes	No	441,544	88,309	-	Quantity reflects planned RPS Compliance Usage Only
W237	Klondike III - Klondike Wind Power III LLC	2016	Wind	No	No		-		Quantity reflects planned RPS Compliance Usage Only
				No	No		-	-	
				No	No		-	-	
				No	No		-	-	
				No	No		-	-	
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Utility Puget Sound Energy
Compliance Year 2017

## Other notes and explanations:

Please note actual resources and RECs used to comply with the 2017 EIA Target may vary from those reported here. PSE will report in June of 2019 on the actual results for 2017.



# Energy Independence Act (EIA) Incremental Cost and REC Cost Report 2017

Incremental Cost of Renewable Resources Utility Puget Sound Energy Compliance Year 2017

			Renewable Resource Annual	Renewable Resource Cost		Substitute Resource Annual	Substitute Resource Cost per	Incremental Cost of Renewable
Facility Name	WREGIS ID	MWh	Cost in 2017	per MWH	Description of Substitute Resource	Cost in 2017	MWH	Resource in 2017
Baker River Project - Lower Baker Unit 3	W4865	109,500	\$8,600,000	79	Long Term PPA	\$9,290,000	85	-\$690,000
Snoqualmie Falls - Snoqualmie Falls Units 1	W4866	34,164	\$3,850,000	113	Long Term PPA	\$3,180,000	93	\$670,000
Wild Horse - Wild Horse	W183	642,984	\$34,940,000	54	Peaker + LT Mkt Purchase	\$29,740,000	46	\$5,200,000
Hopkins Ridge - Hopkins Ridge	W184	466,908	\$18,770,000	40	Peaker + LT Mkt Purchase	\$20,970,000	45	-\$2,200,000
Wild Horse - Wild Horse - Phase II	W1364	91,980	\$10,030,000	109	Peaker + LT Mkt Purchase	\$5,900,000	64	\$4,130,000
Hopkins Ridge - Hopkins Ridge Phase II	W1382	21,024	\$1,280,000	61	Peaker + LT Mkt Purchase	\$1,360,000	65	-\$80,000
Lower Snake River - Dodge Junction - LSR-	W2669	500,172	\$39,330,000	79	Peaker + LT Mkt Purchase	\$27,960,000	56	\$11,370,000
Lower Snake River - Phalen Gulch - LSR-Ph	W2670	397,728	\$31,280,000	79	Peaker + LT Mkt Purchase	\$22,230,000	56	\$9,050,000
Klondike III - Klondike Wind Power III LLC	W237	157,680	\$10,270,000	65	Peaker + LT Mkt Purchase	\$9,910,000	63	\$360,000
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
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	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
Totals		2,422,140	\$158,350,000			\$130,540,000		\$27,810,000

Cost of Renewable Energy Credits

Utility Puget Sound Energy

Compliance Year 2017

Facility Name	WREGIS ID	REC Vintage (Year)	Number of RECs	Annual Cost of Renewable Energy Credits	Cost per REC	Documentation of the calculation and inputs for percentage of revenue requirement invested in renewables:					
						Note: Formulas were modified to reflect ownership of REC generating					
						facilities rather than just nurchased RECs. Additionally, incremental cost					
						calculations based on requirements outlined in WAC 480-100-210 (2)(a)(i)					
						<ul> <li>(A) through (G), which require the calculation of incremental costs for earlighte resource to be performed at the time of acquisition</li> </ul>					
						eligible resource to be performed at the time of acquisition.					

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