

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

FOR AN ORDER EXTENDING
FILING AND REPORTING
REQUIREMENTS

DOCKET UG-240434

ORDER 01

GRANTING PETITION FOR AN
ORDER EXTENDING FILING AND
REPORTING REQUIREMENTS UNDER
RCW 19.405.060 AND 19.280.030, AN
EXEMPTION FROM THE
REQUIREMENTS OF WAC 480-90-
238(4), 480-100-640(1) & 480-100-
655(2), AND REQUIRING THE FILING
OF AN INTEGRATED SYSTEM PLAN

BACKGROUND

- 1 On June 5, 2024, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an extension of several planning requirements in the wake of the passage of the Washington Decarbonization Act for Large Combination Utilities (the Act or ESHB 1589).
- 2 PSE serves approximately 900,000 natural gas customers and 1.2 million electric customers largely in western Washington. As defined in ESHB 1589, PSE meets the definition of a “Large Combination Utility.”
- 3 The Petition requests extension for the following planning requirements:
 - Gas Integrated Resource Plan¹
 - Electric Integrated Resource Plan²
 - Clean Energy Implementation Plan (CEIP)³

¹ WAC 480-90-238(4).

² RCW 19.280.030.

³ RCW 19.405.060(1); WAC 480-100-640(1).

- CEIP Public Participation Plan⁴

4 PSE asserts that this extension, if approved, would allow the Company and its stakeholders to focus on the development of its first Integrated System Plan (ISP), due to be filed in 2027. The Company also points to the benefits of streamlining planning requirements enabled by the new law. As an attachment to the Petition, PSE includes a “Planning Transition Work Plan” which reiterates the points made in the Petition and describes actions the Company plans to take prior filing its 2027 ISP.

5 After discussions with Staff, PSE filed a supplemental letter on June 27, 2024, clarifying clean energy- and equity-related reporting requirements and the public engagement approach PSE plans to implement in the development of its 2027 ISP.⁵

6 Commission staff (Staff) acknowledges that this request is the first-of-its-kind under the Act. After reviewing the petition, and applicable law, Staff recommends that PSE’s petition be granted, subject to the condition that PSE accomplishes the commitments made in its June 27, 2024, “Supplemental Letter.” Staff further recommends that if the Commission grants the petition, that it also approves PSE’s other petitions in Dockets UE-210795 and UE-220066 – so as to remove references to filing obligations that would no longer be applicable.⁶

7 On July 1, 2024, the Alliance for Western Energy Consumers (AWEC) filed a petition to intervene in this docket. The petition pointed to concerns about the high costs of PSE meeting its proposed 2026 and 2027 targets using short-term renewable energy purchases.

8 Staff expressed similar concerns and recommended that the Commission not approve PSE’s workplan, the proposed targets, or related expenditures in this filing.

9 One commenter in the docket expressed concerns about PSE’s public participation process, and extending PSE’s 2025 IRP filing requirements, pointing to the 63 percent target remaining unchanged during the 2026 and 2027 timeframe.

⁴ WAC 480-100-655(2).

⁵ Supplemental Letter, Docket UE-240433, June 27, 2024.

⁶ These petitions will be addressed by separate Orders in those dockets.

DISCUSSION AND DECISION

10 On March 28, 2024, the Washington Legislature enacted ESHB 1589, which among other things provides that “the commission may issue an order extending the filing and reporting requirement of a large combination utility under RCW 19.405.060 and 19.280.030,” upon a public showing of a “work plan that demonstrates reasonable progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and achieving equity goals.”⁷

CETA Progress

11 Staff has reviewed PSE’s work plan and posits that it demonstrates reasonable progress towards meeting CETA standards.

12 Since PSE’s 2021 Integrated Resource Plan (IRP) – the first since the passage of CETA – PSE has issued at least six requests for proposals (RFPs) for long-term resources to meet energy needs, capacity needs, or a combination of both. ⁸ In PSE’s Planning Transition Work Plan, PSE discusses its plan to continue this procurement effort by issuing another distributed solar and storage RFP in 2025, a potential all-source RFP prior to 2027, and a targeted request for information for demand response resources in 2024 which may lead to a subsequent RFP.

13 Staff evaluates these procurements as a tangible showing of the Company’s efforts to meet its obligations under the CETA standards for 2030 and 2045. Based on conversations with the Company, Staff understands that PSE has worked with its independent evaluator to adjust its RFP process between the 2021 all-source RFP and its recently filed 2024 all-source RFP in ways that should help expedite the timeline for bid review and contract execution.

14 Staff believes that the continued progress on existing procurement processes and the additional RFPs included in PSE’s Planning Transition Work Plan represent reasonable progress toward meeting the CETA standards. At the same time, Staff recommends that

⁷ Washington Decarbonization Act for Large Combination Utilities, Engrossed Substitute House Bill 1589, §3(3)-(4) (2024).

⁸ See 2021 All-source RFP (UE-210220); 2022 Distributed Energy Resources RFP (UE-210878); 2023 Distributed Solar and Storage RFP (UE-220971); 2023 Lower Snake River Wind RFP (UE-230337); 2024 Distributed Solar and Storage RFP (UE-240377); 2024 All-source RFP (UE-240532).

PSE continue to monitor how emerging trends in energy use may impact PSE's resource need, especially as 2030 quickly approaches.

- 15 In its supplemental filing, PSE clarifies that it will continue to report on its progress toward clean energy obligations under CETA via its annual clean energy reports as required by WAC 480-100-650(3).

Equity Progress

- 16 Staff has reviewed PSE's work plan and posits that it demonstrates reasonable progress towards achieving equity goals.

- 17 On this point, PSE's plan describes progress and outlines its work in terms of the four tenets of energy justice as described in the Commission's Order 09 in Docket UG-210755: Recognition Justice, Procedural Justice, Distributional Justice, and Restorative Justice.

- 18 In its supplemental filing, PSE clarifies that it will continue to report on its progress toward these equity goals in its clean energy compliance report filing as required by WAC 480-100-650(1).

- 19 We agree with Staff's conclusion that PSE's workplan has demonstrated reasonable progress towards both CETA compliance and achieving equitable goals.

Additional Exemptions

- 20 Additionally, WAC 480-07-110 allows the Commission to "grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes." PSE has requested a number of such exemptions be granted for filing and reporting requirements outside of the scope of ESHB 1589 §3.

- 21 This request is consistent with the underlying statute. First, we are persuaded from the passage and language of the Act that the legislature's intent is to enable "timely and cost-effective decarbonization."⁹

⁹ Washington Decarbonization Act for Large Combination Utilities, Engrossed Substitute House Bill 1589, §3(1) (2024).

22 This request is consistent with the underlying regulations. The information sought by the regulations will be easier for both interested parties and the Commission to process if consolidated into a single filing.

23 This request is consistent with the public interest. PSE has already demonstrated reasonable progress towards achieving both CETA compliance and equitable goals. Further, on June 27, 2024, PSE made additional commitments to accomplish certain goals and to keep the Commission apprised of its progress. Allowing the Company to fold in legacy filing requirements into its Integrated System Plan in 2027 serves the public interest

24 As a result, we are persuaded that granting exemptions to certain procedural rules¹⁰ would be appropriate under WAC 480-07-110.

FINDINGS AND CONCLUSIONS

25 (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 natural gas companies.

26 (2) PSE is a is engaged in the business of providing electric and gas service within the State of Washington as a public service company and is subject to the regulatory authority of the commission.

27 (3) Section 3 of ESHB 1589 permits the Commission to extend the filing and reporting requirements of a large combination utility under RCW 19.405.060 and 19.280.030, if the Commission finds that the company has, through a public work plan, demonstrated reasonable progress toward meeting CITA's requirements, and achieving equity goals.

28 (4) PSE is a large combination utility.

29 (5) PSE has requested an extension of filing and reporting obligations under RCW 19.405.060 and 19.280.030.

¹⁰ WAC 480-90-238(4) (Gas IRP); WAC 480-100-655(2) (CEIP Public Participation Plan); WAC 480-100-640(1) (CEIP).

- 30 (6) PSE has provided a work plan which demonstrates reasonable progress towards meeting CETA’s requirements, and achieving equity goals – provided that PSE accomplishes the commitments it made in its June 27, 2024, “Supplemental Letter,” including engagement and timeline for the development and filing of its “Public Engagement Plan.”
- 31 (7) Additionally, PSE has requested exemptions pursuant to WAC 480-07-110, for PSE’s gas IRP, CEIP, and CEIP public participation plan¹¹ – so as to allow PSE to better align and integrate these plans with other legacy planning documents.
- 32 (8) This matter came before the Commission at its regularly scheduled meeting on July 11, 2024.
- 33 (9) After reviewing PSE’s Petition filed in Dockets UG-240434 and UE-240433, and giving due consideration to all relevant matters, the Commission finds that PSE’s request is reasonable. The request is consistent with the purposes of underlying regulations and applicable statutes. The petition is in the public interest. Therefore, the Commission concludes it should be granted.

ORDER

THE COMMISSION ORDERS:

- 34 (1) Puget Sound Energy’s Petition filed June 5, 2024, is granted. The filing and reporting requirements for Puget Sound Energy’s Gas Integrated Resource Plan, Electric Integrated Resource Plan, Clean Energy Implementation Plan (CEIP), and CEIP Public Participation Plan shall be consolidated with and filed in an Integrated System Plan on a timeline determined in Docket U-240281. This extension of filing and reporting requirements shall be contingent on PSE’s accomplishment of the commitments made in its June 27, 2024, “Supplemental Letter,” including the engagement and timeline for the development and filing of its “Public Engagement Plan.”

¹¹ *Id.*

- 35 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.¹²

DATED at Lacey, Washington, and effective July 11, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner

¹² The Commission notes that this Order should not be interpreted as an approval of the workplan, the proposed targets, or related expenditures in this filing.