EXH. BTC-7
DOCKETS NOS. UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: BRADLEY CEBULKO

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **PUGET SOUND ENERGY,** **Respondent.**	DOCKET NOS. UE-240004 and UG-240005 *(Consolidated)*

EXHIBIT BTC-7 (NONCONFIDENTIAL) TO THE RESPONSE TESTIMONY OF

BRADLEY CEBULKO

ON BEHALF OF

JOINT ENVIRONMENTAL ADVOCATES

August 6, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case

JEA DATA REQUEST NO. 020:

Re: Jacobs Testimony

Please refer to JJJ-1Tr, 32:29 – 33:2, where the witness writes, "The incremental cost of RNG in the PGA portfolio is estimated to be under the mandated five percent of revenue requirement at 3.8 percent for 2024; however, PSE believes that legislative action to expand the ceiling may be warranted. This current restriction severely limits the ability of natural gas companies to rely on RNG to decarbonize customer fuel supply, a limitation compounded by the fact that RNG sells at a premium price when compared to traditional natural gas."

a. Please provide PSE's forecasted price of RNG by feedstock (with environmental attributes) on a per Dth basis for each year for the next 20 years. Please provide the response in an unlocked Excel workbook with all formulas intact.
b. Has PSE developed a supply curve of RNG by feedstock and expected price? If yes, please provide the supply curve in an unlocked Excel spreadsheet with all formulas intact.
c. If the answer to subpart (b) is no, how does PSE forecast the amount of RNG that will be available in the market and at what price?
d. Has PSE conducted, received, or purchased analysis that identifies the amount RNG, and the percentage of total RNG, that is purchased and used in the transportation sector? If yes, please provide that analysis. If not, please explain why not.
e. Does PSE agree that the price of RNG is determined by the price a buyer is willing to pay and not the production cost of RNG? If not, please explain why not.
f. Please identify the percentage of emissions reductions PSE assumes it can achieve for its natural gas utility in each year for the next twenty years through the purchase of RNG. Please provide the response in an unlocked Excel workbook with all formulas intact.

Response:

Puget Sound Energy ("PSE") objects to JEA Data Request No. 020 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

a&c. Puget Sound Energy ("PSE") does not forecast renewable natural gas ("RNG") price by feedstock. PSE has estimated RNG price and volume availability in its Integrated Resource Plan ("IRP") based on the frequency, volumes and pricing of offers to sell; review of RNG market articles in the media; and discussions with market participants. Attached as Attachment A to PSE's Response to JEA Data Request No. 020 is an MS Excel spreadsheet with the incremental RNG volumes PSE assumes will be available and the associated fixed price for analysis in PSE's forthcoming IRP.

b. No.

d. No. PSE is focused on acquiring RNG for its gas sales customers. The use of RNG in the transportation sector does not currently restrict supply to the degree that RNG is unavailable to PSE.

e. PSE agrees that the price of RNG is what a seller is willing to sell for (knowing the production cost and alternative market value and risk) and what a buyer is willing to pay.

f. The annual emissions reduction from RNG for the reference scenario is shown in the 2023 Gas IRP Chapter 6, Figure 6.7 on page 6.13. The annual emissions reductions data can be found here: https://www.pse.com/-/media/PDFs/IRP/2023/gas/appendix/App_F_Gas-IRP-Results.xlsx?rev=30350e7bf28b4b54badebe46fe8a0f30&modified=20230517173231&hash=3BE3F05E36267339F82F7B2CF371C1C3. The percent annual emissions reduction from RNG in the reference scenario can be calculated in two steps: (1) First converting row 6 under the worksheet "Emissions Savings in MDth" to metric tons: multiply the numbers in each year by the emissions factor 53.06 metric tons/MDth, and (2) Dividing metric tons from 1 above obtained for each year by the corresponding annual total emissions found in row 2 under the worksheet "Summary of Emissions." The percentage of emissions reduction from RNG in the reference scenario to the total net emissions ranges from 1.4% in 2024 to 2.7% in 2037, and finally 2.2% in 2050.

ATTACHMENT A to PSE's Response to JEA Data Request No. 020