## BEFORE THE WASHINGTON UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

**PUGET SOUND ENERGY** 

Respondent.

DOCKETS UE-220066, UG-220067, and UG-210918 (Consolidated)

# ROBERT L. EARLE ON BEHALF OF THE WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL PUBLIC COUNSEL UNIT

#### **EXHIBIT RLE-3C**

Puget Sound Energy Response to Public Counsel Data Request No. 200 (without Attachments)

July 28, 2022

Shaded Information is Designated Confidential Per Protective Order In Dockets UE-220066, UG-220067, and UG-210918 (Consolidated)

REDACTED VERSION

#### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

#### Dockets UE-220066 & UG-220067 Puget Sound Energy 2022 General Rate Case

#### **PUBLIC COUNSEL DATA REQUEST NO. 200**

#### "CONFIDENTIAL" Table of Contents

DR NO.	"CONFIDENTIAL" Material
200	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-220066 and UG-220067 as marked in Public Counsel Data Request No. 200
200	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-220066 and UG-220067 as marked in Puget Sound Energy's Response to Public Counsel Data Request No. 200
200	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-220066 and UG-220067 as marked in Attachments A through G to Puget Sound Energy's Response to Public Counsel Data Request No. 200

#### BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

### Puget Sound Energy 2022 General Rate Case

REDACTED VERSION

#### **PUBLIC COUNSEL DATA REQUEST NO. 200:**

Re: Power Costs – Powerex Summer Peak PPA. Paul K. Wetherbee, Exh. PKW-1CT at 22:1-26:14.

- a. Please provide a copy of Powerex's October 2021 RFP along with any revisions Powerex issued for the RFP.
- b. Please provide a copy of Puget Sound Energy's bid submitted to Powerex.
- c. Please provide a copy of the executed Powerex Summer Purchased Power Agreement (PPA).
- d. Please provide details of negotiations after the submission of PSE's bid and the execution of the Powerex Summer PPA including all correspondence between PSE and Powerex concerning the Powerex Summer PPA.
- e. Please provide all materials presented to the EMC concerning the Powerex Summer PPA after November 24, 2021.
- f. Please answer yes or no. Is it correct to understand that PSE's decision regarding whether it will continue as a participant in WRAP in the binding phase is subject to a cost-benefit analysis PSE has not yet performed? (Exh. PKW-1CT at 14:18–15:2).
- g.
- h. If the answer to subpart f. is no, please clarify PSE's plans to participate in WRAP.
- Please provide support for the statement "Opportunities to acquire firm capacity products to meet PSE's immediate needs are very limited." (Exh. PKW-1CT at 25:18–19).
- j. Please answer yes or no. Did PSE contact any other suppliers to meet its needs, or did PSE rely solely on Powerex?
- k. If the answer to subpart j. is yes, please provide documents that support PSE's answer.
- I. If the answer to subpart j. is no, please explain why PSE did not contact any other suppliers.
- m. Concerning Exhibit PKW-7C:
  - i. Please provide the data and calculations that support the statement "In June 2021 PSE experienced the hottest summer day on record at 105 degrees, with a peak hour hourly load of 4,036 which was 1,290 MW above normal." (Exh. PKW-7C at 2).

PSE's Response to Public Counsel Staff Data Request No. 200

Date of Response: May 2, 2022

Person who Prepared the Response: Chris Smith / Brennan Mueller Witness Knowledgeable About the Response: Paul K. Wetherbee

- ii. For each of the years 2010 through 2021, please provide hourly load data for PSE in Excel format.
- iii. Please provide workpapers along with data and calculations in Excel format, with formulas intact, that support each of the numerical entries from Exhibit PKW-7C at 8.
- iv. Please provide the data in Excel format for the graph "Day Ahead Summer 2021 On Peak Prices," the data source, and the definition of "Day Ahead On Peak." (Exh. PKW-7C at 9).
- v. Please provide the data in Excel format for the graph "Jun-Sep Strip On Peak Price," the data source, and the definition of "Jun-Sep Strip On Peak." (Exh. PKW-7C at 11).

#### Response:

- a. Attached as Attachment A to Puget Sound Energy's ("PSE") Response to Public Counsel Data Request No. 200, please find the Request For Proposals ("RFP") issued by Powerex in October 2021.
- b. Attached as Attachment B to PSE's Response to Public Counsel Data Request No. 200, please find a copy of the bid PSE submitted in response to the Powerex RFP.
- c. Attached as Attachment C to PSE's Response to Public Counsel Data Request No. 200 please find a copy of the executed Summer Peak Power Purchase Agreement ("PPA") between PSE and Powerex.
- d. On December 2, 2021, Powerex notified PSE that it had been awarded its bid #3. On December 7, 2021, Powerex and PSE executed the contract. Between December 2 and December 7, PSE and Powerex finalized the confirmation language. The resulting executed contract is included as Attachment C to this Response. Attached as Attachment D to PSE's Response to Public Counsel Data Request No. 200, please find a series of emails containing correspondence between PSE and Powerex from the time of PSE's bid submission to the executed contract.
- e. PSE did not present materials related to the Powerex Summer Peak PPA to its Energy Management Committee ("EMC") after the November 24, 2021 EMC meeting in which the EMC approved PSE's recommendation to submit bids in the Powerex RFP.
- f. Yes. PSE has not completed a cost/benefit analysis of participation in the Western Resource Adequacy Program ("WRAP") and PSE's decision to participate in the binding phase of the WRAP will be based at least in part on the results of a cost/benefit analysis.

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- g. PSE's need for summer capacity is independent of whether PSE ultimately decides to participate in the binding phase of the WRAP. The Powerex Summer Peak PPA addresses PSE's need for summer capacity, as described in the Prefiled Direct Testimony of Kyle C. Stewart, Exh. KCT-1CT.
- h. Not applicable.
- i. There is not a liquid market for capacity products that meets PSE's capacity needs in the near term.
- j. No. PSE did not contact other suppliers to meet its identified near term summer capacity need. To be clear, PSE did not contact Powerex either – PSE received the RFP from Powerex and the product offered in that RFP aligned with PSE's need for summer capacity.
- k. Not applicable.
- I. PSE did not contact any other suppliers. The Powerex Summer Peak PPA was an opportunistic acquisition in response to an offer received outside of PSE's normal long-term RFP process. PSE pursues opportunities identified outside of its normal competitive procurement process when the opportunities align with PSE's resource needs and provide economic benefits to customers.

#### m. See below.

- i. Attached as Attachment E to PSE's Response to Public Counsel Data Request No. 200, please find a spreadsheet with recorded PSE load and temperature data for June 28, 2021.
- ii. Attached as Attachment F to PSE's Response to Public Counsel Data Request No. 200, please find a spreadsheet containing PSE's actual hourly load for January 1, 2010 through December 31, 2021.
- iii. Attached as Attachment G to PSE's Response to Public Counsel Data Request No. 200, please find an MS Excel workbook containing inputs and calculations used to support PSE's bid for the Powerex Summer Peak PPA. Calculations for the table included in Exh. PKW-7C at 8 are shown in rows 80 through 88 of the tab named "Powerex Bid (C)." Note that the values in Attachment G are those used in PSE's final bid to Powerex which relied on forward market prices as of November 30, 2021. The values shown in Exh. PKW-7C were indicative values based on forward prices as of November 19, 2021.

- The data used in the chart "Day Ahead Summer 2021 On Peak Prices" in iv. Exh. PKW-7C is included on the tab named "Summer prices (C)" in Attachment G to this Response. These prices are daily on-peak index prices from the Intercontinental Exchange ("ICE") Mid-C Daily index. Dayahead on-peak means power traded the scheduling day prior to delivery for delivery during hours ending 07:00:00 through 22:00:00, Monday through Saturday, excluding NERC<sup>1</sup> designated holidays.
- The data used in the chart "Jun-Sep Strip On Peak Price" in Exh. PKW-7C is also included on the tab named "Summer prices (C)" in Attachment G to this Response. These prices are forward index prices from Platts S&P Global. "Jun-Sep Strip On Peak Price" means the index price for Mid-C forward power contracts with delivery during on-peak hours from June through September.

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Witness Knowledgeable About the Response: Paul K. Wetherbee

<sup>&</sup>lt;sup>1</sup> North American Electric Reliability Corporation.