



Puget Sound Energy
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September 27, 2019

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: UE-190665 (Advice No. 2019-30) – PSE’s responses to stakeholders’ comments about PSE’s tariff revisions implementing WAC 480-106 per General Order R-597 in Docket U-161024

PSE’s Electric Tariff Filing - Please Do Not Redocket

Dear Mr. Johnson:

Pursuant to the request from the Washington Utilities and Transportation Commission (“Commission”) at the September 12, 2019 Commission open meeting, please find enclosed for filing Puget Sound Energy’s (“PSE”) responses to the third-party comments regarding PSE’s tariff revisions implementing WAC 480-106 per General Order R-597 in Docket U-161024, the Commission’s implementation of the federal Public Utilities Regulatory Policies Act (“PURPA”).

At this time, no changes have been filed related to the proposed Schedules 91 and 92 tariff sheets and tariff attachments that PSE filed on August 9, 2019. However, PSE is planning on filing revisions to its proposed tariff sheets after the stakeholders workshop hosted by the Commission Staff on October 2, 2019. These revisions will include certain tariff schedule changes that have been requested by the Commission Staff, the Northwest and Intermountain Power Producers Coalition, and the Renewable Energy Coalition in their comments about PSE’s Schedules 91 and 92 filing. Such revisions, for example, include: contracting procedures for potential Schedule 91 customers, pricing of avoided capacity for years 2019 through 2022 reflecting the projected fixed costs of a simple-cycle combustion turbine unit, and clarification that PSE will purchase any energy and capacity made available from a qualifying facility. For the effective date of the tariff sheets, PSE will extend the original proposed effective date of October 10, 2019, to a date in November so that the Commission can review all utilities’ responses to these stakeholders’ comments in a November open meeting and discuss PSE’s Schedules 91 and 92 filing at that meeting.

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As outlined in the transmittal letter of the initial Schedules 91 and 92 filing and reiterated in PSE's responses attached to this filing, PSE's approach for the tariff schedule revisions implementing WAC 480-106 per General Order R-597 in Docket U-161024 are as follow:

1. Calculating renewable capacity contribution per WAC 480-106-040(1)(b)(i), (ii), and (iii) to be based upon PSE's 2017 Integrated Resource Plan ("IRP"), which the Commission acknowledged in Dockets UE-160918 and UG-160919. The entire 2017 IRP, including all appendixes, have been made available at the website: <https://pse-irp.participate.online/#irp-2017>. The public, along with the IRP advisory group, was invited to participate in the 2017 IRP review process. The public involvement and interactions are detailed in Appendix A: Public Participation: https://www.pse.com/-/media/PDFs/001-Energy-Supply/001-Resource-Planning/09_IRP17_AppA_092617.pdf.
2. Calculating renewable avoided energy cost according to "the utility's current forecast of market prices" as specifically provided for in WAC 480-106-040(1)(a). PSE's use of its 2019 IRP energy price forecast is consistent with the Commission Rule and no further investigation is needed. PSE's current forecast of market prices for power is public information outlined in its current draft 2019 IRP, and has been presented to stakeholders on September 19, 2019. All presentation materials are located at the following link: <https://pse-irp.participate.online/#irp-2019>. Schedules and locations of the meetings with the public and the teams of external stakeholders and Commission Staff in PSE's IRP Advisory Group and the Technical Advisory Group are detailed in the following document: <https://oohpseirp.blob.core.windows.net/media/Default/PDFs/IRPUpdateSchedule-0724219.pdf>. Following these open reviews and discussions, a complete documentation of the power prices will be included in the 2019 IRP. The draft 2019 IRP will be released on November 15, 2019, with the final IRP filed with the Commission on January 15, 2020.
3. PSE's three Schedule 91 standard power purchase agreements are consistent with WAC 480-106-030 and accommodate all Schedule 91 pricing options. The proposed Schedule 91 standard power purchase agreements are reasonable and generally consistent with PSE standard power purchase agreements previously approved by the Commission and used by PSE over the past few years. If the Commission were to seek additional process to address certain provisions of standard power purchase agreements with qualifying facilities, PSE would work together with the Commission, Commission Staff, Public Counsel, and other stakeholders in that process. However, since PSE has complied with WAC 480-106-030, no further process needs to be allocated for this topic, and the Commission can approve the rates, the avoided costs, and the Schedule 91 standard power purchase agreements before the end of the calendar year.

Mr. Mark L. Johnson
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Please contact Mei Cass at (425) 462-3800 or Eric Englert at (425) 456-2312 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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Attachment:
UE-190665-PSE-Attach-Response-(09-27-19).docx