

Agenda Date: December 23, 2021  
Item Number: A1

**Docket:** UE-210818  
Company Name: Puget Sound Energy

Staff: Deborah Reynolds, Assistant Director, Conservation and Energy Planning

### **Recommendation**

Take no action, thereby allowing the tariff sheets filed by Puget Sound Energy on October 29, 2021, in Docket UE-210818 to become effective on January 1, 2022, by operation of law.

### **Background**

On October 29, 2021, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its Tariff WN U-60, adding new Schedule 153, Qualifying Facility Transmission Interconnection Service. The Company requested an effective date of January 1, 2022.

Under the Public Utility Regulatory Policy Act of 1978, renewable energy facilities smaller than 80 megawatts are entitled to interconnect with the utility. PSE states that the proposed transmission level service attempts to mitigate the need for qualifying facilities (QFs) to pay for expensive system upgrades in the first place and eliminates the need for a QF to secure and pay for PSE transmission service. In exchange for eliminating network upgrade costs, the QF would be subject to curtailment if the transmission system needed to shed or reduce the amount of power carried by the system.

### **Discussion**

Staff agrees that removing the requirement for a QF under this tariff to pay for transmission network upgrades supporting network reliability standards of N-1-1 (essentially requiring a generator to build a third transmission line) can significantly reduce a QF's interconnection costs. While the size of the reduction will vary, the Company's proposal should reduce a QF's interconnection costs without negatively impacting system operation. Staff supports the tariff as filed.

Joint comments were filed on November 23, 2021, by the Northwest & Intermountain Power Producers Coalition and the Renewable Energy Coalition. PSE filed a response to the joint comments on December 8, 2021. While both sets of comments address a variety of topics, the only remaining issue is whether the approval of the instant tariff resolves the issue of whether a qualifying facility could be reimbursed for the network upgrade portions of the interconnection

expenses. Staff believes this tariff does not settle the issue of reimbursement. In its rulemaking order under Docket U-161024, when this issue was raised by the joint commenters, the Commission declined to address it. The Commission also clearly stated its support for alternative sources of energy and noted that if it became aware of interconnection issues inhibiting the ability of QFs to effectively provide such alternatives, it would consider initiating a proceeding to address those issues.<sup>1</sup> Staff believes it would be most appropriate to address reimbursement through an individual complaint filed by a QF, which would allow the Commission to consider the specific facts of a particular case.

### **Conclusion**

Take no action, allowing the tariff to go into effect by operation of law.

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<sup>1</sup> Docket No. U-161024, General Order R-597 at par. 19 (June 12, 2019).