

PUGET SOUND ENERGY

2015 INTEGRATED RESOURCE PLAN

UPDATED WORK PLAN II

July 31, 2015

IRP WORK PLAN Update—Public Participation

To complete the 2015 IRP filing during the two-month extension period, PSE will continue with the same stakeholder engagement process. This will include facilitated IRP Advisory Group meetings. The Company does not anticipate needing additional detailed, Technical Advisory Group meetings, but is open to discussion with stakeholders.

An IRP Advisory Group meeting is scheduled for August 3, 2015. The agenda for that meeting will include discussing additional meetings and dates for those meetings. The Company anticipates two additional meetings, roughly scheduled as shown in Appendix A:

- One to discuss final results before distributing a draft IRP;
- A second to get feedback from stakeholders on the draft before finalizing.

PSE anticipates distributing a draft IRP for stakeholder feedback on September 25, 2015. The Company would like to discuss this timing with stakeholders at the August 3, 2015, meeting before finalizing this timing.

2015 IRP—Colstrip Information Included

In the 2015 IRP, PSE will include results of analysis pertaining to possible least-cost replacement resources in portfolio sensitivities where Colstrip is removed from the portfolio in 2026. This will be consistent with the approach discussed at past IRP Advisory Group meetings with stakeholders. The write-up in the IRP will reflect the least-cost resources out of the Company's deterministic optimization analysis. It will not reflect the kinds of sophisticated options discussed in the recent legislative session, as that kind of analysis is very resource specific—not something well suited for an IRP. Analysis included in the IRP will focus on replacement resources, not focus on costs. From the beginning of this IRP cycle, PSE has made it clear additional future environmental costs and risks were not being addressed. Without consideration of potential future costs, continued operation of Colstrip will look cost effective. PSE is concerned that presenting a partial cost analysis in the IRP may introduce confusion in future legislative discussions, where future regulatory compliance costs need to be an important consideration. To avoid creating such confusion, Colstrip results in the 2015 IRP will focus on least-cost replacement resources across different scenarios/sensitivities, rather than cost implications. PSE believes presenting this simplified replacement resource analysis is consistent with the WUTC's letter in the 2013 IRP.

2015 IRP-CONTENT OUTLINE UPDATE

The following is an updated draft outline of the 2015 IRP. This draft is based on extensive documentation PSE has already developed. Organizational structure of the final IRP may be revised based on results of analysis and feedback received through the planning process.

1. Executive Summary
2. Resource Plans
3. Planning Environment
4. Key Analytical Assumptions
5. Demand Forecasts
6. Electric Analysis
7. Gas Analysis

Appendices

- A. Public Participation
- B. Legal Requirements & Other Reports
- C. Environmental and Related Regulatory Matters
- D. Electric Resource Alternatives
- E. Demand Forecast
- F. Regional Resource Adequacy
- G. Electric Wholesale Market Risk
- H. Operational Flexibility
- I. Regional Transmission Resources
- J. PSE's Open Access Transmission Planning "Attachment K"
- K. Energy Storage
- L. Solar Power Analysis
- M. Electric Analysis
- N. Gas Analysis
- O. Demand-Side Resources

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Updated 2015 IRP Work Plan

Appendix A Anticipated Timing of IRP Advisory Group Meetings

Anticipated 2015 IRP Work Plan Schedule for Public Participation- 7/24/2015

