

Agenda Date: February 15, 2019
Item Numbers: A2 and A3

Dockets: **UE-180607**
UG-180608
Company: **Puget Sound Energy**

Staff: Kathi Scanlan, Acting Integrated Resource Planning Manager

Recommendation

Issue an order granting Puget Sound Energy a temporary exemption from rule, extending the 2019 electric and gas Integrated Resource Plan filing deadlines from July 15, 2019, to January 15, 2020, subject to the condition that PSE file an update to its 2019 IRP work plans no later than February 28, 2019.

Background

Pursuant to WAC 480-07-110, the Utilities and Transportation Commission (commission) has the authority to grant a petition for exemptions to its rules. The commission may grant petitions for exemptions or modify application of its rules in individual cases if such petitions are “consistent with the public interest, the purposes of underlying regulations, and applicable statutes.”¹ WAC 480-07-110 is also directly referenced for the chapter governing filing requirements for gas Integrated Resource Plans (IRPs) at WAC 480-90-008, and for electric IRPs at WAC 480-100-008.

Due to recent legislative uncertainties that could change the region’s resource mix in the near- and long-term, Puget Sound Energy (PSE) proposes a petition to extend its IRP filing deadline by six months. The proposed extension will also impact PSE’s 2019 Biennial Conservation Plan (BCP) filing.

RCW 19.285 and WAC 480-109-120 require electric utilities to submit their 2020-2021 BCP on or before November 1, 2019. The BCP outlines each utility’s approach to acquiring electric energy efficiency (conservation) savings, which is derived from its most recently completed Conservation Potential Assessment (CPA). The IRP modeling, including the CPA modeling, will not be completed by November 2019. As highlighted below, PSE addresses related impacts to the 2019 IRP filing delays, including issues involving BCP target-setting.

On February 1, 2019, PSE filed a petition in Dockets UE-180607 and UG-180608 to extend the deadlines for submission of the gas and electric Integrated Resource Plans (IRPs) by six months, from July 15, 2019, to January 15, 2020. PSE amended its petition on February 4, 2019, rescinding its initial request for a permanent scheduling change of the IRP extension. Staff

¹ WAC 480-07-110(1).

agrees with the proposal in PSE's amended petition, and supports PSE remaining on its current odd number year schedule, where the 2021 electric and gas IRPs are due on July 15, 2021.

Discussion

PSE's petition cites significant legislative uncertainties in Washington pertaining to reducing carbon emissions from the utility sector. Some of these bills, if passed, could fundamentally change PSE's resource mix and impact PSE's customers. Given the uncertain outcome of this session, PSE asserts that it is in the public interest to pause development of the 2019 IRP and resume once legislative outcomes are known this spring. Staff also supports this extension as it will allow PSE to resume its planning process and analyze the scenarios and sensitivities that are reflective of current state policies and legislation.

On February 7, 2019, PSE discussed the IRP deadline extension with its Technical Advisory Group (TAG). Staff is not aware of any TAG members that have specific objections to the IRP extension. PSE discussed its initial and amended petitions with staff; in these discussions, staff also recommends that PSE update its IRP stakeholder meeting schedule and work plan.

Biennial Conservation Plan Impacts. Under PSE's proposal to extend the IRP deadline, the conservation potential assessment and IRP modeling will not be completed by November 2019. PSE also proposes to use its 2017 Electric IRP for compliance with its 2020-2021 BCP targets and projects that the targets will not be substantially different from that of the current pro rata share in its 2018-2019 BCP. Staff agrees that PSE's proposal to use the most recently acknowledged 2017 IRP in the development of its next ten-year conservation potential and 2020-2021 biennial conservation target is consistent with the commission's rules.²

Prospective legislation may also affect the BCP target calculation. Staff expects PSE to consult with the Conservation Resources Advisory Group (CRAG) to determine if, and when, it would be appropriate to petition the commission for a modification of the 2020-2021 biennial conservation target and ten-year conservation potential.

Public Comments. No interested parties filed comments regarding Puget Sound Energy's petition to extend the IRP filing deadlines.

Conclusion

The petition filed by PSE to extend its IRP deadline is consistent with the public interest. Pursuant to WAC 480-07-110, staff recommends the commission issue an order granting Puget Sound Energy a temporary exemption from rule, extending the 2019 electric and gas Integrated Resource Plan filing deadlines from July 15, 2019, to January 15, 2020, subject to the condition that PSE file an update to its 2019 IRP work plans no later than February 28, 2019.

² WAC 480-109-100(2)(b) The ten-year conservation potential projection must be derived from the utility's most recent IRP.