



Puget Sound Energy  
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PSE.com

January 18, 2018

***Filed Via Web Portal***

Mr. Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

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UTIL. AND TRANSP.  
COMMISSION

**RE: Advice No. 2018-02 Electric Tariff Filing – Filed Electronically**

Dear Mr. King:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revision to the WN U-60, Tariff G for electric service of Puget Sound Energy (“PSE”).

**Original Sheet No. 91-C                      Schedule 91 – Cogeneration and Small Power Production (Continued)**

The purpose of this filing is to update the Fixed Price option Energy Rates for non-firm solar agreements in Schedule 91 to reflect one of the two corrections to the 2017 Integrated Resource Plan (“IRP”) that PSE submitted with the Commission on January 12, 2018, under Docket Nos. UE-160918 and UG-160919. The correction to the 2017 IRP Figure D-20: Generic Renewable Resource Cost Assumptions does not have any tariff schedule impact. The correction that pertains to this filing is the correction to the IRP Figure N-37: Indicative Avoided Capacity Resource Costs for Resources Delivered to PSE (Base + CAR Only Scenario) that changed the peak capacity value assigned to a solar resource to 2% of Effective Load Carrying Capability (“ELCC”) from 1% of ELCC.

No current or prospectively Qualifying Facility Customer-Generators are or will be affected by the proposed update of the Fixed Price option Energy Rates for non-firm solar agreements.

Consistent with PSE’s Schedule of Estimated Avoided Cost most recently filed in Docket No. UE-180054 on January 16, 2018, the current Fixed Price option Energy Rates for firm and non-firm wind agreements, and the updated Fixed Price option Energy Rates for non-firm solar agreements reflect the same currently available power price forecast, capacity value, and discount rate assumptions used in PSE’s most current 2017 IRP and other PSE power cost analyses. The ELCC value for a firm base resource is assigned the value of 100 percent and for the non-firm resources of wind and solar, the ELCC values are 16% and 2%, respectively.

As per WAC 480-107-095, PSE offers this standard tariff for purchases from Qualifying Facilities. For each type of resource, the methodology used to update the Fixed Price option is consistent with the

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approach used in the 2007 through 2017 annual filings, where a market price forecast is generated using PSE's Aurora dispatch model without system integration, shaping, or transmission related costs. The avoided energy cost is adjusted to reflect avoided capacity, deferred transmission and distribution investment, and line losses. The resulting price is reduced by 3% for contingency, consistent with the variable market pricing option in Schedule 91.

The tariff sheet described herein reflects an issue date of January 18, 2018, and an effective date of March 1, 2018. Notice of the proposed tariff changes, as required by law and the Commission's rules and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). No notice is required under the provisions of WAC 480-100-194 or -195.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

*/s/ Kenneth S. Johnson*

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cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachments:  
Electric Tariff Sheet, listed above