



Puget Sound Energy
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PSE.com

June 19, 2018

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: Advice No. 2018-32 Electric Tariff Filing – Filed Electronically

Dear Mr. Johnson:

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

- 1st Revision Sheet No. 139-B – Schedule 139: Voluntary Long Term Renewable Energy (continued)**
- 3rd Revision Sheet No. 139-D – Schedule 139: Voluntary Long Term Renewable Energy (continued)**
- 1st Revision Sheet No. 139-F – Schedule 139: Voluntary Long Term Renewable Energy (continued)**
- 1st Revision Sheet No. 139-G – Schedule 139: Voluntary Long Term Renewable Energy (continued)**
- Original Sheet No. 139-H – Schedule 139: Voluntary Long Term Renewable Energy (continued)**

The primary purpose of this filing is to include new Resource Options offered to eligible customers under Schedule 139 – Voluntary Long Term Renewable Energy Purchase Rider. This filing also clarifies the enrollment process for existing Schedule 139 customers.

The total energy supplied to customers through Schedule 139 is capped at 75 average megawatts (“aMW”). To fill the roughly 32 aMW gap left from the initial 2016 Open Season subscription, PSE issued, in August 2017, a request for proposal (“RFP”) for additional renewable resources to be offered to customers under Schedule 139. PSE shared the RFP with interested parties prior to the issuing. The final RFP analysis of proposed projects was completed in March 2018 and the expected Resource Options will include an Eastern WA solar project. PSE briefed existing Schedule 139 customers about the proposed blended pricing and impacts to their agreements in early June 2018.

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Since the approval of the original Schedule 139 tariff schedule sheets, the Energy Credit component of Schedule 139 has been updated twice to incorporate the Commission's approval of two PSE power-related filings. In January 2017, the Energy Credit was revised to reflect PSE's power cost update filing of Schedule 95, Power Cost Adjustment Clause, in Docket UE-161135. The current Energy Credit, effective on March 1, 2018, reflects the updated energy portion of the power costs that were embedded in the retail rates per PSE's most recent general rate case in consolidated Dockets UE-170033 and UG-170034.

Furthermore, on April 26, 2018, the Commission approved changes to the Open Season timeframe to align with known and planned Resource Options availability rather than a date-specific annual timeframe. The revised Open Season timeframe allows PSE to better review the prospective Renewable Energy Resource Options for an upcoming Open Season and will allow customers adequate time to evaluate the Renewable Subscription Resource Options for all future Open Seasons.

One unique result of the August 2017 RFP process is that the cost of the Eastern Washington solar project is expected to be lower than the Resource Option that was fully subscribed in the previous Open Season. The additional fact (already known in the last Open Season) that the delivery of the output of the previous Resource Options would not begin until sometime in 2019, allowed for a unique opportunity in the upcoming Open Season: namely blending the two resources together to create several Resource Options for existing and new customers.

The pricing of the new Resource Options in the proposed tariff schedule sheets reflects a blending of both the existing Resource Options that were available (and subscribed to) in the previous Open Season and a new Eastern Washington solar project that is expected to be operational in the year 2021. The proposed Resource Options will lower prices for currently enrolled customers and remain attractive for interested new customers. The rates for the years 2019 and 2020, available for currently enrolled customers, do not contain blended rates since the Eastern Washington solar project is not expected to be operational those years; the blended pricing begins in 2021 for the remainder of a 10-, 15- or 20-year term for currently enrolled customers. New customers (or new service addresses) will have Resource Options with 10-, 15- or 18-year terms with blended prices, subject to availability after the enrollment of existing customers who execute a Service Agreement in the forthcoming Open Season. As noted in the proposed tariff schedule language, currently enrolled customers who wish to subscribe to these new Resource Options, will have priority enrollment for their existing subscribed locations.

Mr. Mark L. Johnson
Page 2
June 19, 2018
Advice No. 2018-32

The tariff sheets described herein reflect an issue date of June 19, 2018, and an effective date of August 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 Heather Mulligan at (425) 456-2916 or Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Electric Tariff Sheets, listed above