

Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 PSE.com

September 17, 2020

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

Re: Advice No. 2020-28 PSE Electric Tariff Revision - 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").

2nd Revision Sheet No. 139-F – Schedule 139: Voluntary Long Term Renewable Energy Purchase Rider (continued) 2nd Revision Sheet No. 139-G – Schedule 139: Voluntary Long Term Renewable Energy Purchase Rider (continued) 1st Revision Sheet No. 139-H – Schedule 139: Voluntary Long Term Renewable Energy Purchase Rider (continued)

The purpose of this filing is to revise the Schedule 139 Resource Option Charges in accordance with the guidelines for the schedule set forth in the Commission's July 8, 2020 Final Order 08/05/03 for Dockets UE-190529, UG-190530, UE-190274, UG-190275, UE-171225, UG-171226, and consolidated UE-190991 and UG-190992: Rejecting Tariff Sheets; Authorizing and Compliance Filing ("Order). In this Order, the Commission also granted PSE's petition for deferred accounting treatment for current and future Liquidated Damages ("LDs") from Skookumchuck Wind Energy Project, LLC due to the delay in the commencement of the commercial operation of the Skookumchuck wind project.

The optional service under PSE's Schedule 139: Voluntary Long Term Renewable Energy, also known as Green Direct, was originally filed in Docket UE-160977 pursuant to RCW 19.29A.090(1), which requires electric companies to offer retail electricity customers qualified alternative energy resources. Furthermore, Green Direct must be in compliance with RCW 19.29A.090, RCW 80.28.090, and RCW 80.28.100; and PSE must not discriminate between Green Direct customers when applying LDs to offset costs (Paragraph 452 of the Order). PSE has been working closely with stakeholders, including Commission Staff and the Green Direct customers in the preparation of this proposed tariff change (Paragraph 453 of the Order). Consistent with the guidelines in the Order and requirement in the abovementioned RCW, the proposed revised

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Resource Option Charges in Schedule 139 represent a fair treatment of the LDs among all Green Direct customers.

The following list summarizes the updates that PSE has incorporated into the proposed Green Direct Resource Option Charges:

- 1. Added the LDs Payments received net of Renewable Energy Certificates ("REC") purchased on behalf of Green Direct customers ("net LDs"). PSE proposes that the deferred net LDs will be amortized following the Schedule 139 surcharge when billed to customers (Paragraph 454 of the Order).
- 2. Updated the Cost of Capital per the Order.
- 3. Updated the power loss factor as used in PSE's general rate case filing under consolidated UE-190529 and UG-190530.
- 4. Updated the revenue conversion factor as used in PSE's general rate case filing under consolidated UE-190529 and UG-190530.
- 5. Added PSE Open Access Transmission Tariff ("OATT") Schedule 3 Regulation & Frequency Response Service rate.
- 6. Updated the administrative costs for the most current information.
- 7. Added the effects of net LDs and the OATT Schedule 3 charge into the calculation of the Schedule 139 Resource Option Charges.
- 8. Added one year to the Resource Option Charges to ensure a price in end-years (*i.e.* "year 11" of a 10 year contract) to cover prices for any remaining months.

The Schedule 139 Energy Charge Credit component will be updated in PSE's compliance filing per PSE's most recent general rate case in consolidated Dockets UE-190529 and UG-190530 in the near future.

The tariff sheets described herein reflect an issue date of September 17, 2020, and an effective date of October 17, 2020. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-100-193(1). No notice is required under the provisions of WAC 480-100-194 or - 195.

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Please contact Heather Mulligan at (425) 456-2916, Mei Cass at (425) 462-3800 or Veronica Martin at (425) 457-5624 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/Jon A. Pílíarís

Jon A. Piliaris Director, Regulatory Affairs Puget Sound Energy PO Box 97034, EST-07W Bellevue, WA 98009-9734 (425) 456-2142 Jon.Piliaris@pse.com

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

Attachments: Electric Tariff Sheets (listed above)