



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

January 29, 2021

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: Notice of Intent to Defer Costs

Dear Mr. Johnson:

Pursuant to WAC 480-100-435(3), Puget Sound Energy (“PSE”) hereby provides notice to the Washington Utilities and Transportation Commission (the “Commission”) of its intent to defer costs associated with the Sierra Pacific Industries (“SPI”) BioMass Power Purchase Agreement (“PPA”) in accordance with RCW 80.80.060(6). On January 27, 2020, PSE entered into a 17-year PPA with SPI for 17 MW of capacity, the associated energy, and the associated environmental attributes of the biomass cogeneration facility known as “SPI Burlington” located in Skagit County, Washington. The contract delivery term is from January 1, 2021 through December 31, 2037.

Per RCW 80.80.060(6) an electrical company may account and defer for later consideration, costs associated with a long-term financial commitment including power purchase agreements with a term of five or more years associated with an eligible renewable resource. “Renewable resource” as defined in RCW 19.285.030 means: “(a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (i) biomass energy”.

Beginning in January 2021, PSE will defer all payments under the PPA offset by the cost of market power currently authorized in rates.

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

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Please contact me at (425) 457-5854 should you have any questions.

Regards,

/s/ Stacy Smith

Stacy W. Smith
Manager of Revenue Requirement
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
425-457-5854
stacy.smith@pse.com

cc: Lisa Gafken
Sheree Carson