

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
STAFF RESPONSE TO DATA REQUEST

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| DATE PREPARED: October 22, 2024 DOCKETS: UE-240004-UG-240005 REQUESTER: AWEC | WITNESS: John D. Wilson RESPONDER: John D. Wilson TELEPHONE: |
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DATA REQUEST NO. 1:

On October 10, 2024, the Washington Department of Ecology (“Ecology”) issues its revised allocation schedule for no-cost allowances to Electric utilities, which can be accessed here: <https://apps.ecology.wa.gov/publications/summarypages/2302031.html>.

Regarding this update:

- a. Please describe Staff’s understanding of the impact of Ecology’s updated allocation schedule on PSE’s forecast of allowances needed to cover retail customer load for the first compliance period.
- b. Please describe Staff’s understanding of Ecology’s method and updates for calculating no-cost allowance allocation for electric utilities.
- c. Please confirm that the allocation of no-cost allowances does not include no-cost allowances for administrative costs of the program. If not confirmed, please explain.

RESPONSE:

- a. Based on a comparison of Ecology’s January and October 2024 allocation schedules for no-cost allowances, there have been no changes to Ecology’s forecast of no-cost allowances allocated to PSE. Note that the document does not include a statement of allowances “needed” which could consider other factors such as actual load and hydro generation.
- b. Staff’s understanding is that Ecology updates no-cost allowance allocations to reflect changes in statute or regulation, updates to utility-specific forecasts and calculations, and updates to guidance. In general, the referenced document speaks for itself. However, other than indicating that administrative costs will be addressed in the future, Ecology publication No. 23-02-031 does not provide any information regarding future changes to regulation or guidance.
- c. Confirmed.

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DATA REQUEST NO. 2:

Please refer to JDW-24T at Table 1 and Table 2. Please indicate whether Staff's recommended net power cost forecast for RY1 and RY2 reflects any specified imports from the Western Energy Imbalance Market. If not, why not?

RESPONSE:

Yes, please refer to JDW-25C, Attachment A, tab Aurora total (C), rows 170 and 171.

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DATA REQUEST NO. 3:

Please refer to JDW-24T at Table 1 and Table 2. Please indicate whether Staff's recommended net power cost forecast for RY1 and RY2 reflects a reduction in CCA allowance costs associated with "wheel through" transactions. If not, why not? If yes, please also quantify the percentage of PSE's non-EIM wholesale transaction forecast for 2025 and 2026 that would constitute "wheel through" transactions.

RESPONSE:

Staff's recommended CCA allowance costs are based on thermal generation used for wholesale sales. Staff did not include CCA allowance costs for retail sales because, as a reasonable approximation, Staff assumed that Ecology would determine that if PSE included CCA allowance prices in dispatch, then the resulting variation from no-cost allowance allocations were reasonable. (Exh. JDW-1T at 16:15-18) Staff did not include CCA allowance costs for unspecified generation based on PSE's representations. (Exh. JDW-24T at 4:2-4, see FN 7)

Staff agrees that if there is a reasonable basis for adjusting PSE's allowance costs of thermal generation used for wholesale sales to reflect "wheel through" transactions, then it would support such an adjustment. Staff is not aware of evidence in this case that would provide a basis for the requested quantification and would refer AWEC to PSE for such information.