

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

Petitioner,

Seeking Exemption from the Provisions  
of WAC 480-90-238(4) and WAC 480-  
100-238(4) Relating to the Timing of  
Integrated Resource Plan Filings

DOCKET UE-160918

DOCKET UG-160919

ORDER 01

ORDER GRANTING  
TEMPORARY  
EXEMPTION FROM RULE

**BACKGROUND**

- 1 On March 15, 2017, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition requesting an exemption from Washington Administrative Code (WAC) 480-90-238(4) and WAC 480-100-238(4) (Petition). PSE specifically requests the Commission extend the filing deadline for its 2017 Integrated Resource Plan (IRP) from July 14, 2017, to November 15, 2017. PSE proposes to resume its July 15 filing deadline in 2019.
- 2 WAC 480-90-238(4) requires natural gas companies to submit an IRP within two years of the date of its previous filing, and WAC 480-100-238(4) requires electric companies to do the same. Pursuant to WAC 480-07-110, the Commission may grant a petition for an exemption to its rules or modify the application of its rules in individual circumstances if the petition is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 3 In its Petition, PSE argues that, due to its need to acquire and study the peak value of Montana wind generation and develop data regarding renewable resources, the Commission should grant PSE's request for additional time to obtain this information and complete its analysis. According to the Petition, Montana wind's peak contribution could be a primary driver for determining whether that resource will be a least-cost resource in the Company's 2017 IRP. PSE contends that granting the exemption is in the public interest, and notes that neither Commission staff (Staff) nor external stakeholders oppose its request.

4 PSE has agreed to complete the following additional tasks and include their results in its filing:

- 1) Model the availability of transmission to import Montana wind energy resources, and
- 2) Perform area-specific analyses of wind resources in eastern Montana, offshore from the Washington coast, at the Columbia River Gorge, and at the Skookumchuck wind site.

5 Following additional discussions with Staff and other stakeholders, PSE filed a revised Petition on April 7, 2017, which includes the following commitments:

- 1) PSE will calculate the Effective Load Carrying Capability of the area-specific wind resources from the data developed by a consulting firm.
- 2) PSE will adjust the cost of wind and solar resources based on data produced by a consulting firm.
- 3) The 2017 IRP will examine a number of actions to reduce carbon emissions and estimate the cost/ton of carbon abatement. This will include additional wind, solar, and conservation resources, in addition to reducing dispatch of gas plants and Colstrip as alternatives.
- 4) PSE will formally request assistance from the Bonneville Power Administration to help clarify what information and studies are required to determine whether Montana wind qualifies as a renewable resource under RCW 19.285, the Energy Independence Act (EIA), and include a summary of those requirements.
- 5) The 2017 IRP will include an analysis examining whether repowering Hopkins Ridge would be cost effective, assuming production tax credits would be available for such repowering.
- 6) PSE will include a sensitivity that examines whether changing the discount rate for conservation impacts cost effectiveness of conservation.
- 7) For the 2019 IRP, PSE will hire a firm to do a survey of resource costs and recommend assumptions for use in the IRP. If reasonable, PSE will have the same consultants provide information for both fossil fuel plants and renewables. That study will include a detailed discussion of potential wind resources off the Washington coast, including areas that may be geographically limited for different reasons.
- 8) PSE will perform portfolio sensitivity analysis to examine whether different resource costs would impact the least-cost mix of resources.

PSE will also perform tipping point analyses to examine how close different resources are to each other, in terms of value to the portfolio. Furthermore, if Montana wind does not appear to be least-cost, a tipping point analysis will be used to estimate how close it is from other resources to being cost effective.

- 9) PSE's Chapter on System Planning, which includes a transmission and distribution planning discussion, will include an overview and explanation of the system planning process, including transmission that is not related to resources. This chapter will also identify geographic areas that may become capacity constrained in the future to guide future planning analyses. Additionally, for transmission projects that may affect the topology of PSE's transmission system, the System Planning Chapter will include the following information:
  - o List of transmission projects completed since the 2015 IRP;
  - o Future planned transmission projects, brief description of the project, and references where interested parties can find additional information that may include needs, alternatives, etc., depending on the magnitude of the project.

6 Subject to these conditions, Staff finds that granting the Petition is consistent with the public interest, the purposes underlying the IRP rule, and the EIA. Accordingly, Staff recommends granting PSE's request for a temporary exemption from WACs 480-90-238(4) and 480-100-238(4), thereby allowing the Company to file its 2017 IRP by November 14, 2017.

#### **DISCUSSION**

7 We agree with Staff's recommendation and grant PSE's Petition. PSE has committed to undertake a number of actions that will improve its ability to meet or exceed the requirements set out in the EIA, which is consistent with the purposes underlying that statute. Moreover, these additional tasks will allow the Company to provide its IRP advisory group with additional information and analysis, and increase PSE's ability to make informed decisions when evaluating least-cost portfolio resources. Accordingly, we find that the Company has sufficiently demonstrated that granting the requested one-time exemption to extend its 2017 IRP filing deadline to November 15, 2017, is in the public interest. We note, however, that PSE must resume its July 15 filing deadline in 2019.

### FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 9 (2) PSE is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 10 (3) PSE is subject to WACs 480-90-238(4) and 480-100-238(4), which require natural gas and electric companies to submit an IRP within two years after the date on which the previous plan was filed with the Commission.
- 11 (4) PSE requests a one-time exemption from WACs 480-90-238(4) and 480-100-238(4) to change the filing date of its 2017 IRP from July 14, 2017, to November 15, 2017.
- 12 (5) Under WAC 480-07-110, the Commission may grant an exemption from its rules if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 13 (6) This matter came before the Commission at its regularly scheduled meeting on April 13, 2017.
- 14 (7) After review of the Petition filed in Dockets UE-160918 and UG-160919 by PSE on March 15, 2017, as revised on April 7, 2017, and giving due consideration, the Commission finds that granting the Petition, subject to the conditions set out in paragraph 5, is in the public interest and is consistent with the purposes underlying the IRP rules and applicable statutes, and therefore should be granted.

### ORDER

#### THE COMMISSION ORDERS:

- 15 (1) Puget Sound Energy's Petition for a one-time exemption from WAC 480-90-238(4) and WAC 480-100-238(4) is granted, subject to conditions set out in paragraph 5, above.

- 16 (2) Puget Sound Energy must file its 2017 Integrated Resource Plan on or before November 15, 2017.
- 17 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective April 13, 2017.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner