

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-240004 and UG-230005
(Consolidated)

**JOINT ENVIRONMENTAL
ADVOCATES RESPONSE TO BENCH
REQUEST NO. 4**

INTRODUCTION

1. Joint Environmental Advocates (“JEA”) respond to Bench Request No. 4 to elaborate on the differences or lack thereof between the deferral of major resource costs under CETA and the functioning of a Clean Generating Resources tracker.

ANALYSIS

2. JEA understands this bench request as relating to the deferral of major resource costs under RCW 80.28.410. Specifically, in the context of the Clean Generating Resources tracker, JEA interprets the request as referencing the tracker proposed by Puget Sound Energy in this proceeding.

3. From a ratemaking standpoint, the deferral of major resource costs under CETA allows electrical companies to defer the revenue requirement associated with a major project from the commercial operation date of the resource or the effective date of the power purchase agreement. CETA major project deferrals are not allowed to last more than thirty-six months or until the effective date of a final Commission decision in a general rate case seeking recovery of

those costs that is filed during that thirty-six month period. Unlike the major project deferral, the proposed Clean Generation Resource Tracker allows the forecasted cost to be recovered in rates.

4. The CETA major project deferral may track all costs related to operating, maintaining, and depreciating a major project, as well as taxes and the cost of capital. The proposed Clean Generation Resource Tracker is designed only to recover the fixed costs of these major projects.

5. If the Commission decides to let PSE include Construction Work in Progress (CWIP) in its rate base, the Clean Generation Resource Tracker will allow PSE to recover costs during construction of major projects. In contrast, CETA major project deferrals would not allow for a simultaneous return on new capital investments.

CONCLUSION

6. The Clean Generation Resource Tracker allows the Company to recover forecasted costs of major projects at rates subject to update. The major project deferral will enable costs to be tracked and retrieved for future rate recovery. Both cost recovery methods allow PSE to recover costs associated with major CETA projects.

Dated this 22nd day of November, 2024.

Respectfully submitted,

/s/ Jan Hasselman

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