



September 9, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RE: UE-160977, PSE's Proposed Electric Schedule 139

Dear Mr. King:

I am writing to express our general support and recommendations for PSE's proposed Schedule 139, the voluntary option to purchase renewable energy on a long term basis. We are pleased that the Commission is reviewing this program. We look forward to working with PSE and stakeholders to identify appropriate resources and finalize the participant costs, but we first need the UTC to approve Schedule 139 to create the framework for that discussion.

At Target, we integrate sustainability practices that minimize our environmental footprint. Since the opening of our first store in 1962, we have been investing in the health of our communities. Today, we continue to integrate sustainable practices across our 40 Washington stores with an eye on using our resources responsibly. We have a long-term interest in designing and operating energy efficient buildings, and Target is actively deploying onsite solar systems to reach our goal of 500 installations by the end of 2020.

To help meet our sustainability goals, Target signed onto the Corporate Renewable Energy Buyers' Principles, organized by the World Resources Institute and World Wildlife Fund. The Principles seek to provide access to renewable energy in more places, and like other signatories Target is evaluating renewable energy procurement opportunities across the country. PSE's proposed schedule 139 meets many of these principles.

A key component of the Buyers' Principles is the appropriate allocation of renewable energy procurement costs and benefits. Renewable energy sources like wind provide multiple system benefits. As currently proposed, Schedule 139 includes an energy charge credit, but omits a credit for the system capacity value the customer renewable energy resources in the program provide to PSE's system and all ratepayers. Target's understanding is that the resource option energy charges listed in section 9 of the proposal are designed to cover the full cost of these resources when the program is fully subscribed. Therefore, the capacity value that the resources provide to the entire system should be included in the either the credit or reflected in the net price paid by program participants. This recommendation is consistent with general utility cost causation principles and the Buyers' Principles.

Target appreciates PSE's thoughtful proposal that responds to our renewable energy needs, meets many of the Buyers' Principles, and advances the development of additional, local renewable energy in Washington. Target also appreciates the Commission's consideration.

Sincerely,


William Crider
Director, Energy & Sustainability
Target Corporation