



Puget Sound Energy  
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PSE.com

May 10, 2019

*Filed Via Web Portal*

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

**RE: Renewable Energy Credits Purchase Agreement per RCW 19.29A.090(5) -  
CONFIDENTIAL per WAC 480-07-160**

Dear Mr. Johnson:

Pursuant to RCW 19.29A.090(5), please find enclosed for filing a proposed Renewable Energy Credits Purchase Agreement (the "Agreement") between Puget Sound Energy ("PSE") and a customer of PSE ("Customer") filed under RCW 19.29A.090(5). This single Renewable Energy Credits Purchase Agreement reflects a specific agreement with this particular Customer and is a response to this Customer's specific requirements.

The purpose of this filing is to provide a voluntary option for the Customer to purchase qualified alternative energy resources in the form of Renewable Energy Credits ("RECs") as provided in RCW 19.29A.090(1) (see excerpt below). The purchase of RECs will result in PSE retiring the tradable certificates on the Customer's behalf, through the Western Renewable Energy Generation Information System ("WREGIS"). The Commission has approved previously filed Agreements in Dockets UE-141505, UE-150563, UE-152099, and UE-160837.

RCW 19.29A.090(5) (see excerpt below) provides that the Agreement is subject to approval by the Commission.

Excerpts from RCW 19.29A.090:

(1) Beginning January 1, 2002, each electric utility must provide to its retail electricity customers a voluntary option to purchase qualified alternative energy resources in accordance with this section.

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(5) The rates, terms, conditions, and customer notification of each utility's option or options offered in accordance with this section must be approved by the governing body of the consumer-owned utility or by the commission for investor-owned utilities. All costs and benefits associated with any option offered by an electric utility under this section must be allocated to the customers who voluntarily choose that option and may not be shifted to any customers who have not chosen such option. Utilities may pursue known, lawful aggregated purchasing of qualified alternative energy resources with other utilities to the extent aggregated purchasing can reduce the unit cost of qualified alternative energy resources, and are encouraged to investigate opportunities to aggregate the purchase of alternative energy resources by their customers. Aggregated purchases by investor-owned utilities must comply with any applicable rules or policies adopted by the commission related to least-cost planning or the acquisition of renewable resources.

The pricing for this service is a mutually agreeable price between PSE and the Customer and is generally based on fair market value. This agreed upon price will also maximize the benefits that will be passed on to all other electric customers when the value of the REC sales is passed on *via* the accounting mechanism approved in Final Order 08 in Docket No. UE-111048.

The Agreement is marked "Shaded information is designated as confidential per WAC 480-07-160" and pursuant to WAC 480-07-160, PSE requests that the Agreement be accorded confidential treatment. The Agreement contains valuable commercial information, confidential cost information and Customer-specific usage information which is defined as confidential in WAC 480-07-160(2). PSE's ability to effectively negotiate future agreements for the sale of RECs would be impaired by disclosure of this information and the Customer may be harmed by any disclosure of this information. The entire Agreement in and of itself may also be considered a trade secret since its development required time and expenses.

As required by WAC 480-07-160, PSE identifies the following entities which might be directly affected by disclosure of the confidential information: all of PSE's customers, as impairment of PSE's negotiating ability in the REC market could translate to lower rates and result in less benefits to customers; PSE's shareholders, as PSE's ability to provide competitive service would be impaired; and the Customer as the Customer's ability to negotiate other REC purchase agreements may be harmed. In accordance with WAC 480-07-160, the Agreement submitted herewith has been marked "Shaded information is designated as confidential per WAC 480-07-160." Attached, in accordance with WAC 480-07-160(5)(c)(iii) is the first page of the redacted version numbered to indicate the contiguous pages containing confidential information. The Confidential designation is also needed so that PSE can protect the consumer information contained in the Agreement to be in compliance with WAC 480-100-153. That rule governing the disclosure of private consumer information specifies all the private consumer information that may not be disclosed without the customer's prior permission.

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PSE respectfully requests that the Commission issue an order approving the Agreement and finding that the Agreement is in compliance with RCW 19.29A.090(5) and that the Agreement qualifies as a voluntary option to purchase qualified alternative energy resources pursuant to RCW 19.19A.090(1).

PSE also respectfully requests that the Commission approve the Agreement at either its June 13, 2019 Open Meeting, or its June 27, 2019 Open Meeting, in order for the Agreement to become effective on July 1, 2019.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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Director, Regulatory Affairs  
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cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachments:

Renewable Energy Credit Purchase Agreement (Confidential)  
Renewable Energy Credit Purchase Agreement (Redacted)