

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket No. UE-070725**

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing  
the Use of the Proceeds from the Sale of RECs and CFIs**

**ICNU DATA REQUEST NO. 05.03**

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With regard to Exhibit TAD-3HCT, page 8, lines 4-11, [REDACTED] [REDACTED] unbundled RECs (only environmental attributes; no associated energy deliveries) while [REDACTED]? If only bundled REC transactions count toward the California procurement targets, should the valuation metric used by California purchasers and regulators be the total cost of the procured energy?

**Response:**

Any Renewable Energy Credits (“REC”) used in conjunction with California’s Renewables Portfolio Standard (“RPS”) must satisfy the delivery requirements established by the California Energy Commission. As of March 1, 2010, tradable or unbundled RECs alone do not satisfy the delivery requirements and therefore, do not count towards California’s RPS program.

As discussed in Puget Sound Energy, Inc.'s ("PSE") Response to ICNU Data Requests Nos. 4.03 and 3.03, the California Public Utilities Commission ("CPUC") has on several occasions issued proposed decisions to authorize the use of tradable RECs for compliance with the California RPS. To date, these proposed decisions have been pulled from the respective CPUC agendas.

As also discussed in PSE's Response to Public Counsel Data Request No. 068,

PSE's Response to ICNU Data Request No. 05.03 is HIGHLY CONFIDENTIAL per Protective Order in WUTC Docket No. UE-070725.