

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

Renewable Energy Target Progress
Report under RCW 19.285.070 and WAC
480-109-210

DOCKET UE-190411

ORDER 01

ORDER APPROVING COMPLIANCE
WITH ELIGIBLE RENEWABLE
ENERGY TARGET REPORTING
REQUIREMENTS FOR 2019

BACKGROUND

- 1* The Energy Independence Act (EIA or Act)¹ requires qualifying electric utilities to obtain certain percentages of their electricity from eligible renewable resources. The Washington Utilities and Transportation Commission (Commission) enforces compliance with the EIA by investor-owned utilities.² Ultimately, the Commission must determine “whether the utility has generated, acquired or arranged to acquire enough renewable energy credits or qualifying generation to comply with its renewable resource target.”³
- 2* The Commission has implemented these requirements by establishing a two-step compliance process.⁴ Because a utility may comply with its renewable portfolio standards (RPS) obligation by using renewable energy credits (RECs) acquired in the year after the target year, ultimate compliance for 2019, for example, may be demonstrated as late as June 1, 2021. Accordingly, there will be two Commission decisions for each year’s

¹ Chapter 19.285 RCW.

² RCW 19.285.060(6).

³ WAC 480-109-210(3)(b).

⁴ WAC 480-109-210(1) and (6).

compliance: (1) a determination that the Company has enough resources to meet the 9 percent target; and (2) the retrospective compliance decision. Before the Commission is the initial resource-adequacy filing made by Puget Sound Energy (PSE or Company) for its 2019 obligation. The Commission will consider PSE's compliance with its 2019 target when PSE requests such a finding, which the Company must do through a filing in this docket no later than June 1, 2021.

- 3 On May 24, 2019, PSE filed with the Commission its 2019 RPS Report, which identified a 2019 target of 1,890,612 megawatt-hours (MWh). On June 27, 2019, PSE filed a revised report and supporting work papers to correct the dates associated with certain REC vintages. Table 1, below, summarizes PSE's 2019 target and the total amount of resources that the Company had acquired by January 1, 2019:

Table 1: PSE's 2019 Renewable Resource Target and Compliance Plan

2019 Target (MWh)	Incremental Hydro (MWh)	2018 RECs	2019 RECs	Purchased RECs (unbundled)	Total Resources in 2019 (MWh)
1,890,612	115,922	1,939,039	478,781	0	2,533,742

- 4 PSE seeks an order from the Commission confirming that the Company has complied with the Commission's EIA reporting requirements and accepting the Company's calculations and eligibility of the renewable resources identified in the RPS Report for 2019.
- 5 On June 10, 2019, the Commission issued a Notice inviting interested persons to file written comments on PSE's RPS Report. During the comment period, the Commission received written comments from Commission staff (Staff) and written comments from the NW Energy Coalition (NWECC). NWECC commended the Company for meeting its RPS target without relying on alternative compliance methods. NWECC also expressed continuing concern with PSE's use of the Mid-Columbia spot market as the non-renewable substitute resource that forms the baseline of the incremental cost calculation,⁵ which NWECC maintains such non-eligible resources should include the social cost of carbon. Overall, NWECC was pleased that the Company met its target and recommends that the Commission approve the report.

⁵ See Dockets UE-160757, UE-170515, and UE-180479.

6 Based on the information that the Company provided in its RPS Report and supplemental filing, Staff believes that PSE correctly calculated its 2019 RPS target, and that it has acquired sufficient resources to meet that target. Although Commission rules require the Company to document its use of renewable resources under various renewable energy programs in its annual report, Staff requests the Commission require PSE to include that information in its final compliance report, which will allow Staff to determine whether its resources meet EIA requirements.

7 Staff recommends that the Commission issue an order in this docket determining that: (1) the 2019 renewable energy target for PSE is 1,890,612 MWh; (2) PSE has demonstrated that, by January 1, 2019, the Company acquired at least 1,890,612 MWh of eligible renewable resources, equivalent RECs, or a combination of the two, sufficient to supply at least 9 percent of its load for 2019; (3) PSE has complied with the June 1, 2019, reporting requirements pursuant to WAC 480-109-210; and (4) in its final compliance report for 2019 required by WAC 480-109-210(6), PSE must provide details about which certificates were used for its various renewable energy programs.

DISCUSSION

8 The Commission accepts PSE's calculation of 1,890,612 MWh as the Company's renewable energy target for 2019 and determines that PSE has identified sufficient resources to be able to meet that target. The Commission will make its final determination about whether PSE has met its 2019 target when the Company requests such a finding, no later than June 1, 2021. To assist Staff with determining whether PSE's resources meet EIA eligibility requirements, PSE must provide details about which certificates were used for its various renewable energy programs, as required by WAC 480-109-210(2)(d)(i), in its final compliance report for 2019.

FINDINGS AND CONCLUSIONS

9 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, regulations, practices, and accounts of public service companies, including electric companies.

10 (2) PSE is an electrical company and a public service company subject to Commission jurisdiction.

- 11 (3) PSE serves more than 25,000 customers within the State of Washington and is a
“qualifying utility” within the meaning of RCW 19.285.030(18).
- 12 (4) PSE has properly calculated its renewable energy target for 2019 to be
1,890,612 MWh.
- 13 (5) By January 1, 2019, PSE had acquired sufficient eligible renewable resources to
supply at least 9 percent of its load for the remainder of 2019.
- 14 (6) PSE has met the reporting requirements of RCW 19.285.070 and
WAC 480-109-210. These reporting requirements include PSE’s plan for meeting
its RPS obligation for the remainder of 2019.
- 15 (7) Pursuant to WAC 480-109-210(4), PSE must provide a summary of its RPS
Report to its customers, by bill insert or other suitable method, within 30 days of
the date of this Order.
- 16 (8) Pursuant to WAC 480-109-200(3), PSE must register in Western Renewable
Energy Generation Information System (WREGIS) all Company-owned
incremental hydropower facilities on which the Company intends to rely for
compliance with RPS requirements.
- 17 (9) Pursuant to WAC 480-109-210(6), PSE must file a report no later than June 1,
2021, that lists the certificate numbers in WREGIS for every megawatt-hour and
renewable energy credit that PSE retired to meet the January 1, 2019, target.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The Commission accepts the calculation of 1,890,612 MWh as the 2019
renewable energy target for Puget Sound Energy.
- 19 (2) Puget Sound Energy has identified eligible renewable resources sufficient to
supply at least 9 percent of its load for 2019.
- 20 (3) Puget Sound Energy has complied with the June 1, 2019, reporting requirements
pursuant to WAC 480-109-210.

- 21 (4) Puget Sound Energy's final compliance report must list certificate numbers for every renewable energy credit that Puget Sound Energy retired in the Western Renewable Energy Generation Information System and details about which certificates were used for its voluntary renewable energy programs in 2019.
- 22 (5) The Commission Secretary is authorized to accept or approve a filing that complies with the requirements of this Order.

DATED at Olympia, Washington, and effective August 8, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner