

Agenda Date: June 25, 2015
Item Number: A3

Docket: UE-131072
Company: Puget Sound Energy

Staff: Jeremy Twitchell, Regulatory Analyst

Recommendation

Issue an Order in Docket UE-131072 finding:

- (1) Puget Sound Energy complied with the final renewable portfolio standard reporting requirements in Order 01 in this docket.
- (2) Puget Sound Energy's petition to count 4,631 megawatt-hours of Wanapum Dam generation towards its 2013 RPS target is granted.
- (3) Puget Sound Energy has generated or acquired 639,514 megawatt-hours of eligible renewable energy generation for the purpose of 2013 compliance, and retired corresponding certificates for resources that are registered in WREGIS.
- (4) Puget Sound Energy has complied with its 2013 renewable energy target as required by RCW 19.285.040(2)(a)(i).

Background

The Washington Utilities and Transportation Commission (commission) issued Order 01 in this docket on Sept. 9, 2013, which approved Puget Sound Energy's (PSE or company) calculation of its 2013 renewable energy target as 639,514 megawatt-hours. In that order, the commission also adopted a "two-step" process for determining compliance with the renewable portfolio standard (RPS) requirements within the Energy Independence Act (EIA).

Under the two-step process, each utility is expected to file an initial report each year to calculate its renewable energy target for that year and demonstrate that it has acquired or contracted to acquire enough renewable energy credits (RECs) or eligible generation to meet that target. Then no later than June 1 two years after the target year, the utility must file a report with the commission that shows the specific resources that it used for compliance and the quantity of RECs or eligible generation from each resource.

On March 13, 2015, the commission adopted new rules for EIA enforcement in regard to the state's investor-owned utilities. The new rule, codified in WAC 480-109, was adopted after an in-depth and iterative public process that included multiple rounds of input from commission staff, utilities, and other stakeholders. The rule formalized the commission's two-step process in WAC 480-109-210 and imposed additional RPS reporting requirements on the state's investor-owned utilities.

The rule also created a requirement in WAC 480-109-200(3) that all renewable generation used by an investor-owned utility for RPS compliance be registered in the Western Renewable Energy

Generation Information System (WREGIS), and that corresponding certificates be retired in WREGIS. WREGIS is the tracking facility selected by the Washington State Department of Commerce pursuant to RCW 19.285.030(20).

Discussion

On May 27, 2015, PSE filed a final RPS compliance report pursuant to WAC 480-109-210(6). The filing included documentation that the company had generated or acquired 639,514 MWh of eligible renewable energy for its 2013 RPS target. PSE’s resource mix consists of company-owned wind resources, and both company-owned and third-party hydropower facilities that generate incremental hydropower under RCW 19.285.030(12)(b). Some of PSE’s wind facilities are eligible for the apprenticeship multiplier under RCW 19.285.040(2)(h), which applies a 20 percent multiplier to generation from facilities that were constructed using approved apprentice labor programs. PSE used 48,792 apprenticeship credits (about 7.6 percent of its target) for 2013 compliance.

The following table summarizes the resources that PSE used for 2013 RPS compliance:

Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Facility On-Line Date	Ownership/ Contract
Hopkins Ridge	Wind	2012	238,842	12/2005	PSE-owned
Hopkins Ridge Phase II	Wind	2012	10,509	12/2007	PSE-owned
Wild Horse	Wind	2012	92,779	12/2006	PSE-owned
Wild Horse Phase II	Wind	2012	66,643 ¹	2009	PSE-owned
Lower Snake River – Phalen Gulch	Wind	2012	226,110 ²	02/2012	PSE-owned
Subtotal, WREGIS resources:		634,883			
Wanapum Fish Bypass (Columbia R., WA)	Water (Incremental Hydro)	2013	4,631	Upgrade 2008	Contract w/ Grant Cnty PUD
Subtotal, non-WREGIS resources:		4,631			
Total MWh + RECs Acquired:		639,514			
2013 Target (MWh):		639,514			

¹ Total reflects the 1.2 credit multiplier for using apprenticeship labor under RCW 19.285.040(2)(h).

² Total reflects the 1.2 credit multiplier for using apprenticeship labor under RCW 19.285.040(2)(h).

The report also included 4,631 MWh of incremental hydropower that the company acquired from Wanapum Dam, an upgraded hydropower facility owned by Grant County Public Utility District. That generation had also been included in the company's initial 2013 RPS report, which the commission approved. Grant County has not registered Wanapum Dam in WREGIS.

In its order adopting the rules in 480-109, the commission acknowledged that there was little time between the adoption of the rules and the deadline for final 2013 RPS compliance reports. The commission therefore said that it would allow utilities to request a waiver of the WREGIS requirement if they were using a resource for 2013 RPS compliance that was not registered in WREGIS, provided that the utility could document why it was unable to register the resource.³

PSE submitted such a waiver petition on June 2, 2015. Staff believes that the company's petition is in accordance with the commission's direction in the rule adoption order and supports the petition.

Conclusion

Staff recommends that the commission issue an order in Docket UE-131072 as described in the recommendation section above.

³ Docket UE-131723, General Order R-578 (March 13, 2015), footnote 54 (page 29).