

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

Final 2013 Renewable Compliance
Report under RCW 19.285.070 and
WAC 480-109-210

DOCKET UE-131072

ORDER 02

ORDER ACKNOWLEDGING
COMPLIANCE WITH 2013
RENEWABLE ENERGY TARGET

BACKGROUND

A. The Energy Independence Act

- 1 Washington voters approved Initiative 937, the Energy Independence Act (EIA), in the 2006 general election. Now codified at RCW 19.285, the EIA includes a renewable portfolio standard (RPS), which requires electric utilities with 25,000 or more customers to obtain certain percentages of their electricity from new renewable resources, beginning in 2012. RCW 19.285.060(6) authorizes the Washington Utilities and Transportation Commission (Commission) to enforce the EIA with respect to investor-owned utilities.¹
- 2 On March 13, 2015, the Commission adopted new rules for EIA enforcement.² The new rules were adopted after an extensive public process involving Commission Staff (Staff), utility representatives, and other stakeholders. The new rule, WAC 480-109, imposes additional RPS reporting requirements on investor-owned utilities. All references to WAC 480-109 in this order refer to the rule as adopted on March 13, 2015.
- 3 RCW 19.285.030(20) authorized the Washington State Department of Commerce (Commerce) to select a tracking body to verify the certificates representing eligible generation that utilities use for compliance with the EIA. Commerce selected the Western Renewable Energy Generation Information System (WREGIS) to perform this function.

¹ RCW 19.285.030(11) defines “investor-owned utility” by reference to RCW 19.29A.010. RCW 19.29A.010(19) provides: “‘Investor-owned utility’ means a company owned by investors that meets the definition of RCW 80.040.010 and is engaged in distributing electricity to more than one retail customer in the state.”

² Docket UE-131723, General Order R-578 (March 13, 2015).

WAC 480-109-200(3) requires that all eligible renewable generation used by investor-owned utilities for EIA compliance be registered and retired in WREGIS.

B. Company Filings

4 On May 31, 2013, Puget Sound Energy (PSE or Company) initiated this docket by filing with the Commission a Renewable Report under RCW 19.285.070 and WAC 480-109-210 (RPS Report). Based on its average annual load for 2011 and 2012, PSE reported that its 2013 renewable energy target was 639,514 megawatt-hours (MWh). In Order 01 in this docket, dated Sept. 9, 2013, the Commission accepted PSE’s calculation of its 2013 target.

5 WAC 480-109-210(6) requires utilities to submit a final RPS compliance report within two years of the initial report, in which the utility documents the certificates that it retired in WREGIS to comply with its target and request a compliance determination from the Commission. PSE filed its final RPS report on May 27, 2015, which identifies the following 639,514 MWh that the Company generated or acquired for 2013 RPS compliance:

Facility Name	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 ³	2009	PSE-owned
Lower Snake River – Phalen Gulch	Wind	2012	226,110 ⁴	02/2012	PSE-owned
Subtotal, WREGIS resources:					634,883
Wanapum Dam	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
2012 Target (MWh):					639,514

³ Total reflects the 1.2 credit multiplier for using apprenticeship labor under RCW 19.285.040(2)(h).

⁴ Total reflects the 1.2 credit multiplier for using apprenticeship labor under RCW 19.285.040(2)(h).

C. Use of Hydropower

- 6 In its initial 2013 RPS report, PSE identified 4,631 MWh of incremental hydropower from Wanapum Dam, an upgraded hydropower facility owned and operated by Grant County PUD, which would be available to the Company for 2013 RPS compliance.
- 7 Subsequent to the Company's initial 2013 RPS report, the Commission adopted a new rule that requires all eligible renewable generation used for RPS compliance by investor-owned utilities to be registered in WREGIS.⁵ The Wanapum Dam facility is not registered in WREGIS.
- 8 The Commission's adoption order for the new EIA rule allowed utilities to request a one-time waiver of the WREGIS registration requirement in WAC 480-109-200(3) to use non-WREGIS resources for final 2013 RPS compliance if the utility could document why the resource was not registered in WREGIS.⁶
- 9 On June 2, 2015, PSE submitted a petition for the waiver. Staff's memo supports the Company's petition.

DISCUSSION

- 10 We agree with Staff that final 2013 RPS compliance filing is subject to the rule adopted in March 13, 2015, and in the absence of a waiver of WAC 480-109-200(3), the Wanapum Dam generation is ineligible for the Company's 2013 RPS compliance.
- 11 We recognize that registration of Wanapum Dam in WREGIS is beyond PSE's control, and that the brief window between the adoption of WAC 480-109 and the filing of the final compliance report gave the utility little time to make alternate arrangements.

FINDINGS AND CONCLUSIONS

- 12 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates,

⁵ WAC 480-109-200(3).

⁶ Docket UE-131723, General Order R-578 (March 13, 2015), footnote 54 (page 29).

rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies.

- 13 (2) PSE is an electric company and a public service company subject to Commission jurisdiction and is an “investor-owned utility” under RCW 19.285.030(11).
- 14 (3) PSE serves more than 25,000 customers within the State of Washington, and it is a “qualifying utility” within the meaning of RCW 19.285.030(19).
- 15 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-020(1)(a), PSE’s renewable energy target for 2013 was 639,514 megawatt-hours.
- 16 (5) In PSE’s Final Renewable Compliance Report, filed on May 27, 2015, the Company demonstrated that it had acquired 639,514 megawatt-hours of eligible generation.
- 17 (6) PSE retired 586,091 certificates in WREGIS. Of those, 243,961 were eligible for the apprenticeship multiplier, resulting in an additional 48,792 MWh of multiplied generation.
- 18 (7) PSE acquired 4,631 megawatt-hours of incremental hydro generation from Wanapum Dam.
- 19 (8) PSE requested a waiver to use Wanapum Dam generation towards its 2013 RPS target according to the Commission’s direction in UE-131723, General Order R-578.
- 20 (9) PSE has complied with all reporting and filing requirements set out in Order 01.

ORDER

THE COMMISSION ORDERS:

- 21 (1) Puget Sound Energy has complied with the two-step reporting process identified by the Commission in Order 01 of this docket.
- 22 (2) Puget Sound Energy’s petition to count 4,631 megawatt-hours of Wanapum Dam generation towards its 2013 RPS target is granted.

- 23 (3) Puget Sound Energy has generated or acquired 639,514 megawatt-hours of RECs and eligible generation for the purpose of 2013 RPS compliance, and retired corresponding certificates for all resources that are registered in the Western Renewable Energy Generation Information System.
- 24 (4) Puget Sound Energy has complied with its 2013 RPS target as required by RCW 19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective June 25, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner