

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of**

**PUGET SOUND ENERGY’S**

**2024-2025 Short-Term Firm Energy and  
Capacity Request for Proposals**

**DOCKET UE-23 \_\_\_\_\_**

**PUGET SOUND ENERGY'S  
PETITION FOR EXEMPTION**

**I. INTRODUCTION AND RELIEF REQUESTED**

- 1.* Pursuant to WAC 480-07-110, WAC 480-07-370(3), and WAC 480-107-002, Puget Sound Energy (“PSE”) hereby requests that the Washington Utilities and Transportation Commission (“Commission”) grant an exemption from WAC 480-107-021(1), which requires PSE to file any voluntary request for proposal (“RFP”) and accompanying documentation thirty days prior to accepting bids. As discussed below, an exemption is warranted because thirty days is more time than necessary for prospective bidders to review and respond to PSE’s 2024-2025 Short-Term Firm Energy and Capacity RFP, and permitting bidders to respond in fewer than thirty days will assist PSE in meeting its firm energy and capacity needs for 2024 and 2025.
- 2.* Statutes and rules at issue in this Petition include WAC 480-07-110, WAC 480-07-370(3), WAC 480-107-002, WAC 480-107-009(3), and WAC 480-107-021(1).

3. PSE is engaged in the business of providing electric and gas service within the State of Washington as a public service company and is subject to the regulatory authority of the Commission. Its full name and mailing address for the purpose of this Petition are:

Puget Sound Energy  
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PSE's representatives for purposes of this Petition are:

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## II. BACKGROUND FACTS

4. As explained in the Declaration of Zacarias Yanez in Support of PSE's Petition for Exemption, filed herewith ("Yanez Decl."), PSE's integrated resource planning analysis evaluates and establishes PSE's capacity (physical reliability) and renewable energy (policy driven) needs and guides PSE's electric resource acquisition process. Through its integrated resource planning process, including a 2023 Electric Progress Report, PSE identified a short-term peak capacity need beginning in 2024. Yanez Decl. at ¶ 4. To address this short-term capacity need, PSE is submitting a voluntary 2024-2025 Short-Term Firm Energy and Capacity RFP as allowed under WAC 480-107-009(3). *Id.* The Short-Term Firm Energy and

Capacity RFP seeks bids for firm energy and/or capacity to meet PSE’s needs in 2024 and 2025. *Id.* Due to the need for capacity on a short-term basis, PSE anticipates that respondents to the solicitation will be large, sophisticated organizations with significant resource portfolios and existing transmission arrangements in the region to meet PSE’s needs. Yanez Decl. at ¶ 5. PSE has requested that respondents either be an existing party to the WSPP Agreement or capable of becoming a party to the WSPP Agreement prior to September 11, 2023. *Id.* The WSPP Agreement is the master agreement used for short- and intermediate-term power purchase agreements in the Pacific Northwest.<sup>1</sup>

### III. PSE’S EXEMPTION REQUEST

5. Under WAC 480-100-021(1), PSE is obligated to file any voluntary RFP allowed under WAC 480-107-009(3) and accompanying documentation thirty days prior to accepting bids. The Commission may exempt utilities from the thirty-day requirement if an exemption is consistent with the public interest, the purposes underlying the regulation, and applicable statutes.<sup>2</sup> As explained below, PSE’s request is consistent with the public interest and the Commission’s rules and statutes, and Commission should grant an exemption for PSE.

6. PSE requests an exemption from WAC 480-107-021(1) to shorten the time for potential bidders to respond to PSE’s Short-Term Firm Energy and Capacity RFP. PSE

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<sup>1</sup> WSPP Inc., WSPP Agreement, First Revised Rate Schedule FERC No. 6, available at [https://www.wspp.org/pages/documents/08\\_26\\_22\\_current\\_effective\\_agreement.pdf](https://www.wspp.org/pages/documents/08_26_22_current_effective_agreement.pdf).

acknowledges that the 2024-2025 Short-Term Firm Energy and Capacity RFP’s expedited process has a quicker pace than that anticipated by the Commission’s existing rules. Yanez Decl. at ¶ 6. Thirty days is a suitable time for RFPs involving non-standard products or resources, but the 2024-2025 Short-Term Firm Energy and Capacity RFP is soliciting standardized market products from sophisticated counterparties with extensive resource portfolios pursuant to the WSPP Agreement. *Id.* Accordingly, thirty days is not required to review and respond to PSE’s Short-Term Firm Energy and Capacity RFP. Prior to the adoption of the current versions of the purchases of resources rules in chapter 480-107 WAC, PSE successfully conducted solicitations for similar standardized market products within a time period similar to that requested herein. *Id.*

7. It is in the public interest to grant PSE’s Petition because an exemption is consistent with the purpose of the underlying regulation and applicable statutes. “Pursuant to WAC 480-07-110, the Commission may, in response to a request or on its own motion, grant an exemption from its own rules when consistent with the public interest, the purposes underlying regulation, and applicable statutes.”<sup>3</sup> The Commission’s competitive bidding rules establish the requirements for various utility solicitation and procurements, but the

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<sup>2</sup> WAC 480-07-110(1).

<sup>3</sup> *In the Matter of the Petition of Puget Sound Energy Seeking Exemption from the Provisions of WAC 480-90-178(5)(a) Relating to Billing Corrections*, Docket UG-210931, Order 01 Granting Exemption at ¶ 6 (Jan. 27, 2022).

Commission acknowledges that there are various ways to acquire resources.<sup>4</sup> Similarly, the acquisition process is not unyielding. The Commission’s competitive bidding rules themselves demonstrate that the Commission contemplated exemptions such as these by expressly providing for exemptions pursuant to WAC 480-107-002. The Commission’s competitive bidding rules are intended to provide an opportunity for conservation and generating resources to compete on a fair and reasonable basis to fill a utility’s new resource needs.<sup>5</sup> Granting an exemption in this case, when the bidders sought are sophisticated counterparties with extensive resource portfolios capable of providing short-term firm energy and capacity, is consistent with the purpose and intent of the Commission’s rules. An exemption will allow PSE to address its energy and capacity needs without compromising the RFP process.

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<sup>4</sup> *See, e.g.*, WAC 480-107-001(1) “The rules in this chapter do not establish the sole procedures a utility may use to acquire new resources.”


<sup>5</sup> *SESCO, Inc. v. Pac. Power & Light Co.*, Docket UE-921065, 5th Suppl. Order (Jan. 24, 1994).

#### IV. CONCLUSION

8. For the reasons set forth above, PSE respectfully requests that the Commission grant PSE's Petition for Exemption of WAC 480-107-021(1).

**DATED:** August 15, 2023

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