

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY’S

**Petition for an Order Granting
Exemption from the Requirements of
WAC 480-100-625**

DOCKET 23 _____

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

I. INTRODUCTION AND RELIEF REQUESTED

1. Pursuant to WAC 480-07-110 and WAC 480-07-370(3), Puget Sound Energy ("PSE" or "Company") hereby requests that the Washington Utilities and Transportation Commission ("Commission") grant an exemption from the timing provisions established in WAC 480-100-625 to allow PSE to file its next full integrated resource plan ("IRP") by March 31, 2025. The applicable rule requires PSE to file a full IRP by January 1, 2025, and RCW 19.280.030(1) requires PSE to file its next full IRP no later than March 31, 2025. Accordingly, PSE requests an exemption from the Commission's rule to allow for a short extension of three months to file its next full IRP.

2. As discussed below, an exemption is warranted because the modest extension of three months will allow PSE more time to engage with its new technical advisory group and the public, create a more functional work product, and allow for more integration of the IRP with subsequent related filings. The Resource Planning Advisory Group ("RPAG") is PSE's

new technical advisory group, and the group is advising PSE throughout the IRP process, including in the development of portfolio scenarios and sensitivities to inform the final preferred portfolio. Additional time will allow PSE to better align and integrate both gas and electric IRPs with each other and with related filings such as PSE's decarbonization study and targeted electrification strategy, which are currently underway.¹

3. Statutes and rules at issue in this Petition include RCW 19.280.030, WAC 480-07-110, WAC 480-07-370(3), and WAC 480-100-625.

4. 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:

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¹ See *Wash. Utils. & Transp. Comm'n. v. Puget Sound Energy*, Dockets UE-220066/UG-220067 and UG-210918 (consolidated), Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and PSE's Green Direct Program at ¶ 65 (Aug. 26, 2022).

II. BACKGROUND FACTS

5. PSE’s electric integrated resource planning analysis evaluates and establishes PSE’s capacity and renewable energy needs and guides PSE’s electric resource acquisition process. In 2019, the Legislature created new statutory requirements for IRPs and Clean Energy Implementation Plans (“CEIP”).² A CEIP must be based on an IRP that complies with the new statutory requirements. Specifically, the CEIP must “be informed by the investor-owned utility’s clean energy action plan” (“CEAP”), which is one of the legislative requirements for electric IRPs.³ Electric IRP filings must, therefore, be fully compliant with the new statutory requirements and be filed to allow incorporation of a utility’s clean energy action plan into its CEIP.

6. The Commission subsequently adopted rules implementing Chapter 19.405 RCW (the Clean Energy Transformation Act) in General Order 601 of Dockets UE-191023 and UE-190698. The rules require PSE to file an IRP by January 1, 2021, and every four years thereafter.⁴ In General Order 601, the Commission considered comments from those concerned that waiting four years for a utility to file an updated IRP would result in data that may lag behind the best available technology and pricing.⁵ In response to those concerns, the Commission adopted rules requiring a two-year progress report while lengthening the time

² See Chapter 19.405 RCW; RCW 19.280.030.

³ RCW 19.405.060(1)(b)(i); RCW 19.280.030.

⁴ WAC 480-100-625(1).

⁵ *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act*, Dockets UE-191023 and UE-190698 (consolidated), General Order 601 Adopting Rules Permanently at ¶¶ 169-70 (Dec. 28, 2020).

for a filing a full IRP.⁶ In doing so, the Commission explained the importance of allowing utilities time to refine analyses, gain additional modeling expertise, and align the IRP and CEAP to inform the CEIP:

However, the Commission elects to retain the proposal to lengthen the time from two years to four years in between full IRPs. First, the IRP and CEAP inform the CEIP, necessitating alignment of the various plans. Second, the IRP will be a key input dictating the direction of the utility's CEIP, which is an action plan with greater significance than any such plan utilities have previously provided to the Commission. Providing additional time between IRPs will allow utilities to continue to refine analyses and gain additional modeling expertise. We thus find it reasonable to reduce the regulatory burden on utilities by requiring less frequent filings. However, to address the parties' concern that resource cost data will become stale, proposed WAC 480-100- 625(4)(a)(iii) requires the utility to update its resource costs during the two-year progress report.⁷

PSE filed its IRP on April 1, 2021, pursuant to Commission Order 02 in Dockets UE-180607 and UG-180608,⁸ and PSE timely filed its two-year progress report March 31, 2023.

7. Additionally, in a settlement agreement approved by the Commission in PSE's last general rate case, PSE committed to developing a decarbonization study, targeted electrification pilot, and a targeted electrification strategy that are to be incorporated into the 2025 Natural Gas IRP. Specifically, PSE agreed to use the information and analysis from the targeted electrification pilot that evaluates a range of impacts on gas and electric delivery

⁶ *Id.*

⁷ *Id.* at ¶ 170.

⁸ *In the Matter of Commission Staff's Petition for an Order Granting Exemption from the Requirements of WAC 480-100-238(4)-(5) and WAC 480-90-238(4)-(5)*, Order 02 Granting Petition (Nov. 7, 2019).

systems, together with the updated decarbonization study to develop a targeted electrification strategy and incorporate the Strategy in its next natural gas IRP. Due to the nature of potential impacts on its electric delivery systems, PSE plans to integrate findings from its decarbonization study, electrification pilot, and targeted electrification strategy into not only its gas IRP but also its electric IRP to the extent possible. Therefore, an exemption will allow PSE to incorporate more of the learnings from the decarbonization study, electrification pilot, and targeted electrification strategy and their potential impacts on PSE's electric delivery system into the electric IRP.

III. PSE'S EXEMPTION REQUEST

8. Under WAC 480-100-625, PSE is obligated to file its next full IRP by January 1, 2025, and accompanying documentation no later than fifteen months⁹ and four months¹⁰ prior to that due date. The Commission may exempt utilities from these timing requirements if an exemption is consistent with the public interest, the purposes underlying the regulation, and applicable statutes.¹¹ 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.

⁹ In the case of an IRP work plan. WAC 480-100-625(2).

¹⁰ In the case of a draft IRP. WAC 480-100-625(3). PSE's two-year progress report would then be filed no later than March 31, 2027. WAC 480-100-625(4).

¹¹ WAC 480-07-110(1).

9. PSE requests an exemption from WAC 480-100-625 to modestly lengthen the amount of time PSE has to file its next full IRP. The additional time will allow PSE more time to engage with its new technical advisory group, the RPAG, and the public, in the development of portfolio scenarios and sensitivities to inform the final preferred portfolio.
10. In the last IRP cycle for PSE’s Electric Progress Report, interested parties were dissatisfied with the compressed timeline for providing input, particularly on the draft preferred portfolio.¹² PSE committed to providing more time for review and input in this cycle, and an additional three months will provide time for one-two more RPAG meetings and at least one more public meeting to seek input to inform the preferred portfolio, including the CEAP, which serves as a foundation for the CEIP.
11. Additionally, an exemption will reduce the regulatory burden on the utility, the Commission, and all interested persons by avoiding the inconvenience of having all three investor-owned utilities submitting their integrated resource plans at the same time. An exemption allowing PSE to file its IRP on March 31, 2025, will also allow more time for PSE to incorporate public comments and feedback from the public participation process into

¹² See *In the Matter of PSE’s 2023 Electric Integrated Resource Plan Progress Report*, Docket UE-200304, Commission Staff Comments at p. 8 (June 5, 2023) (“In addition to Staff’s comments on PSE’s 2023 Gas IRP, Staff also notes that PSE only provided a draft of one chapter (Chapter 3: Resource Plan) of its 2023 Electric Progress Report for interested persons to review prior to filing its final draft. Along with the condensed timeline, this narrow view of the plan further limited interested persons’ ability to provide meaningful feedback.”). See also, *id.*, Comments from NW Energy Coalition at p. 6 (June 6, 2023) (“Better integration of electric and natural gas planning, consolidation of some planning processes, and regular feedback from the Commission is likely to lead to better results.”).

the final IRP and to inform the CEIP. An exemption will also benefit interested parties by allowing more time to participate in the PSE process and provide meaningful feedback for the draft preferred portfolio.

12. Finally, an exemption will allow for additional integration of the above-referenced targeted electrification strategy and related components into PSE’s electric IRP process. In addition to creating a better quality and more useful work product, this integration will directly address comments from interested parties calling for improvements to the IRP process. “Better integration of electric and natural gas planning, consolidation of some planning processes, and regular feedback from the Commission is likely to lead to better results.”¹³

13. It is in the public interest to grant PSE’s Petition because an exemption is consistent with the purpose of the underlying regulation. “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

¹³ *Id. See also, In the Matter of PSE’s 2023 Electric Integrated Resource Plan Progress Report*, Docket UE-200304, Comments from the Public Counsel Unit of the Washington Attorney General’s Office at p. 2 (June 5, 2023) (calling for the Commission to encourage the Company to make improvements in its next electric IRP to, among other things, incorporate the impacts of current policies).

applicable statutes.”¹⁴ An exemption is also consistent with applicable statutes because RCW19.280.030(8) authorizes the Commission to approve different IRP intervals.¹⁵

14. The Commission has recently granted petitions like these, recognizing that additional time will “allow the Commission to optimize the use of its resources to develop the required expertise and the required rules to implement the changes to the statutory requirements.”¹⁶ Granting an exemption in this case, when doing so will allow more time for input from the RPAG and the public, improve efficiency, respond to concerns from interested parties, and allow PSE to create and utilize a higher quality work product, is consistent with the statutes, underlying regulation, and the public interest.

¹⁴ *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).

¹⁵ “Plans developed under the section must be updated on a regular basis, on intervals approved by the commission or the department, or at a minimum on intervals of two years.” RCW 19.280.030(8).


¹⁶ *In the Matter of Commission Staff’s Petition for an Order Granting Exemption from the Requirements of WAC 480-100-238(4)-(5) and WAC 480-90-238(4)-(5)*, Order 02 Granting Petition at ¶ 13 (Nov. 7, 2019). *See also*, Open Meeting recording dated Nov. 22, 2023, granting PacifiCorp’s Petition for Exemption in Docket UE-230786.

IV. CONCLUSION

15. For the reasons set forth above, PSE respectfully requests that the Commission grant PSE's Petition for Exemption of the timing requirements in WAC 480-100-625.

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