

Agenda Date: June 29, 2017
Item Number: E3

Docket: UE-151164
Company: Puget Sound Energy

Staff: E. Cooper Wright, Regulatory Analyst

Recommendation

Issue an Order in Docket UE-151164:

- (1) Granting the petition of Puget Sound Energy to waive WAC 480-109-200(3) in relation to Puget Sound Energy's 2015 incremental hydropower production.
- (2) Finding that Puget Sound Energy complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6).
- (3) Finding that Puget Sound Energy has met its 2015 renewable portfolio standard target of 626,663 megawatt-hours and retired corresponding certificates in the Western Renewable Energy Generation Information System where possible.

Background

WAC 480-109-210 describes the two-step process by which the Washington Utilities and Transportation Commission (commission) determines whether a utility has complied with the renewable portfolio standard (RPS). WAC 480-109-210(1) requires a utility to file an initial report each year in which it documents the resources that it acquired or contracted to acquire to meet that year's RPS target.

WAC 480-109-210(6) then requires a utility to file a final compliance report within the next two years that identifies the specific resources that the utility used to meet the target and documents that the utility retired corresponding certificates in the Western Renewable Energy Generation Information System (WREGIS).

The commission issued Order 01 in this docket on July 30, 2015, which approved Puget Sound Energy's (PSE or company) calculation of its 2015 renewable energy target as 626,663 megawatt-hours (MWh).

Discussion

PSE made two filings related to its 2015 RPS target on May 5, 2017. The first is a petition for the commission to waive WAC 480-109-200(3) as it relates to the company's use of incremental hydro toward the 2015 target. The rule in question requires all resources used for RPS compliance to be registered in WREGIS and for corresponding certificates to be retired in WREGIS for all MWh used to meet the target.

While the company completed the process of registering its Lower Baker and Snoqualmie Falls facilities in WREGIS¹ on June 6, 2016, generation prior to the second quarter of 2016 is not recorded in WREGIS, and still needs a waiver to be used for RPS compliance.² Since the generation considered in this docket occurred during 2015, a waiver is required.

Absent the waiver, PSE would have to replace over 97,000 MWh of eligible RPS generation with certificates from its wind resources, which would otherwise be saved for future-year compliance or sold to other parties to generate offsetting revenue. Staff agrees that the waiver is in the public interest and recommends that the commission grant it.

The second filing that PSE made on May 5, 2017, was its final compliance report for the 2015 RPS target. The report identifies a combination of wind and incremental hydro resources that the company used to reach its 2015 target of 626,663 MWh. All of the wind resources identified in PSE's compliance report are eligible for the 1.2 multiplier for using apprentice labor in their construction.³ PSE provided a letter from the council documenting the project eligibility. PSE used Method 2 for calculating its incremental hydro production, as defined in WAC 480-109-200(7)(c) and approved by the commission in Order 01 in this docket.

The following table summarizes the resources that PSE used for 2015 RPS compliance:

Renewable Energy for 2015 Compliance

WREGIS ID	Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Multiplier (MWh)	Total
W2669	Lower Snake River – Dodge Junction	Wind	2014	269,945	53,989	323,934
W2670	Lower Snake River – Phalen Gulch	Wind	2014	171,073	34,215	205,288
Subtotal, WREGIS resources:						529,222
	Lower Baker River	Incremental Hydro	2015	87,337	N/A	87,337
	Snoqualmie Falls	Incremental Hydro	2015	10,104	N/A	10,104
Subtotal, non-WREGIS resources:						97,441
Total eligible certificates retired:						626,663

¹ For future filings, the applicable WREGIS numbers will be used; Lower Baker River: W4865 and Snoqualmie Falls: W4866.

² Docket UE-160757 Order 01 ¶¶ 8 (5) (August 4, 2016); Puget Sound Energy must request a waiver of the WREGIS registration requirement in WAC 480-109-200(3) for its incremental hydro production from Lower Baker and Snoqualmie Falls facilities for any generation prior to the second quarter of 2016.

³ WAC 480-109-200(4): A utility may count retired certificates at one and two tenths times the base value, where the developer of the eligible resource utilized apprenticeship programs approved by the Washington state apprenticeship and training council.

Conclusion

Staff recommends that the commission issue an order in Docket UE-151164 as described in the recommendation section above.