

Agenda Date: June 23, 2016  
Item Number: A1

**Docket:** UE-140800  
Company: Puget Sound Energy

Staff: Jeremy Twitchell, Regulatory Analyst

### **Recommendation**

Issue an Order in Docket UE-140800:

- (1) Granting the petition of Puget Sound Energy to waive WAC 480-109-200(3) in relation to Puget Sound Energy's 2014 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 2014 renewable portfolio standard target of 635,202 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 31, 2014, which approved PSE's calculation of its 2014 renewable energy target as 635,202 megawatt-hours (MWh).

### **Discussion**

PSE made two filings related to its 2014 RPS target on May 27, 2016. 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 2014 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.

PSE is requesting the waiver because, to date, it hasn't completed the process of registering its Lower Baker and Snoqualmie Falls facilities in WREGIS. The company has been actively

working to register the facilities, but as it explains in the petition, the process has proven complicated and has not yet been completed. Staff has been working with the company and the Department of Commerce throughout the process and believes that PSE has worked in good faith to register its upgraded hydropower facilities in WREGIS.

Absent the waiver, PSE would have to replace almost 49,000 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 therefore agrees that the waiver is in the public interest and recommends that the commission grant it.

The second filing that PSE made on May 27, 2016, was its final compliance report for the 2014 RPS target. The report identifies a combination of wind and incremental hydro resources that the company used to reach its 2014 target of 635,202 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. 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 02 in this docket.

The following table summarizes the resources that PSE used for 2014 RPS compliance:

<b>Facility Name (Location)</b>	<b>Resource Type</b>	<b>Vintage</b>	<b>Amount (MWh)</b>	<b>Multiplier MWh</b>	<b>Total</b>
Lower Snake River	Wind	2013	434,395	86,879	521,274
Wild Horse – Phase II	Wind	2013	54,242	10,848	65,090
Subtotal, WREGIS resources:					586,364
Lower Baker River	Incremental Hydro	2014	34,379	N/A	34,379
Snoqualmie Falls	Incremental Hydro	2014	14,459	N/A	14,459
Subtotal, non-WREGIS resources:					48,838
Total MWh + RECs Acquired:					586,364
<b>2013 Target (MWh):</b>					<b>635,202</b>

**Conclusion**

Staff recommends that the commission issue an order in Docket UE-140800 as described in the recommendation section above.