



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

November 14, 2018

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Received
Records Management
11/14/18 15:25
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Advice No. 2018-48 Electric Tariff Filing – Filed Electronically

Dear Mr. Johnson:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-60, Tariff G for electric service of Puget Sound Energy (“PSE”).

4th Revision of Sheet No. 91-B Schedule 91 – Cogeneration and Small Power Production (Continued)
2nd Revision of Sheet No. 91-C Schedule 91 – Cogeneration and Small Power Production (Continued)

The purpose of this filing is to update the expiring Fixed Price option Energy Rates in Schedule 91, PSE’s standard tariff for purchases from Qualifying Facilities.

The proposed Fixed Price option Energy Rates are the amounts that PSE will pay for energy supplied to PSE by the Schedule 91 Qualifying Facility Customer-Generators for the Power Purchase Agreements entered into between December 15, 2018, through December 31, 2019. Based upon the peak capacity contribution of the resources, the proposed Fixed Price option Energy Rates vary for firm base resource and non-firm resources of wind and solar.

These Fixed Price Energy Rates reflect PSE’s most recent market power price projection that is consistent with PSE’s 2019 Integrated Resource Plan (“IRP”) under the “Base + No CO2 price” scenario. The 2019 IRP will be filed on July 15, 2019. PSE presented its 2019 IRP power price forecasts to the IRP Technical Advisory Group on October 11, 2018. In addition to the currently available projected market power prices from the 2019 IRP, the proposed Fixed Price option Energy Rates also reflect the discount rate assumptions used in other PSE power cost analyses and the capacity value from PSE’s 2017 IRP that was filed with the Commission on November 14, 2017. The values of the peak capacity contribution are determined according to the effective load carrying capability analysis in the 2017 IRP. The peak capacity contribution for a firm base resource is assigned the value of 100 percent and for the non-firm resources of wind and solar, the peak capacity contribution values are 16% and 2%, respectively.

Consistent with WAC 480-107-095, PSE offers this standard tariff for purchases from Qualifying Facilities. For each type of resource, the methodology used to update the Fixed Price option is consistent

Mr. Mark L. Johnson
Page 2
November 14, 2018
Advice No. 2018-48

with the approach used in the 2007 through 2017 annual filings, where a market price forecast is generated using PSE's Aurora dispatch model without system integration, shaping, or transmission related costs. The avoided energy cost is adjusted to reflect avoided capacity, deferred transmission and distribution investment, and line losses. The resulting price is reduced by 3% for contingency reserve.

The tariff sheets described herein reflect an issue date of November 14, 2018, and an effective date of December 15, 2018. Notice of the proposed tariff changes, as required by law and the Commission's rules and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). No notice is required under the provisions of WAC 480-100-194 or -195.

Please contact Heather Mulligan at (425) 456-2916 or Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
425-456-2142
Jon.Piliaris@pse.com

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Electric Tariff Sheets, listed above
Work Paper