

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-140800
PUGET SOUND ENERGY’S	ORDER 03
Final 2014 Renewable Compliance Report under RCW 19.285.070 and WAC 480-109-210	ORDER ACKNOWLEDGING COMPLIANCE WITH 2014 RENEWABLE ENERGY TARGET

**BACKGROUND**

**A. The Energy Independence Act**

- <sup>1</sup> Revised Code of Washington (RCW) 19.285, the Energy Independence Act (EIA), includes a renewable portfolio standard (RPS), which requires electric utilities with 25,000 or more customers to obtain certain percentages of their electricity from new renewable resources beginning in 2012. RCW 19.285.060(6) authorizes the Washington Utilities and Transportation Commission (Commission) to enforce the EIA with respect to investor-owned utilities.<sup>1</sup>
- <sup>2</sup> On March 13, 2015, the Commission adopted new rules for EIA enforcement.<sup>2</sup> The new rule, WAC 480-109, imposes additional RPS reporting requirements on investor-owned utilities. All references to WAC 480-109 in this order refer to the rule as adopted on March 13, 2015.
- <sup>3</sup> RCW 19.285.030(20) authorized the Washington State Department of Commerce (Commerce) to select a tracking body to verify the certificates representing eligible generation that utilities use for compliance with the EIA. Commerce selected the Western Renewable Energy Generation Information System (WREGIS) to perform this function. WAC 480-109-200(3) requires that all eligible renewable generation used by investor-owned utilities for EIA compliance be registered and retired in WREGIS.

---

<sup>1</sup> RCW 19.285.030(11) defines “investor-owned utility” by reference to RCW 19.29A.010. RCW 19.29A.010(19) provides: “Investor-owned utility” means a company owned by investors that meets the definition of RCW 80.040.010 and is engaged in distributing electricity to more than one retail customer in the state.”

<sup>2</sup> Docket UE-131723, General Order R-578 (March 13, 2015).

**B. Company Filings**

4 On May 30, 2014, Puget Sound Energy (PSE or Company) initiated this docket by filing with the Commission a Renewable Portfolio Standard Report (RPS Report) pursuant to RCW 19.285.070 and WAC 480-109-210. On July 31, 2014, the Commission issued Order 01 in this docket approving PSE’s calculation of its 2014 renewable energy target as 635,202 megawatt-hours (MWh).

5 WAC 480-109-210(6) requires a utility to submit a final RPS compliance report within two years of the initial report documenting the certificates it retired in WREGIS to comply with its target and requesting a compliance determination from the Commission. PSE filed its final RPS report on May 27, 2016, which identifies the following 635,202 MWh that the Company generated or acquired for 2014 RPS compliance:

Facility Name (Location)	Resource Type	Vintage	Amount (MWh)	Multiplier MWh	Total
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>

6 The Company met its 2014 RPS target using a combination of wind and incremental hydropower resources. 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.

7 WAC 480-109-200(7) lists three methods from which a utility may choose to calculate the portion of an upgraded hydropower facility’s output that constitutes eligible renewable generation (incremental hydropower) per RCW 19.285.030(12)(b). On April 28, 2016, the Commission issued Order 02 in this docket, which authorized PSE to use Method 2 to calculate its incremental hydropower production and approved certain incremental hydropower ratios for the Lower Baker and Snoqualmie Falls facilities.

**C. Petition**

8 Also on May 27, 2016, PSE filed a Petition for Waiver of Commission Rule and to Amend Order (Petition) requesting the Commission grant a one-time waiver of WAC 480-109-200(3), which requires that all eligible renewable generation used for RPS compliance by investor-owned utilities be registered in WREGIS. PSE explains in its Petition that it is unable to comply with the WREGIS registration requirement due to its inability to register its use of incremental hydropower from its Lower Baker and Snoqualmie Falls facilities. PSE further requests the Commission amend Paragraph 29 of Order 01 to allow the Company to use eligible hydropower generation resources that are not yet registered in WREGIS towards compliance with the Company's 2014 renewable resource target.

9 Staff reviewed the Company's RPS report and Petition. Staff has been working closely with the Company and Commerce, and finds that PSE has made a good faith effort to register its upgraded hydropower facilities in WREGIS, but has been unable to do so thus far. Accordingly, Staff recommends the Commission issue an order 1) granting PSE's Petition to waive WAC 480-109-200(3) and amend Order 01, 2) finding that PSE complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6), and 3) finding that PSE met its 2014 renewable portfolio standard target of 635,202 megawatt-hours and retired corresponding certificates, where applicable, in WREGIS.

**DISCUSSION**

10 We approve PSE's Petition to waive WAC 480-109-200(3) and amend Order 01. Absent the waiver, PSE would be required to replace almost 49,000 MWh of eligible RPS generation with certificates from its wind resources, which will otherwise be saved for future-year compliance or sold to other parties to generate offsetting revenue. Accordingly, we find that granting the waiver and amending Order 01 is in the public interest.

11 We also find that PSE has complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6) and met its 2014 renewable portfolio standard target of 635,202 megawatt-hours.

### FINDINGS AND CONCLUSIONS

- 12 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies.
- 13 (2) PSE is an electric company and a public service company subject to Commission jurisdiction and is an “investor-owned utility” under RCW 19.285.030(11).
- 14 (3) PSE serves more than 25,000 customers within the State of Washington, and it is a “qualifying utility” within the meaning of RCW 19.285.030(19).
- 15 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-020(1)(a), PSE’s renewable energy target for 2013 was 635,202 megawatt-hours.
- 16 (5) In PSE’s Final Renewable Compliance Report, filed on May 27, 2016, the Company demonstrated that it had acquired 635,202 megawatt-hours of eligible generation.
- 17 (6) PSE retired 586,364 certificates in WREGIS.
- 18 (7) PSE acquired 48,838 megawatt-hours of incremental hydro generation from its Lower Baker River and Snoqualmie Falls facilities.
- 19 (8) PSE filed a Petition requesting a waiver of WAC 480-109-200(3), which would allow it to apply its Lower Baker River and Snoqualmie Falls generation toward its 2014 RPS target. The Petition also requests the Commission amend Order 01 to reflect approval of the waiver, if granted.
- 20 (9) PSE has made, and continues to make, a good faith effort to register its upgraded hydropower facilities in WREGIS. Accordingly, PSE’s Petition should be granted.
- 21 (10) PSE has complied with all reporting and filing requirements set out in Order 01.

**ORDER**

**THE COMMISSION ORDERS:**

- 22 (1) Puget Sound Energy complied with the final renewable portfolio standard  
reporting requirements in WAC 480-109-210(6).
- 23 (2) Puget Sound Energy's Petition to waive WAC 480-109-200(3) and amend Order  
01 is granted, and the 48,838 megawatt-hours of incremental hydro generation  
from its Lower Baker River and Snoqualmie Falls facilities are applied toward its  
2014 RPS target.
- 24 (3) Paragraph 29 of Order 01 is amended to no longer require Puget Sound Energy to  
register in the Western Renewable Energy Generation Information System all  
Company-owned incremental hydropower facilities on which the Company  
intends to rely for compliance with 2014 renewable portfolio standard  
requirements.
- 25 (4) Puget Sound Energy has generated or acquired 635,202 megawatt-hours of RECs  
and eligible generation for the purpose of 2014 RPS compliance, and retired  
corresponding certificates for all resources that are registered in the Western  
Renewable Energy Generation Information System.
- 26 (5) Puget Sound Energy has complied with its 2014 RPS target as required by RCW  
19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective June 23, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner