

Agenda Date: August 12, 2021
Item Number: A1

Docket: UE-161123
Company: Microsoft Corporation

Staff: Jade Jarvis, Regulatory Analyst

Recommendation

Issue a letter finding Microsoft in compliance with the requirements of Sections 4.9.1 and 4.9.2. as described in the settlement stipulation and special contract adopted in the Commission’s Order 06 under Docket UE-161123.¹

Discussion

On April 1, 2019, a special contract between PSE and Microsoft went into effect, allowing Microsoft to acquire energy from carbon-free generation suppliers that are separate from PSE. The special contract stipulates that if Microsoft independently contracts for energy with separate carbon-free generation suppliers, Microsoft must provide PSE with an annual RPS report by March 31 of each year, which PSE will submit to the Commission as a compliance filing in this docket. Furthermore, the settlement stipulation provides that Microsoft “will require all its suppliers to provide carbon-free power from identified generating resources.”²

Microsoft provided its annual RPS report to PSE by March 31, 2021, which was then submitted to the Commission by PSE on May 12, 2021. The settlement stipulation indicates that beginning in 2021, Microsoft must meet the higher of either 40 percent of its total load, or the percentage specified in RCW 19.285.040(2) (as amended or supplemented) and applicable to PSE.³ Microsoft’s RPS report describes that the company will meet 40 percent of its electricity needs with eligible incremental hydropower resources from Chelan PUD.⁴ As Microsoft’s entire load is expected to be met with eligible renewable resources, the company has no additional carbon-free resources to report.

Conclusion

Based on the information that Microsoft provided in its report, Staff believes Microsoft has met its 2021 RPS and carbon-free power requirements. Staff recommends the Commission issue a letter acknowledging Microsoft’s compliance with Sections 4.9.1 and 4.9.2. as described in the settlement stipulation and special contract, per Order 06 of Docket UE-161123.

¹ See Docket UE-161123, Order 06, ¶ 64-71 (July 13, 2017). Order 06 approved and adopted a settlement stipulation among all parties that approves a special contract between PSE and Microsoft.

² Docket UE-161123, Settlement Stipulation and Agreement, ¶ 13 (April 11, 2017).

³ The annual targets specified in RCW 19.285.040(2) increased to 15 percent starting in 2020. 40 percent of Microsoft’s total load is the higher of the two percentages and therefore the required target.

⁴ Microsoft anticipates procuring [REDACTED] from Chelan PUD, which equates to the “average of Microsoft’s delivered electricity under the Special Contract for the previous two years.”