



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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August 12, 2021

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy*
Docket UE-161123

TO ALL PARTIES:

On July 13, 2017, the Washington Utilities and Transportation Commission (Commission) issued Order 06, Final Order Approving Settlement Agreement in Docket UE-161123. Pursuant to Paragraph 71 of the Final Order, the Commission must determine whether Microsoft Corporation (Microsoft) is in compliance with sections 4.9.1 and 4.9.2 of the special contract included in the settlement agreement, which pertains to the acquisition of renewable energy. If the Commission finds Microsoft is in compliance, the Commission's Secretary is authorized to issue a letter confirming compliance.

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 Docket UE-161123. Furthermore, the settlement stipulation provides that Microsoft "will require all its suppliers to provide carbon-free power from identified generating resources."¹

Microsoft provided its annual RPS report to PSE by March 31, 2021, which PSE filed with the Commission 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.² Microsoft's RPS report describes that the company will meet 40 percent of its electricity needs with eligible

¹ Docket UE-161123, Settlement Stipulation and Agreement, ¶ 13 (April 11, 2017).

² 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.

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incremental hydropower resources from Chelan PUD.³ As Microsoft's entire load is expected to be met with eligible renewable resources, the company has no additional carbon-free resources to report.

The matter of Microsoft's compliance with sections 4.9.1 and 4.9.2 for 2021 came before the Commission at its regularly scheduled meeting on August 12, 2021. Commission staff believes that Microsoft complied with sections 4.9.1 and 4.9.2 for 2021 and recommends that the Commission authorize the Executive Director and Secretary to issue a letter confirming Microsoft's compliance. No other party made a recommendation.

The Commission authorized the Executive Director and Secretary to issue a letter finding that Microsoft has complied with sections 4.9.1 and 4.9.2 for 2021.

This letter, therefore, confirms that Microsoft has complied with sections 4.9.1 and 4.9.2 for 2021.

MARK L. JOHNSON

Executive Director and Secretary

³ Microsoft anticipates procuring 305,208.706 MWh from Chelan PUD, which equates to the "average of Microsoft's delivered electricity under the Special Contract for the previous two years."