

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-160757
PUGET SOUND ENERGY	ORDER 02
Final 2016 Renewable Compliance Report under RCW 19.285.070 and WAC 480- 109-210	ORDER ACKNOWLEDGING COMPLIANCE WITH 2016 RENEWABLE ENERGY TARGET AND GRANTING PETITION

BACKGROUND

A. The Energy Independence Act

1 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.¹

2 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.

B. Company Filings

3 On May 31, 2016, Puget Sound Energy (PSE or Company) initiated this docket by filing with the Commission a Renewable Portfolio Standard Report (RPS Report) pursuant to

¹ RCW 19.285.030(13) 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.”

RCW 19.285.070 and WAC 480-109-210. On August 4, 2016, the Commission issued Order 01 in this docket approving PSE’s calculation of its 2016 renewable energy target as 1,848,542 megawatt-hours (MWh).

4 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 1, 2018, which identifies the following 1,848,542 MWh that the Company generated or acquired for 2016 RPS compliance:

Facility Name	Facility Type	Vintage Year 2015	Vintage Year 2016	Extra Apprenticeship Credits	Total
Lower Snake River - Dodge Junction	Wind	421,560		84,312	505,872
Lower Snake River - Phalen Gulch	Wind	301,443		60,289	361,732
Klondike III	Wind	32,714			32,714
Wild Horse Phase II	Wind	88,693		17,739	106,432
Wild Horse	Wind	469,503			469,503
Hopkins Ridge	Wind	238,385			238,385
Hopkins Ridge Phase II	Wind	14,879			14,879
Lower Baker River	Incremental Hydro		101,550*		101,550
Snoqualmie Falls	Incremental Hydro		17,475*		17,475
TOTAL		1,567,177	119,025	162,340	1,848,542

*Includes incremental hydro of 31,307 and 5,133 for Lower Baker and Snoqualmie Falls respectively for the months of January through March that were not included in WREGIS due to registration delay. April through December 2016 WREGIS retirements were 70,243 and 12,342 for Lower Baker and Snoqualmie Falls, respectively.

5 The Company met its 2016 RPS target using a combination of wind and incremental hydropower resources. Three of the wind projects identified in PSE’s compliance report are eligible for the 1.2 multiplier for using apprentice labor in their construction. PSE provided a letter from the Washington State Apprenticeship and Training Council (WSATC), dated April 25, 2012, approving the projects for the multiplier.

6 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). The Commission has previously reviewed and approved PSE's use of Method 2.

C. Petition

7 Also on May 1, 2018, PSE filed a Petition for Waiver of Commission Rule (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.² PSE explains in its Petition that it was 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 asks to use incremental hydro of 31,307 MWh from Lower Baker and 5,133 MWh from Snoqualmie Falls generated in the first quarter of 2016 for its 2016 RPS compliance.

8 Commission Staff (Staff) reviewed the Company's RPS report and Petition. On June 6, 2016, the Company did register the Lower Baker and Snoqualmie Falls facilities with WREGIS. Accordingly, Staff recommends the Commission issue an order 1) granting PSE's Petition for an exemption from WAC 480-109-200(3), 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 2016 renewable portfolio standard target of 1,848,542 megawatt-hours and retired corresponding certificates, where applicable, in WREGIS.

DISCUSSION

9 We approve PSE's Petition for an exemption from WAC 480-109-200(3). Absent the waiver, PSE would be required to replace more than 36,000 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 is in the public interest.

² Docket UE-160757 Oder 01 ¶¶ 8 (5) (August 4, 2016). Puget Sound Energy must request a waiver of the WREGIS registration requirement in WAC 480-109-200(3) for its incremental hydro production from Lower Baker and Snoqualmie Falls facilities for any generation prior to the second quarter of 2016.

10 We also find that PSE has complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6) and met its 2016 renewable portfolio standard target of 1,848,542 megawatt-hours.

FINDINGS AND CONCLUSIONS

- 11 (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 electric companies.
- 12 (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(13).
- 13 (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).
- 14 (4) Under RCW 19.285.040(2)(a)(ii) and WAC 480-109-200(1)(b), PSE’s renewable energy target for 2016 was 1,848,542 megawatt-hours.
- 15 (5) In PSE’s Final Renewable Compliance Report, filed on May 1, 2018, the company demonstrated that it had acquired 1,848,542 megawatt-hours of eligible generation.
- 16 (6) PSE retired 1,686,202 certificates in WREGIS, equivalent to 1,848,542 certificates after the application of the 1.2 multiplier.
- 17 (7) 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 towards its 2016 RPS target.
- 18 (8) PSE has complied with all reporting and filing requirements set out in Order 01.

ORDER

THE COMMISSION ORDERS:

- 19 (1) Puget Sound Energy complied with the final renewable portfolio standard reporting requirements in WAC 480-109-210(6).

- 20 (2) Puget Sound Energy's Petition to waive WAC 480-109-200(3) is granted, and the 36,440 megawatt-hours of incremental hydro generation from its Lower Baker River and Snoqualmie Falls facilities that was generated from January through March 2016 are applied towards its 2016 RPS target.
- 21 (3) Puget Sound Energy has generated or acquired 1,848,542 megawatt-hours of RECs and eligible generation for the purpose of 2016 RPS compliance, and retired corresponding certificates for all resources that are registered in the Western Renewable Energy Generation Information System.
- 22 (4) Puget Sound Energy has complied with its 2016 RPS target as required by RCW 19.285.040(2)(a)(ii).

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective May 31, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK L. JOHNSON, Executive Director and Secretary