

**EXH. PKW-30
DOCKETS UE-22 ___/UG-22 ___
2022 PSE GENERAL RATE CASE
WITNESS: PAUL K. WETHERBEE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22 ___
Docket UG-22 ___**

**TWENTY-NINTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PAUL K. WETHERBEE

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022

TUUSSO Energy Settlement Agreement & BPA Transmission

EMC Decisional

January 28, 2021



Heather Mulligan
Manager Customer Clean Energy Solutions

Tom Flynn
Manager Energy Delivery

Anticipated Recommendation

- **Approve the Settlement Agreement negotiated between TUUSSO Energy & Puget Sound Energy**
- **Contract with BPA for 10 MW of transmission service from Clymer substation**
- Overview of Settlement Agreement
 - PSE to pay the annual BPA transmission charges for the transmission of power generated by the Camas and Urtica Solar Facilities in excess of PSE's loads on the distribution circuits from the Clymer Substation.
 - TUUSSO Energy will withdraw the interconnection requests related to and terminate the power purchase agreements for the Fumaria and Typha Solar Facilities.

TUUSSO Energy’s Plans Five 5 MW Solar Projects in Kittitas County

- TUUSSO Energy signed Scheduled 91 PPAs with PSE, in February 2017, at rates approved by the UTC in 2016.

2016	2017	2018	2019	2020	2021	2022	2023
\$61.19	\$62.72	\$64.29	\$65.89	\$67.54	\$69.23	\$70.96	\$72.73
2024	2025	2026	2027	2028	2029	2030	2031
\$74.55	\$76.42	\$78.33	\$80.29	\$82.29	\$84.35	\$86.46	\$88.62

- October 17, 2018 Governor Inslee approved the Site Certification Agreements for all five solar project under the State’s EFSEC process.
- On August 20, 2019 the Council approved Order No. 877 which suspended TUUSSO Energy’s Site Certification Agreements for the Columbia Solar Project.
- On November 20, 2019 TUUSSO Energy submitted a letter requesting reinstatement of the Columbia Solar Project’s 5 Site Certification Agreements, which was approved November 25, 2019.



Four TUUSSO Projects Face Interconnection Challenges Due to Transmission Constraints

- TUUSSO Energy Projects:
 - Pentstemon -- Distribution Interconnect at Kittitas Substation (ATC Secured)
 - Typha – Distribution Interconnect at Kittitas Substation (No ATC)
 - Fumaria – Distribution Interconnect at Kittitas Substation (No ATC)
 - Camas – Distribution Interconnect at Clymer-15 (Requires BPA ATC)
 - Urtica – Distribution Interconnect at Clymer-16 (Requires BPA ATC)
- Regulatory Ambiguity Regarding Utility Requirements to address deliverability in these circumstances:
 - There is no direct precedent for qualifying facilities interconnecting to “load pockets” in Washington. (Camas & Urtica)
 - PSE is not aware of any jurisdiction that has required a utility to curtail contracted transmission generation (Wild Horse) to accommodate the deliverability requirements for the output of a qualifying facility. (Typha & Fumaria)

Options Available for Consideration

- Maintain Status Quo and Litigate at the WUTC
- Purchase the Development Rights for Typha and Fumaria Solar Projects
- **Settle Positions and Seek Commission Approval of Modification of Agreements**

Benefits:

- No lengthy litigation process that could result in precedent setting decisions.
- TUUSSO's withdrawal of Typha and Fumaria projects could result in net savings to PSE customers of over \$5.3 million.

BPA Transmission Summary

- **Contract with BPA for 10 MW firm point-to-point transmission service for 5 year term**
- Overview:
 - PSE will contract with BPA for transmission service from Clymer substation as part of Settlement Agreement
 - Two 5 MW Transmission Service Requests will be submitted after TUUSSO signs the Settlement Agreement
 - Transmission contracts are 5-yrs starting 7/1/2021
 - BPA Transmission rate \$22.2/KW – Year, with PSE assumption of 3% annual escalation rate

BPA Transmission Plan

- TUUSSO will construct 2 QFs that interconnect to PSE's Clymer substation
- Clymer is a PSE-owned isolated substation serving a load pocket and it connects directly to BPA's transmission system
- The interconnection System Impact Study showed that output will flow onto BPA's transmission line under most scenarios
- BPA transmission wheel needed to deliver energy to load after PSE takes possession of power at Clymer
- PSE will contract with BPA for 10 MW PTP transmission after receiving signed Settlement Agreement

CONTRACTS FOR PURCHASE

POR/POD	Start	Term	MW	5-yr Cost
Clymer – MidC	7/1/2021	6/30/2026	10	\$1.11M

Recommendation

- Approve the Settlement Agreement negotiated between TUUSSO Energy & Puget Sound Energy
- Contract with BPA for 10 MW of transmission service from Clymer substation