

**EXH. PAH-17
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: PHILIP A. HAINES**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**SIXTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024

BPA Montana Intertie Transmission Purchase



EMC Decisional

December 17, 2020

Tom Flynn

Manager, Energy Delivery

Recommendation

- **Approve purchase of 40 MW of new BPA transmission on the Montana Intertie for the Clearwater project for a 5-year term**
- Overview:
 - Resource Acquisition team is recommending the EMC authorize PSE to seek board approval of the Clearwater 350 MW wind project PPA
 - PSE has 350 MW transmission on Colstrip Transmission System and on BPA main grid, and will need to acquire an additional 40 MW long-term firm transmission on BPA's Montana Intertie to deliver full project output.
 - PPA could be limited to 310 MW if this transmission is not secured.
 - Contract will be 5-yrs starting in 2022.
 - BPA Montana Intertie Transmission rate is **\$6.072/KW – Yr.** with PSE assumption of 3% annual escalation rate
 - Future contract renewal dependent on future status of Colstrip units 3&4

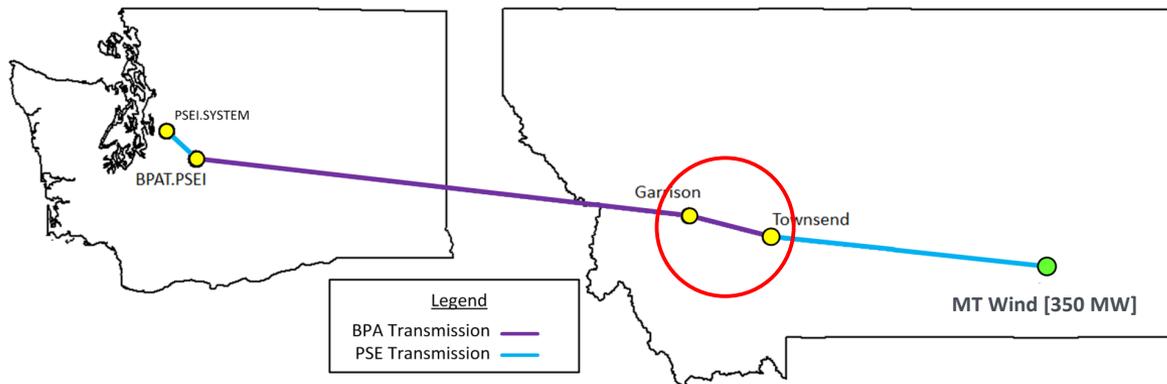
Transmission Purchase Background

- 2011 WUTC GRC Final Order: PSE is expected to provide for any renewal or acquisition of firm transmission “a full and detailed justification showing the prudence of this expense if the Company expects to continue to recover it in rates.”
- The team is proposing to purchase 40 MW of additional BPA long-term firm transmission on the Montana Intertie for delivery of the Clearwater project to PSE system.
- BPA transmission contracts are renewed at least one year prior to termination date to exercise the reservation priority rights thereby avoiding competition with other parties in the queue
- BPA transmission contracts are generally renewed for the minimum term of 5 years to retain renewal rights and allow flexibility to reevaluate transmission need

CONTRACT FOR PURCHASE				
POR/POD	Start	Term	MW	5-yr Cost
Townsend - Garrison	7/1/2022	6/30/2027	40	\$2.0M



Clearwater Transmission Plan & Purchase



	BPAT.PSEI – Garrison (BPA PTP)	Garrison – Townsend (BPA Montana Intertie)	Townsend – Colstrip (PSEI CTS)
Existing Reservations from Units 1&2 + Talen 50 MW contract	350	310	350
Need to deliver 350 MW Clearwater PPA	0	40	0
Action Item/ Incremental Costs	Complete new BPA RAS	Purchase 40 MW (\$395,040/yr)	Complete new CTS RAS (estimate \$440k)



Recommendation

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