

**EXH. PAH-14
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**

**THIRTEENTH EXHIBIT TO THE PREFILED
DIRECT TESTIMONY OF**

PHILIP A. HAINES

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024



2024-2025
SHORT-TERM CAPACITY/
FIRM ENERGY RFP:
PROPOSAL SUMMARY

Prepared pursuant to WAC 480-107-035(5)

September 11, 2023

2024-2025 Short-Term Capacity/Firm Energy RFP

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2024-2025 Short-Term Capacity/Firm Energy RFP

Puget Sound Energy (“PSE”) filed a request for proposals seeking offers for products to meet PSE’s capacity needs for calendar years 2024 and 2025 (the “2024-2025 Short-Term Capacity/Firm Energy RFP”) with the Washington Utilities and Transportation Commission (the “Commission”) on August 15, 2023 in Docket UE-230664, and released the 2024-2025 Short-Term Capacity/Firm Energy RFP on August 15, 2023. The 2024-2025 Short-Term Capacity/Firm Energy RFP is a “targeted” and “voluntary” request for proposals, as defined in Washington Administrative Code (“WAC”) 480-107-109(3).

Section 1. Background and Public Disclosure Requirement

PSE’s integrated resource planning analysis, which evaluates and establishes PSE’s capacity (physical reliability) and renewable energy (policy driven) needs, guides the electric resource acquisition process. PSE filed the 2021 Integrated Resource Plan (the “2021 IRP”), the most recent planning analysis, with the Commission on April 1, 2021. The 2021 IRP includes a discussion of the electric planning standard and describes the methodology for analyzing PSE’s resource needs.¹ On March 23, 2023, PSE filed a 2023 Electric Progress Report (the “2023 EPR”) on the 2021 Electric IRP. PSE developed the 2023 EPR with input from interested parties over a fifteen-month period, resulting in substantive changes and improvements. The feedback informed a diverse portfolio of resources that considers equity, grows PSE’s distributed energy resources, incorporates climate change, addresses the risks of reliance on alternative fuels such as hydrogen and biodiesel, and keeps PSE on a path to meeting its obligations under the Clean Energy Transformation Act.²

The 2024-2025 Short-Term Capacity/Firm Energy RFP sought offers for products to meet PSE’s capacity needs for calendar years 2024 and 2025 identified in the 2023 EPR. Specifically, the identified capacity needs for the winter season are 121 MW for 2024 and 379 MW for 2025. PSE’s capacity needs for the summer season are 190 MW for 2024 and 553 MW for 2025. Due to the need for capacity on a short-term basis, PSE anticipated that respondents to the solicitation would be large, sophisticated organizations with significant resource portfolios and existing transmission arrangements in the region to meet PSE’s needs. PSE requested that respondents either be an existing party to the WSPP Agreement or ready to become a party to the WSPP Agreement.

The 2024-2025 Short-Term Capacity/Firm Energy RFP identified PSE’s potential interest in the following fixed-price, firm energy, and capacity products under the WSPP Agreement:

WSPP Schedule C Firm Energy

- On-Peak
- Around the Clock (“ATC”)
- Non-CAISO resource

¹ The 2021 IRP and 2023 EPR can be found on PSE’s website at the following link: <http://www.pse.com/irp>. See also Dockets UE-200304 (electric) and UG-200305 (natural gas).

² Clean Energy Transformation Act, codified at Chapter 19.405 RCW (“CETA”).

2024-2025 Short-Term Capacity/Firm Energy RFP

WSPP Schedule C Firm Capacity

- On-Peak
- Around the Clock (“ATC”)
- Non-CAISO resource

The 2024-2025 Short-Term Firm Energy and Capacity RFP further expressed PSE’s strong preference for proposals that are eligible as renewable or non-emitting resources under the CETA.

The 2024-2025 Short-Term Firm Energy and Capacity RFP sought firm energy or capacity in a quantity of between 25 to 250 MW (in 25 MW blocks) from one or more respondents for the term beginning December 1, 2024, through and including December 31, 2025. All deliveries of such products had to be on Firm (Priority 7 or equivalent) transmission to one or more of the following Points of Delivery:

- a Point of Delivery at the Mid-Columbia Hub (Mid-C);
- a Point of Delivery at which the transmission systems of PSE and the Bonneville Power Administration interconnect (PSE.System / BPAT.PSEI; and
- a Point of Delivery at the northern border of western Washington and southern border of western British Columbia (BC US Border).

The 2024-2025 Short-Term Firm Energy and Capacity also indicated that PSE would consider products with a Point of Delivery to neighboring transmission systems if firm transmission capacity is available for PSE to import the power to PSE’s Balancing Authority Area.

Table 1 in Section 2 of this report provides a brief summary of the proposals received. Section 3 introduces and provides context for the proposal summary provided in Appendix A of this report. Appendix A provides a summary of each individual proposal in response to the 2024-2025 Short-Term Capacity/Firm Energy RFP.

Section 2. Proposals Received in Response to the 2024-2025 Short-Term Capacity/Firm Energy RFP

PSE received 11 proposals in response to the 2024-2025 Short-Term Capacity/Firm Energy RFP. Table 1 summarizes the proposals by product type (physical or financial product).

*Table 1: 2024-2025 Short-Term Capacity/
Firm Energy Product Types*

Product Type	Count
Physical	9
Financial	2

2024-2025 Short-Term Capacity/Firm Energy RFP

Section 3. Introduction to the RFP Proposal Summary (Appendix A)

As described in Section 2, each bidder in response to the 2024-2025 Short-Term Capacity/Firm Energy RFP could include multiple proposals. The information in Appendix A provides a summary of each proposal received. Please note that the data provided in Appendix A (and in Table 1 presented in Section 2 above) are based on the original proposal information as provided to PSE at the close of the bidding period.

2024-2025 Short-Term Capacity/Firm Energy RFP

Appendix A: 2024-2025 Short-Term Capacity/Firm Energy RFP proposal summary

Proposal #	Type	MW	Term ¹	Type ²	CETA – Eligible Energy	Resource Adequacy
1	Physical Product	50	December 2024	ATC	No	No
2	Physical Product	25	Q1 2025	ATC	No	No
3	Physical Product	25	Q4 2025	ATC	No	No
4	Physical Product	25	Q4 2025	ATC	No	No
5	Financial Product	50	Q3 2025	HLH	No	No
6	Financial Product	50	Q3 2025	HLH	No	No
7	Physical Product	25	CY 2025	HLH	Yes	Yes
8	Physical Product	25	Q4 2024, Q1 2025, and Q4 2025	HLH	Yes	Yes
9	Physical Product	25	Q4 2024, Q1 2025, and Q4 2025	HLH	Yes	Yes
10	Physical Product	25	Q4 2024, Q1 2025, and Q4 2025	HLH	Yes	Yes
11	Physical Product	25	Q3 2025	HLH	Yes	Yes

Notes:

¹ Q = Calendar Quarter
CY = Calendar Year

² ATC = Around-the-Clock
HLH = Heavy-Load Hours