



Puget Sound Energy
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Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

**Re: Puget Sound Energy's Response to Notice of Opportunity to File Written Analysis
and Comments on Effects of Draft Rules – Docket UE-210183**

Dear Director Killip,

On May 30, 2024, the Washington Utilities and Transportation Commission (Commission) issued a notice seeking quantitative analysis on the effects of draft rules under consideration in this docket (Notice). The Notice requested extensive analysis, which PSE was not able to complete by June 21, 2024. PSE respectfully maintains that the Commission does not have the authority to adopt the draft rules in their current form, as the draft rules effectively prohibit utilities from using all eligible generation within each statutory compliance period as the Legislature intended.¹ Nonetheless, PSE submits as Attachment A to this filing its quantitative analysis show the effects of the draft rules' monthly cap in the 2030-2045 period.

The Notice also requested a quantitative analysis of how the monthly use cap would affect participation in regional markets. Although the analysis in Attachment A does not address this issue, a monthly cap on the use of renewable and nonemitting resources – as the draft rules contemplate – would reduce the full economic efficiency and use of regional resources of an organized market by introducing an additional constraint on the market's ability to dispatch (or in the case of variable energy resources, integrate) the least cost resource in a given interval. Such a cap could necessitate that utilities limit the participation of their resources in certain periods when a monthly cap has been reached to ensure the ability to count those resources during other periods.

¹ See Joint Comments of Avista, PacifiCorp, Puget Sound Energy, Alliance of Western Energy Consumers, Northwest & Intermountain Power Producers Coalition, and Western Power Trading Forum, Docket UE-210183 (June 21, 2024) (citing *Superior Asphalt & Concrete Co. v. Dept. of Labor & Indus.*, 84 Wn. App. 401, 405, 929 P.2d 1120 (1996) (“[a]n administrative agency may not adopt a regulation that effectively modifies or amends a statute.”)).

Jeff Killip, Executive Director and Secretary

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If you have questions about this filing, please contact Brett Rendina, Regulatory Affairs Initiatives Manager, at 360-294-9558 or Brett.Rendina@pse.com. If you have any other questions, please contact me at 425-462-3051.

Sincerely,

/s/ Wendy Gerlitz

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cc: Tad O'Neill, Public Counsel

Attachment A: Analysis