



Puget Sound Energy
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PSE.com

July 15, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**Re: Advice No. 2016-18
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its electric Schedule No. 135, Green Energy Option-Purchase Rider and electric Schedule No. 136 Large Volume Green Energy-Purchase Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions to the following electric tariff sheets:

WN U-60, Tariff G - (Electric Tariff):

3rd Revision of Sheet No. 135 - Green Energy Option-Purchase Rider
2nd Revision of Sheet No. 135-A - Green Energy Option-Purchase Rider (Continued)
Original Sheet No. 135-B - Green Energy Option-Purchase Rider (Continued)
2nd Revision of Sheet No. 136 - Large Volume Green Energy-Purchase Rider
2nd Revision of Sheet No. 136-A - Large Volume Green Energy-Purchase Rider (Continued)
1st Revision of Sheet No. 136-B - Large Volume Green Energy-Purchase Rider (Continued)
Original Sheet No. 136-C - Large Volume Green Energy-Purchase Rider (Continued)

The primary purpose of this filing is to, 1) reduce both Schedule 135 and 136 rates for customers participating in the green power program, and 2) create a voluntary solar-only green energy resource available under Schedule 135. This filing also includes minor language revisions regarding the program in general.

Currently, Schedule 135 offers green power at \$2.00 per 160 kWh block, or \$0.0125 per kWh. In this filing, PSE proposes to increase the block size from 160 to 200 kWh for customers who purchase green power on a block basis, and reduce the kWh rate from \$0.0125 to \$0.0100 for customers who purchase green power on a kWh usage basis. Currently, Schedule 136 offers green power at \$0.006 per kWh. In this filing, PSE proposes to reduce the kWh rate from \$0.006 to \$0.0035.

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These rate reductions represent lower administrative costs due to increased customer participation, and Renewable Energy Credit (REC) prices that have climbed less steeply than models predicted, especially for wind. The proposed rates better reflect current program expenses, and will manage program reserves and allow for fluctuations in REC pricing while still offering customers price predictability.

PSE also proposes to add a voluntary single-source solar option to Schedule 135 for customers to purchase on a block basis. The proposed rate is \$5.00 per 150 kWh block. PSE will secure solar resources in accordance with RCW 19.29A.090, which may include contracting with new solar projects that are “qualifying facilities” through electric Schedule 91 (Cogeneration and Small Power Production) and a REC purchase agreement. PSE is finalizing its arrangements to secure these resources and service under this option will be available on or by March 1, 2017.

Tariff Schedule	Current	Proposed
Schedule 135 – block purchases	Block size – 160 kWh	Block size – 200 kWh
Schedule 135 – kWh purchases	kWh rate – \$0.0125	kWh rate – \$0.0100
Schedule 135 – solar-only purchases	Proposed	150 kWh block at \$5.00
Schedule 136 – all purchases	kWh rate – \$0.006	kWh rate – \$0.0035

The tariff sheets described herein reflect an issue date of July 15, 2016, and an effective date of September 23, 2016. Posting of proposed tariff changes, as required by WAC 480-90-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter in accordance with WAC 480-90-193(1).

This tariff change does not increase recurring charges or restrict access to services. Therefore, notice of proposed tariff change, as required by law and the Commission’s rules and regulations (including WAC 480-90-195(3)), is being given to the public immediately prior to, or coincident with, the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-90-193.

Please contact Julie Waltari at (425) 456-2945 or julie.waltari@pse.com for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Sheree Carson, Perkins Coie