



2025-2026
SHORT-TERM CAPACITY/
FIRM ENERGY RFP:
PROPOSAL SUMMARY

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

March 22, 2024

2025-2026 Short-Term Capacity/Firm Energy RFP

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2025-2026 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 2025 and 2026 (the “2025-2026 Short-Term Capacity/Firm Energy RFP”) with the Washington Utilities and Transportation Commission (the “Commission”) on January 5, 2024 in Docket UE-240021, and released the 2025-2026 Short-Term Capacity/Firm Energy RFP on January 8, 2024. The 2025-2026 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 Report² (the “2023 Electric Progress Report”) to the 2021 Electric IRP. PSE developed the 2023 Electric Progress Report 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.³

¹ The 2021 IRP 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).

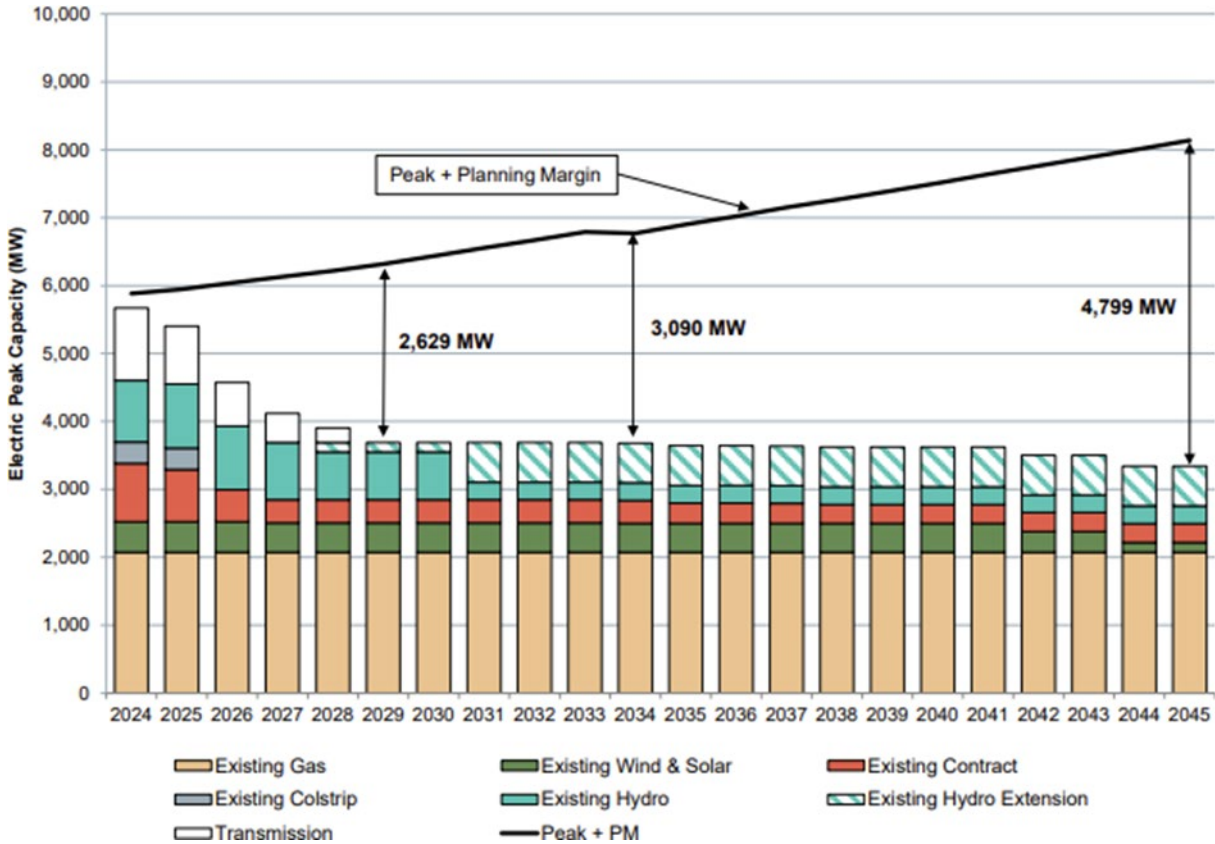
² 2023 Electric Progress Report (Mar. 23, 2023), https://www.pse.com/-/media/PDFs/IRP/2023/electric/chapters/00_EPR23_ChapterBook_Final.pdf.

³ Clean Energy Transformation Act, codified at Chapter 19.405 RCW (“CETA”).

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The 2023 Electric Progress Report identified a peak capacity shortfall beginning in 2024 and growing over the planning horizon. Figure 1 below shows PSE’s winter capacity needs through 2045.⁴

**Figure 1: Effective Peak Capacity Need — Winter
(Physical Reliability Need, Peak Hour Need Compared to Existing Resources)**

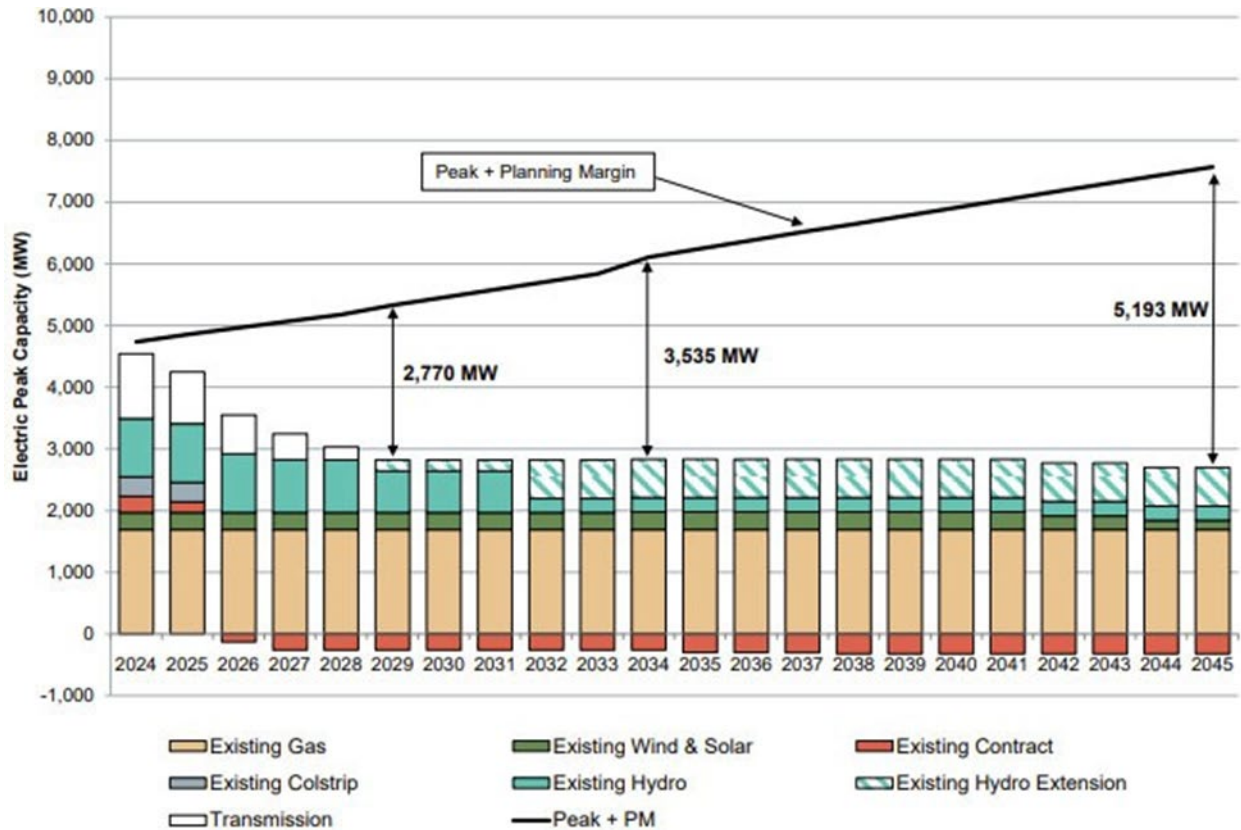


⁴ Figure 1 is identical to Figure 8.2 from the 2023 Electric Progress Report. See 2023 Electric Progress Report at 8.8 (Figure 8).

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Figure 2 below shows PSE’s summer capacity needs through 2045.⁵

**Figure 2: Effective Peak Capacity Need — Summer
(Physical Reliability Need, Peak Hour Need Compared to Existing Resources)**



PSE’s capacity needs for the winter season are 379 MW for 2025 and over 1,000 MW for 2026. PSE’s capacity needs for the summer season are 553 MW for 2025 and over 1,000 MW for 2026.

The 2025-2026 Short-Term Firm Energy and Capacity RFP sought bids for firm energy and/or capacity to meet the needs in 2025 and 2026. 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 Agreement⁶ or ready to become a party to the WSPP Agreement. The 2025-2026 Short-Term Firm Energy and

⁵ Figure 2 is identical to Figure 8.3 from the 2023 Electric Progress Report. See 2023 Electric Progress Report at 8.9 (Figure 8).

⁶ WSPP Inc., *WSPP Agreement*, First Revised Rate Schedule FERC No. 6 (Aug. 26, 2022), https://www.wspp.org/pages/documents/08_26_22_current_effective_agreement.pdf.

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Capacity 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

WSPP Schedule C Firm Capacity

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

The 2025-2026 Short-Term Firm Energy and Capacity RFP further expressed PSE’s strong preference for offers that are eligible as renewable or non-emitting resources under CETA.

The 2025-2026 Short-Term Firm Energy and Capacity RFP sought firm energy or capacity in 25 MW blocks from one or more respondents for the term beginning January 1, 2025, through and including December 31, 2026. All deliveries of such products must 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).

PSE also considered 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 and each offer received in response to the 2025-2026 Short-Term Capacity/Firm Energy RFP.

2025-2026 Short-Term Capacity/Firm Energy RFP

Section 2. Proposals Received in Response to the 2025-2026 Short-Term Capacity/Firm Energy RFP

PSE received seven (7) responsive offers from four separate respondents in response to the 2025-2026 Short-Term Capacity/Firm Energy RFP. Table 1 summarizes the proposal offerings by product type (physical or financial product).

*Table 1: 2025-2026 Short-Term Capacity/
Firm Energy Product Types*

Product Type	Count
Physical	6
Financial	1

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

As described in Section 2, each proposal in response to the 2025-2026 Short-Term Capacity/Firm Energy RFP could include multiple offer options. The information in Appendix A provides a summary of each offer associated with the proposals received. If a second or third offer is not listed in Appendix A, then the proposal did not include a second or third offer. Each offer associated with a proposal shares a common identifying number in the Offer # column, and may have a distinguishing offer suffix in the offer column. Please note that the data provided in Appendix A (and in Table 1 presented in Section 2 above) are based on both the original proposal information as provided to PSE at the close of the bidding period and updated proposals after the close of the bidding period.

2025-2026 Short-Term Capacity/Firm Energy RFP

Appendix A: 2025-2026 Short-Term Capacity/Firm Energy RFP proposal summary

Offer #	Type	MW	Term	CETA – Eligible Energy	Resource Adequacy
1-1	Physical Product	78	Feb - Dec 2025	Yes	Yes
1-2	Physical Product	228	Feb - Dec 2025	Yes	Yes
2-1	Physical Product	250	Jan 2025 - Dec 2026	Yes	Yes
2-2	Physical Product	250	Jan 2025 - Dec 2026	Yes	Yes
3-1	Physical Product	75	Jan - Dec 2025	No	No
3-2	Financial Product	75	Jan - Dec 2025	No	No
4-1	Physical Product	400	Jan, Feb 2025 and Jan, Feb 2026	No	Yes