

**Exh. ASR-10
Docket UE-200115
Witness: Andrew S. Rector**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

DOCKET UE-200115

PUGET SOUND ENERGY

**For an Order Authorizing the Sale of All
of Puget Sound Energy's Interests in
Colstrip Unit 4 and Certain of Puget
Sound Energy's Interests in the Colstrip
Transmission System**

**EXHIBIT TO
TESTIMONY OF**

Andrew S. Rector

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to Public Counsel Data Request No. 7

October 2, 2020

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-200115
Puget Sound Energy
Application Authorizing Sale of PSE Interest in Colstrip Unit 4**

PUBLIC COUNSEL DATA REQUEST NO. 007:

Please refer to the Direct Testimony of Thomas M. Flynn, Exh. TMF-1T at 11:3-9.

- a. If Colstrip Unit 3 were permanently retired, would the ATC posted on OASIS for the Company's share of the Colstrip Transmission System increase by about 185MW? Please explain.
- b. If Colstrip Unit 3 continues to operate after 2025, would the ATC posted on OASIS for the Company's share of the Colstrip Transmission System increase by about 185MW due to the fact that PSE would no longer be using the output of Colstrip Unit 3 to serve native load? Please explain.

Response:

- a. Puget Sound Energy ("PSE") does not know how much—or whether—the available transfer capability ("ATC") posted on OASIS for PSE's share of the Colstrip Transmission System would change if Colstrip Unit 3 were permanently retired because the effect of permanent closure of the Colstrip Unit 3 on the Total Transmission Capability ("TTC") of the Colstrip Transmission System is unknown.

If the permanent retirement of Colstrip Unit 3 does not have an effect on the TTC for the Colstrip Transmission System, then the ATC posted on OASIS for PSE's share of the Colstrip Transmission System would not change. PSE Merchant has a five-year Point-to-Point Transmission Service Agreement ("PTP Agreement") for 363 MW of capacity on the Colstrip Transmission System that is governed by the non-rate terms and conditions of PSE's Open Access Transmission Tariff ("OATT"). PSE Merchant currently uses this PTP Agreement to transmit the output of Colstrip Units 3 & 4. If PSE Merchant exercises its rollover rights under that Point-to-Point Transmission Service Agreement, the ATC posted on OASIS for PSE's share of the Colstrip Transmission System would likely not change because PSE Merchant would retain the contractual rights to 363 MW under that PTP Agreement.

In the event of a permanent retirement of Colstrip Unit 3, it is likely that a study of the TTC of the Colstrip Transmission System would be required. This study may or may not have an effect on the TTC of the Colstrip Transmission System. PSE has neither undertaken nor is aware of any other entity that has undertaken studies to calculate the TTC for the Colstrip Transmission System if Colstrip Unit 3 were permanently retired.

The calculation of ATC is a complex algorithm that depends on a number of variables including TTC. For example, the NorthWestern Energy (i.e., the operator of the Colstrip Transmission System) Available Transfer Capability Implementation Document (ATCID), posted April 10, 2019 (the "NorthWestern Energy ATCID"), contains the following ATC calculations to determine firm and non-firm ATC for the scheduling, operating, and planning horizons, as provided by North American Electric Reliability Corporation (NERC) MOD-029:

$$\text{Firm: } \text{ATC}_F = \text{TTC} - \text{ETC}_F - \text{CBM} - \text{TRM} + \text{Postbacks}_F + \text{counterflows}_F$$

Where:

- ATC_F is the firm Available Transfer Capability for the ATC Path for that period.
- TTC is the Total Transfer Capability of the ATC Path for that period.
- ETC is the sum of existing firm commitments for the ATC Path during that period.
- CBM is the Capacity Benefit Margin for the ATC Path during that period.
- TRM is the Transmission Reliability Margin for the ATC Path during that period.
- Postbacks_F are changes to firm ATC due to a change in the use of Transmission Service for that period, as specified in the Postback Methodology document.
- Counterflows_F are adjustments to firm ATC as specified in the Available Transfer Capability Implementation Document (ATCID).

$$\text{Non-Firm: } \text{ATC}_{NF} = \text{TTC} - \text{ETC}_F - \text{ETC}_{NF} - \text{CBM}_S - \text{TRM}_U + \text{Postbacks}_{NF} + \text{counterflows}_{NF}$$

Where:

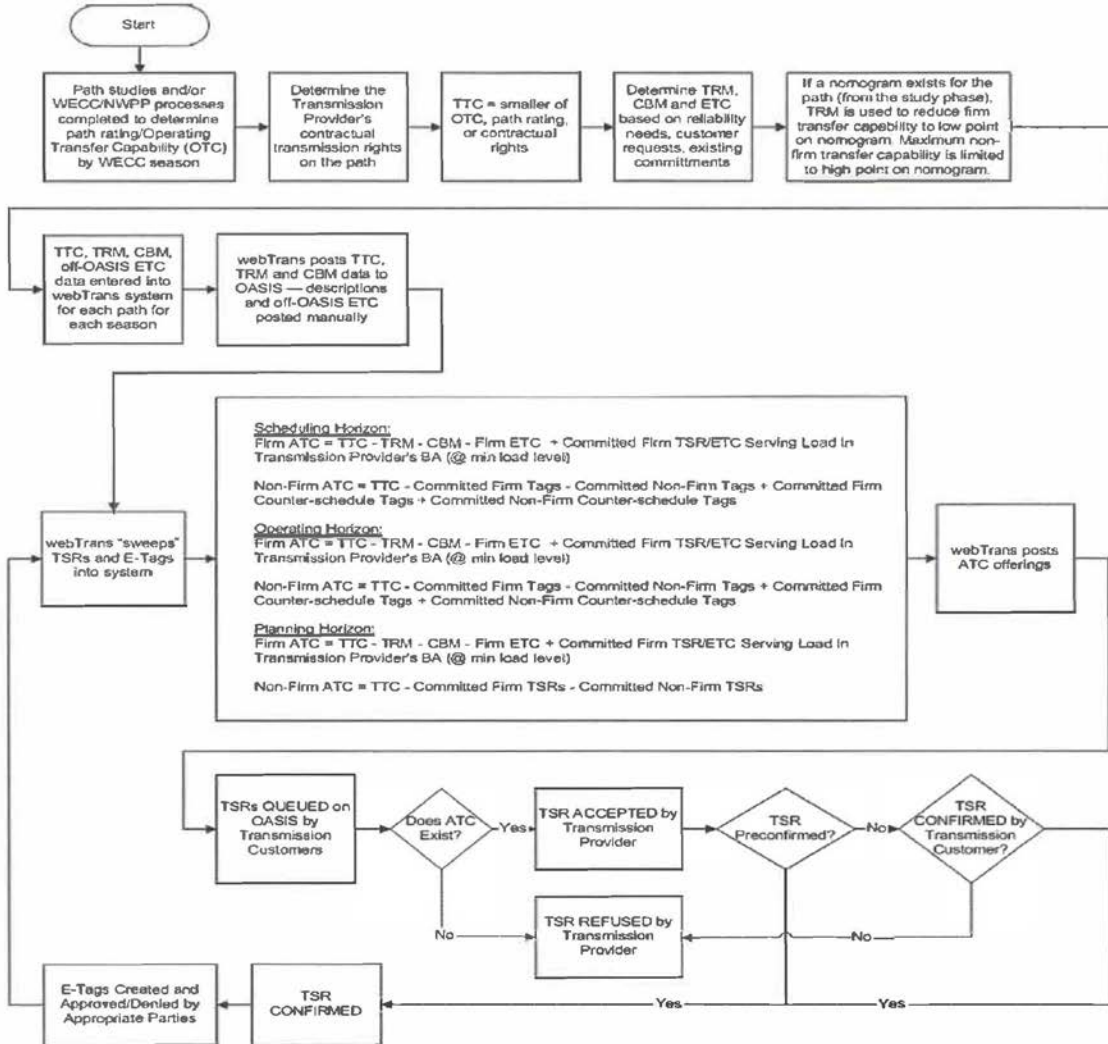
- ATC_{NF} is the non-firm Available Transfer Capability for the ATC Path for that period.
- TTC is the Total Transfer Capability of the ATC Path for that period.
- ETC_{NF} is the sum of Existing non-firm Transmission Commitments for the ATC Path during that period.
- CBMs is the Capacity Benefit Margin for the ATC Path that has been scheduled during that period.
- TRM_U is the Transmission Reliability Margin for the ATC Path that has not been released for sale (unreleased) as non-firm capacity by the Transmission Service Provider during that period.
- $Postbacks_{NF}$ are changes to non-firm ATC due to a change in the use of Transmission Service for that period, as defined in the Postback Methodology document.
- $counterflows_{NF}$ are adjustments to non-firm ATC as specified in the ATCID document.

Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 007 is a copy of the NorthWestern Energy ATCID.

The NorthWestern Energy ATCID also provides the following graphic that illustrates, in part, the steps in the calculation of ATC:

Definitions

- The Scheduling Horizon is defined as the real-time (same day or next-hour) period.
- The Operating Horizon is defined as the day-ahead or preschedule period.
- The Planning Horizon is defined as the period beyond the Operating Horizon



As demonstrated in the materials provided above and in the NorthWestern Energy ATCID, both the firm and non-firm ATC algorithms begin with the determination of TTC. As a result, the ATC could change if the permanent retirement of Colstrip Unit 3 affects the TTC of the Colstrip Transmission System.

- b. As discussed in the response to part a., PSE Merchant has a five-year PTP Agreement for 363 MW of capacity on the Colstrip Transmission System that

PSE Merchant currently uses to transmit the output of Colstrip Units 3 & 4. If PSE Merchant exercises its rollover rights under that Point-to-Point Transmission Service Agreement, the ATC posted on OASIS for PSE's share of the Colstrip Transmission System would likely not change because PSE Merchant would retain the contractual rights to 363 MW under that PTP Agreement.

**ATTACHMENT A to PSE's Response to
Public Counsel Data Request No. 007**