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March 2, 2022

Via Electronic Filing

Amanda Maxwell
Executive Director
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Attn: Filing Center

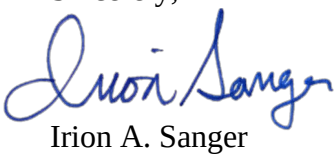
Re: Puget Sound Energy 2021 Clean Energy Implementation Plan (CEIP)
Docket No. UE-210795

Dear Ms. Maxwell:

Enclosed for filing in the above-captioned docket, please find the Comments of Northwest & Intermountain Power Producers Coalition.

Thank you for your assistance. Please do not hesitate to contact me with any questions.

Sincerely,



Irion A. Sanger

Enclosure

BEFORE THE WASHINGTON UTILITIES AND

TRANSPORTATION COMMISSION

In the matter of the PUGET SOUND ENERGY, 2021 Clean Energy Implementation Plan (CEIP)	DOCKET NO. UE-210795 NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION COMMENTS

I. INTRODUCTION

The Northwest & Intermountain Power Producers Coalition ("NIPPC") respectfully submits these comments on Puget Sound Energy's ("PSE's") 2021 Clean Energy Implementation Plan ("CEIP"). The Washington Utilities and Transportation Commission (the "Commission" or "WUTC") filed a notice of opportunity for interested persons to submit written comments on PSE's CEIP.[1] At this time, NIPPC is only commenting on PSE's renewable resource and capacity need, and effective load carrying capability ("ELCC"). NIPPC recommends the Commission approve the portion of PSE's CEIP which outlines that PSE will need renewable resources in 2024 at the latest and capacity in 2025 at the latest. NIPPC recommends the Commission reject the portion of PSE's CEIP which relates to ELCC. NIPPC reserves the right to comment on other portions of the CEIP at a later date.

II. COMMENTS

1. Legal Standard

Each electric utility must file a CEIP with the Commission that "describes the utility's … clean energy action plan."[2] In the CEIP, each utility must propose interim and specific targets on

[1] Notice of Opportunity to File Written Comments at 1 (Dec. 28, 2021).
[2] WAC 480-100-640(1).

how it will meet its nonemitting and renewable resource requirements.[3] Further, the utility must include specific actions it will take over the implementation period to meet the renewable requirements along with proposed timing and estimated costs of each specific action.[4] After an opportunity for public comment on the utility's CEIP,[5] the Commission will "enter an order approving, rejecting, or approving with conditions the utility's CEIP or CEIP update at the conclusion of its review" and the Commission may "recommend or require more stringent targets than those the utility proposes."[6]

2. The Commission Should Approve the CEIP as Showing that PSE Has a Renewable Resource Need No Later Than 2024

In PSE's CEIP, PSE states it will need new renewable energy resources to meet its clean energy requirements starting in 2024.[7] PSE is requesting approval of its renewable energy target of 800 megawatts ("MW").[8] PSE states it plans to meet this need by acquiring 200 MW of wind, 200 MW of solar, and 25 MW of utility-scale storage in 2024,[9] and PSE plans to acquire 300 MW of wind, 100 MW of solar, and 25 MW of utility-scale storage in 2025.[10] In total, PSE plans to acquire 1,052,863 megawatt-hours ("MWh") of utility-scale renewables in 2024 and 833,468 MWh in 2025.[11] PSE has accelerated its forecasted pace of acquiring renewable resources from its 2021 Integrate Resource Plan ("IRP").[12] Specifically, PSE proposes to

3 WAC 480-100-640(2)-(3).
4 WAC 480-100-640(5).
5 WAC 480-100-645(1).
6 WAC 480-100-645(2).
7 PSE 2021 CEIP, Table 1-1 at 5 (Feb. 1, 2021).
8 PSE 2021 CEIP at 4, 26.
9 PSE 2021 CEIP, Figure 1-4 at 7.
10 PSE 2021 CEIP, Figure 1-4 at 7.
11 PSE 2021 CEIP, Table 1-1 at 5.
12 PSE 2021 CEIP, Table 2-6 at 24.

acquire 100 MW more of wind, 300 MW more of solar, and 50 MW more of battery storage.[13] PSE states several reasons for accelerating the pace to acquire renewable resources including: 1) desire from stakeholders; 2) steady pace is more likely to enable PSE to reach 80 percent by 2030 without cost alternative compliance requirements; and 3) PSE prefers to take a more aggressive approach now rather than waiting when costs and risks are less clear and could be higher.[14]

PSE states the acquisition could be from its 2021 Request for Proposals ("RFP") or a future 2022-2023 All-Source RFP.[15] If PSE could acquire renewable resources from its 2021 RFP to meet its need, then it is possible PSE will acquire the renewable resources even earlier than 2024. Thus, PSE's CEIP plan demonstrates that PSE plans to acquire renewable resources in 2025 at the latest.

Additionally, PSE's 2021 RFP demonstrates PSE has an upcoming renewable resource need. PSE's 2021 RFP seeks up to 1,669 gigawatt-hours ("GWh") of Clean Energy Transformation Act ("CETA") eligible resources by 2026.[16] By 2030, PSE will need 5,369 GWh of CETA eligible resources.[17] These resources could come online before 2026 and 2030. This demonstrates PSE will need to acquire renewable resources in the near future.

PSE is also in the process of acquiring renewable resources now.[18] PSE recently entered into a new power purchase agreement with Chelan Public Utility District ("PUD") for 5% of the output from the PUD's Rock Island and Rocky Reach hydropower projects from 2022 through

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13 PSE 2021 CEIP, Table 2-8 at 28.
14 PSE 2021 CEIP at 24-25.
15 PSE 2021 CEIP at 4, 11, 26.
16 *In re PSE 2021 All-Source RFP*, Docket No. UE-210220, Final 2021 RFP for All Sources at 1, 4 (June 30, 2021).
17 Docket No. UE-210220, Final 2021 RFP for All Sources at 4.
18 PSE 2021 CEIP at 29.

2026 providing approximately 49 average MW ("aMW") of energy.[19] The contract will help PSE meet its clean energy requirements. PSE also entered into an extension of PSE's portion of the Colville Tribe's share of the Douglas PUD's Wells Hydro Project through end of September 2024 that will provide 26 aMW of energy.[20]

In summary, PSE's 2021 CEIP, 2021 IRP, and its current acquisitions demonstrate PSE will need renewable resources in the near future. Thus, the Commission should approve the portion of PSE's CEIP demonstrating that PSE will need renewable resources in 2024 at the latest to meet its clean energy requirements.

3. The Commission Should Approve the CEIP as Showing that PSE Has a Capacity Need No Later than 2025

In PSE's CEIP, PSE states it will need 369 MW of capacity resources in 2026, which will increase to 527 MW in 2027.[21] PSE states this need comes from removing PSE's interest in Colstrip Power Plant Units 3 and 4, the expiration of the Centralia power purchase agreement, additional resources acquired through PSE's 2018 RFP, and the addition of hydroelectric contracts.[22] PSE proposes to reduce its reliance on market purchases due to concerns about availability of transmission rights, which would further increase capacity needs.[23] Due the proposed decrease in PSE's market reliance, the new capacity need would be 246 MW in 2025, 1,074 MW in 2026, and 1,506 MW in 2027.[24] However, PSE proposes a glided approach where it would start acquiring capacity resources in 2023.[25] PSE's 2021 RFP also indicates this

19 PSE 2021 CEIP at 29.
20 PSE 2021 CEIP at 29.
21 PSE 2021 CEIP at 120.
22 PSE 2021 CEIP at 120.
23 PSE 2021 CEIP at 120.
24 PSE 2021 CEIP, Table 4-4 at 121.
25 PSE 2021 CEIP, Table 4-4 at 121.

capacity need.[26] Therefore, the Commission should approve the portion of PSE's CEIP demonstrating that PSE will need capacity resources in 2025 at the latest due to the proposed decrease on market reliance.

4. The Commission Should Reject Portions of the CEIP that Relate to ELCC

PSE is proposing no changes to ELCC values or methodologies to calculate ELCC values in its CEIP except to model an ELCC value for a customer-sited solar and storage program that uses three-hour lithium-ion batteries that was not modeled in PSE's 2021 IRP.[27] Thus, PSE is still using the ELCC values from its 2021 IRP and 2021 RFP.[28] NIPPC continues to believe PSE's ELCC values are too low for various resources and there are errors in PSE's methodologies for calculating ELCC values. PSE has committed to make changes to its ELCC calculations in its 2023 IRP Progress Report and Phase 2 evaluation of the 2021 RFP.[29] NIPPC appreciates PSE's continued commitment to address ELCC values in these dockets and looks forward to engaging with PSE and other stakeholders on the topic.

The Commission should reject the portions of the CEIP related to ELCC, and direct PSE to address ELCC issues in the 2023 IRP Progress Report and Phase 2 of the 2021 RFP. This is consistent with PSE's stated commitment to address ELCC issues in these proceedings; additionally, NIPPC recommends that the Commission's order rejecting its ELCC numbers provide detailed guidance regarding the changes it expects PSE to make.

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26 Docket No. UE-210220, Final 2021 RFP for All Sources at 5-6, Table 2 at 6.

27 PSE 2021 CEIP at 43.

28 *See* Docket No. UE-210220, Final 2021 RFP for All Sources, Figure 4 at 8; *see also in re PSE 2021 Draft IRP for Electricity*, Docket No. UE-200304, 2021 Final IRP at 7-28 to 7-32 (Apr. 1, 2021).

29 PSE 2021 CEIP at 233-34.

NIPPC is concerned that PSE's ELCC values fail to adequately account for its present and future needs, particularly considering the anticipated changes (and risks) associated with climate change and the resulting seasonal shifts in load. CETA recognizes that "Washington must address the impacts of climate change," and electric utilities must take action to address and plan for a transformed electricity system.[30] PSE's RFP relies upon 88 years of historic weather data without appropriately adjusting for the future climate.[31] This baseline is not representative of the next 20-40 years, during the useful life of assets that will be procured by PSE.

PSE also does not adequately address issues related to "temperature sensitivity," which is "one model of possible weather changes" that "provides a preliminary view of a possible impact of warming temperatures as a result of climate change;" some information was missing from PSE's temperature sensitivity analysis, including impacts to the conservation potential assessment, hydro stream flow data, extreme weather conditions, and variability in hourly temperature profiles.[32] The ELCC values from PSE's "temperature sensitivity" in the 2021 RFP for some solar resources in 2031 are more than ten times larger than the base scenario for those same resources.[33] Similarly, the ELCC values from PSE's "temperature sensitivity" for solar-plus-storage and stand-alone storage resources in 2031 are at least two to three times larger in 2031 than the base scenario for those resources.[34] This large discrepancy between the modeled ELCC values suggests that it would be a mistake to stay committed to an unadjusted base scenario for all the modeled resources.

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30 RCW 19.405.010; *see also* RCW 19.405.060.

31 Docket No. UE-210220, PSE 2021 RFP Workshop: Resource Adequacy and ELCC at 8 (Aug. 25, 2021).

32 Docket No. UE-210220, PSE 2021 RFP Workshop: Resource Adequacy and ELCC at 22.

33 Docket No. UE-200304, 2021 Final IRP at 7-47.

34 Docket No. UE-200304, 2021 Final IRP at 7-47.

PSE should propose and adopt an alternative base value for the solar, solar-plus-storage, and stand-alone storage resources whose numbers appear to be incorrect. NIPPC is not certain whether the ELCC values for any other resource type are correct or incorrect and therefore is not commenting on any other ELCC values except solar, solar-plus-storage, and stand-alone storage.

PSE's system is changing. Heating Degree Days are decreasing, and Cooling Degree Days are increasing.[35] PSE should recognize that its system is transforming into a dual peaking system, or eventually a summer-peaking utility. It would be inappropriate to not consider this shift. Given this, the proposed base annual ELCC values for some resources might not be reflective of PSE's future system needs. Instead, in addition to an alternative base ELCC value for some resources, the ELCC values in PSE's RFP should be differentiated between summer and winter to account for the potential seasonal load changes. In light of the above, NIPPC suggests that at a minimum the Itron calculated ELCC values for solar, solar-plus-storage, and stand-alone storage resources should be used as the baseline ELCC values rather than solely for a sensitivity analysis. NIPPC does not recommend changes to any other ELCC values at this time.

III. CONCLUSION

For the reasons stated above, the Commission should approve the portion of PSE's CEIP demonstrating PSE has a renewable resource need in 2024 at the latest and a capacity resource need in 2025 at the latest. The Commission should reject portions of PSE's CEIP related to ELCC.

Dated this 2nd day of March 2022.

[35] Docket No. UE-200304, 2021 Final IRP at 6-35 & 6-36.

Respectfully submitted,

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