

Agenda Date: September 10, 2020
Item Numbers: A1 and A2

Dockets: UE-200413 and UE-200414
Company Name: Puget Sound Energy

Staff: Kathi Scanlan, Senior Resource Planning Manager

Revised Recommendation

Issue orders in Dockets UE-200413 and UE-200414 setting Puget Sound Energy's September 8, 2020, motion to withdraw its Requests for Proposal for consideration at the October 15, 2020, open meeting and extending the exemptions granted in Order 02 to the same date.

Background

Commission staff's (staff) original memo for the September 10, 2020, open meeting is posted in the dockets and describes the procedural background. This revised memo supplements that information and revises staff's recommendation based on the company's September 8, 2020, motion to withdraw both requests for proposal (RFPs).

Discussion

Staff is not able to make a recommendation on the motion to withdraw the RFPs at this open meeting and needs more time for review. The company's motion was filed on Tuesday, leaving only one business day for staff to develop a response.

Staff has significant concerns about the company's request. The most important issue in the context of this motion is PSE's existing practice of relying on the market to address its capacity need. Roughly 25 percent of PSE's total resource stack, 1500 megawatts, is firm transmission to the Mid-Columbia market hub. This firm transmission has no specific resources associated with it. Withdrawing these RFPs interrupts the company's progress toward filling this significant shortfall. The company's motion fails to address this issue in any way, instead relying on its revised load forecast alone.

As required by CETA, PSE must pursue all cost-effective demand response.¹ The revised load forecast moves from 753 MW to 545 MW in 2026. The company characterizes this as an elimination of its need. As discussed above, staff disagrees. If the company plans to meet this need with demand response, it must actually begin to acquire demand response in incremental blocks as soon as possible. Staff fears the company's demand response plan described in the motion will fail to deliver adequate, timely, and scaled program-level demand response.

¹ RCW 19.405.040(6)(a).

After reviewing comments by other parties, staff believe the lead time required by pumped storage or other large resources requires further examination in the context of PSE's motion. Staff also highlights questions regarding timing related to the withdrawal of the RFPs and the use of investment and production tax credits.

Conclusion

Issue orders in Dockets UE-200413 and UE-200414 setting Puget Sound Energy's September 8, 2020, motion to withdraw its Requests for Proposal for consideration at the October 15, 2020, open meeting and extending the exemptions granted in Order 02 to the same date.