

May 4, 2020

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Washington Utilities and Transportation Commission
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Re: Puget Sound Energy Draft 2020 Request for Proposals for All Generation Sources

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits to the Washington Utilities and Transportation Commission (the “Commission”) the attached draft 2020 Request for Proposals for All Generation Sources (the “Draft 2020 All-Source RFP”) for approval by the Commission. Attached as Attachment A to this letter is a complete copy of the Draft 2020 All-Source RFP for which PSE is seeking approval. For the Commission’s convenience, attached as Attachment B is a checklist showing that the Draft 2020 All-Source RFP satisfies the requirements set forth in WAC Chapter 480-107. Concurrent with this filing, PSE is filing a draft Request for Proposals for Demand Response Programs for approval by the Commission. Please note that, pursuant to WAC 480-107-055, PSE provides a schedule of estimated avoided cost for energy and capacity as Exhibit D to the Draft 2020 All-Source RFP to provide general information to potential bidders about the cost of new power supplies.

On November 14, 2017, PSE filed its 2017 Integrated Resource Plan (the “2017 IRP”) with the Commission in Dockets UE-160918 and UG-160919 pursuant to WAC 480-90-238 and WAC 480-100-238. The 2017 IRP included a discussion of the electric planning standard and described the methodology for analyzing PSE’s resource needs.

On October 28, 2019, the Washington Utilities and Transportation Commission Staff (“Commission Staff”) filed a Petition for Exemption from WAC 480-100-238 pursuant to WAC 480-07-100 until December 31, 2020. On November 7, 2019, the Commission held an open meeting concerning the matter and issued Order 2 in Dockets UE-180607 and UG-180608, exempting PSE (and other investor owned utilities in Washington) from WAC 480-100-238.

Pursuant to Order 2 in Dockets UE-180607 and UG-180608, PSE filed an IRP Progress Report on November 15, 2019 (the “2019 IRP Progress Report”). The 2019 IRP Progress Report included an updated assessment of PSE’s resource needs. Both the 2017 IRP and the 2019 IRP

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Progress Report can be found on PSE's web site at the following link: <http://www.pse.com/irp>. The 2019 IRP Progress Report demonstrated a need for new resources to help meet PSE's peak capacity need. The 2019 IRP Progress Report found that PSE has sufficient renewable resources to meet Washington state's renewable portfolio standard ("RPS") obligations through 2023. PSE's first clean energy implementation plan under the Washington state's Clean Energy Transformation Act ("CETA") and the next integrated resource plan are due to be filed in 2021. In the meantime, the Commission has initiated a process to establish rules for implementing CETA. PSE is monitoring the rulemaking process and continues to work on its plan to meet the RPS and CETA obligations. Future RFPs will seek additional resources to meet RPS and CETA compliance needs.

PSE's demand forecast demonstrates a modest need for 82 MW of new electric resources in 2024 that is expected to increase to 753 MW in 2026. This forecast reflects PSE's F2019 normal peak load forecast. It also includes the impact of the potential sale of PSE's interests in Colstrip Unit 4, which is pending Commission approval in Docket UE-200115; the removal of Colstrip Unit 3 from PSE's portfolio after 2025; the expiration of the Centralia Power Purchase Agreement; and the addition of PSE's 2018 All-Source RFP short list resources.

PSE's analysis of proposals will focus primarily on a resource's ability to meet this capacity need at the lowest reasonable cost to customers. PSE may source capacity from any commercially viable electric generation, storage, or other resource type or technology, provided that the resource complies with all applicable laws and regulations, and meets the minimum qualification requirements described in Section 4 of the Draft 2020 All-Source RFP. Resources that offer both (i) a material capacity contribution and (ii) renewable attributes consistent with CETA and/or the RPS will receive the benefit of both value streams in PSE's analysis.

To broaden awareness of the Draft 2020 All-Source RFP among persons who may be interested, PSE has provided notice of its filing to power marketing companies, utilities, energy efficiency companies and other entities involved in development or provision of electric energy resources, including representatives of stakeholders who participated in PSE's 2017 IRP process. PSE will also be providing notice of the filing to a variety of trade publications

PSE invites comments on the Draft 2020 All-Source RFP and looks forward to working with Commission Staff, proposers and other interested parties to make the Draft 2020 All-Source RFP process successful. Questions regarding this filing should be addressed to the undersigned. Questions regarding the Draft 2020 All-Source RFP should be addressed to Sheri Maynard, Commercial Development Manager, at 425-462-3114 and sheri.maynard@pse.com.

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Thank you for your assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Jason Kuzma". The signature is written in a cursive style with a long, sweeping underline.

Jason Kuzma

Attachments