

2021 All-Source RFP for Renewable and Peak Capacity Resources:

**Exhibit H. PSE Transmission
Available for Bidder Proposals
in this RFP**

EXHIBIT H. PSE TRANSMISSION AVAILABLE FOR BIDDER PROPOSALS IN THIS RFP***PSE Transmission Available for Bidder Proposals in this RFP***

PSE Merchant has identified certain point-to-point (“PTP”) transmission contracts that are available for resource proposals that may assist PSE in meeting its resource need at the lowest reasonable cost. PSE reviewed its transmission contracts and determined that for the 2021 RFP it is operationally feasible to accommodate deliveries of third party generation to the specific points of delivery (“POD”) listed below. Bidders will be required to demonstrate that their project has an achievable plan to secure long-term firm transmission, integration, and balancing services to deliver a firm hourly schedule at the specific POD by the project commercial operation date (“COD”). Resources delivering to PODs not on PSE’s system (listed in Table 1) will be assigned costs consistent with the transmission provider’s open access transmission tariff (“OATT”). For example, resources delivering to MIDCREMOTE will be assigned OATT costs for the additional leg of BPA point to point transmission from MIDCREMOTE to PSE’s System. PSE recognizes that different transmission paths may have different opportunity cost considerations. In order to mimic reality as closely as possible, PSE will develop an opportunity cost methodology to assign to resources utilizing the transmission paths identified below and share it with bidders at the bidders’ conference in July 2021. These assumed costs are included in the analysis to account for the inherent opportunity cost, but are not paid for by the bidder.

As noted in Section 2 of the All-Source RFP, PSE will only assign a capacity value to resources that (i) are located within PSEI’s balancing area authority (“BAA”) (at PSE’s load center, PSEI System, and west of the cascades), (ii) demonstrate that the project has an achievable plan to secure long-term firm transmission that will deliver to PSE’s system at BPAT.PSEI or (iii) are consistent with the POD capacity eligibility in Table 1 below.¹

Mid-Columbia (“MIDC”)

PSE Merchant has existing BPA long-term firm PTP transmission that can be utilized to deliver energy from an identified generation source to PSE’s system. Bidders will need to deliver energy to BPA’s MIDCREMOTE POD. Projects interconnecting on the MIDC transmission system will need to deliver to BPA’s MIDCREMOTE; this may require bidders to secure transfer arrangements with a local PUD. Bidders must demonstrate that deliveries at MIDCREMOTE are fully integrated, balanced, and will be delivered on a firm hourly schedule. Consistent with PSE’s objective to reduce resource adequacy risk associated with market reliance, PSE will not be assigning any capacity credit for variable energy resources delivered to the MIDCREMOTE POD.

¹ BPAT.PSEI is a transmission scheduling point in BPA Transmission Service’s (“BPAT”) Open Access Same-time Information System (“OASIS”), which represents 24 separate interconnections between the balancing authority areas of PSE (“PSEI”) and BPAT.

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California Oregon Intertie (“COI”)

PSE has a seasonal exchange with PG&E in which PG&E delivers energy to PSE from November to February. PSE Merchant has two legs of PTP transmission service from the California Oregon Border (COB)/Malin to PSE system for energy delivery. The southern leg of transmission is on the COI and the northern leg of transmission is on BPA’s system starting at JOHNDAY. PSE will consider bidder proposals that deliver to PODs COB/Malin or JOHNDAY during non-winter months (March – October). PSE will not guarantee acceptance of delivery in the winter months (Nov-Feb), bidder can propose an alternate delivery point(s) or arrange another third party offtaker. Bidders must demonstrate that deliveries to COB/Malin or JOHNDAY are fully integrated and balanced and can be delivered on a firm hourly schedule. Resources delivered at Malin and John Day will have effective load carrying capabilities (“ELCCs”) adjusted to reflect summer peak contribution.

Centralia

PSE will consider projects that deliver to BPA’s PAUL POD starting January 1, 2026. Bidders must demonstrate that deliveries to BPA’s PAUL POD are fully integrated, balanced, and will be delivered on a firm hourly schedule.

Lower Snake River (LSR)

PSE Merchant has 150 MW of new BPA PTP transmission starting on March 1, 2024. PSE will consider projects that deliver to CENTRALFERRY POD. Bidders must demonstrate that deliveries to CENTRALFERRY POD are fully integrated and balanced.

Table 1. Summary of PSE transmission assets available for delivery of project proposals

Location/ Resource	Amount	Date of first availability	Point of delivery	Eligibility for capacity credit	Notes	Transmission OATT cost included in evaluation? ²
MIDC	Up to 1,000 MW	1/1/2024	MIDCREMOTE (BPA)	Yes; however, VERS not eligible for capacity credit		Yes

² Subject to an opportunity cost allocation methodology, which PSE will share with bidders at the All-Source RFP bidders’ conference in July 2021

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Location/ Resource	Amount	Date of first availability	Point of delivery	Eligibility for capacity credit	Notes	Transmission OATT cost included in evaluation? ²
California Oregon Intertie (COI)	Up to 300 MW, Mar 1 - Oct 31	1/1/2024	COB/MALIN (PSEI) Alternately JOHNDAY (BPA)	No capacity credit for winter months. Capacity contribution during summer season consistent with IRP ELCC assumptions.	Bidder responsible for alternative Nov-Feb delivery plan	Yes
Centralia	Up to 100 MW	1/1/2026	PAUL (BPA)	Yes, per IRP ELCC assumption		Yes
Lower Snake River (Central Ferry)	Up to 150 MW	3/1/2024	CENTRAL FERRY (BPA)	Yes, per IRP ELCC assumption		Yes