



# LEGAL REQUIREMENT

## APPENDIX B



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# 1. Regulatory Requirements

This document outlines PSE's regulatory requirements for the 2023 Electric Progress Report (2023 Electric Report). Figure B.1 lists the regulatory requirements for electric utilities codified Washington Administrative Code (WAC) [480-100-620](#), [480-100-625](#) and [480-100-630](#). Figure B.2 lists requirements in the Revised Code of Washington (RCW) [19.280.030](#). Figure B.3 lists the requirements in [RCW 19.280.100](#).

Table B.1: Electric Progress Report Regulatory Requirements Codified in WAC 480-100-620, 480-100-625, and 480-100-630

Statutory or Regulatory Requirement	Chapter and/or Appendix
<p><b>WAC 480-100-620(3)(a)</b> Assessments of a variety of distributed energy resources. These assessments must incorporate nonenergy costs and benefits.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan Decisions</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>WAC 480-100-620(3)(b)(i)</b> An assessment of currently employed and potential policies and programs needed to obtain all cost-effective conservation, efficiency and load management improvements.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>WAC 480-100-620(3)(b)(ii)</b> Assess currently employed and new policies and programs needed to obtain all cost-effective demand response.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Three: Resource Plan Decisions</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>WAC 480-100-620(3)(b)(iii)</b> Include distributed energy programs and mechanisms identified pertaining to energy assistance.</p>	<p>PSE provided an assessment to the Department of Commerce of mechanisms pertaining to energy assistance, as well as progress toward meeting customer energy assistance need. Existing PSE programs include bill assistance and weatherization services. Currently, PSE does not have any distributed energy resource (DER) programs as part of its energy assistance strategy. However, in future years, there may be programs and mechanisms that could be used to meet customer energy assistance need, and those programs will be considered and incorporated into the IRP as indicated in draft WAC 480-100-610(3).</p>
<p><b>WAC 480-100-620(3)(b)(iv)</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>Assess other distributed energy resources that may be installed by the utility or the utility’s customers including energy storage, electric vehicles, and PV.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>WAC 480-100-620(4)</b> An assessment of a wide range of commercially available generating and nonconventional technologies.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(5)</b> An assessment of methods, commercially available technologies, or facilities for integrating renewable resources and addressing overgeneration events, if applicable to the utility’s resource portfolio.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(6)</b> An assessment of regional generation and transmission capacity. Must include the utility’s existing transmission capabilities, and future resource needs. Must identify the general location and extent of transfer capability limitations on its transmission network.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>WAC 480-100-620(7)</b> A comparative evaluation of all identified resources and potential changes to existing resources for achieving the clean energy transformation standards in WAC 480-100-610 at the lowest reasonable cost.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>WAC 480-100-620(8)</b> An assessment and determination of resource adequacy metrics and an appropriate resource adequacy requirement and measurement metrics consistent with CETA.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Seven: Resource Adequacy</a></li> </ul>
<p><b>WAC 480-100-620(9)</b> An assessment of energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security risk, informed by the cumulative impact analysis conducted by the department of health.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix J: Economic, Health and Environmental Assessment of Current Conditions</a></li> </ul>
<p><b>WAC 480-100-620(10)(a)</b> At least one scenario must describe the lowest reasonable cost and reasonably available portfolio that the utility would</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
have implemented if not for CETA requirements in RCW 19.405.040 and 19.405.050.	
<p><b>WAC 480-100-620(10)(b)</b> At least one scenario must be a future climate change scenario.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(10)(c)</b> At least one sensitivity must be a maximum customer benefit scenario. The sensitivity should model the maximum amount of customer benefits described in RCW 19.405.040(8).</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(11)</b> Integration of the demand forecasts and resource evaluations into a long-range integrated resource plan describing the mix of resources that meet current and projected resource needs.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Six: Demand Forecasts</a></li> <li>• <a href="#">Appendix F: Demand Forecasting Models</a></li> </ul>
<p><b>WAC 480-100-620(11)(a)</b> A narrative description of decisions made including how the IRP expects to achieve the clean energy transformation standards at lowest cost.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> </ul>
<p><b>WAC 480-100-620(11)(b)</b> A narrative description of decisions made including how the IRP expects to serve utility load, based on hourly data with the output of the utility’s owned resources, market purchases, and power purchase agreements net of any off-system sales.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(c)</b> A narrative description of decisions made including how the IRP expects to include all cost-effective, reliable and feasible conservation and efficiency and demand response resources.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(d)</b> A narrative description of decisions made including how the IRP expects to consider acquisition of existing renewable resources.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(e)</b> A narrative description of decisions made including how the IRP expects in the acquisition of new resources, to rely on renewable resources and energy storage in so far as doing so is at the lowest reasonable cost.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(f)</b> A narrative description of decisions made including how the IRP expects to maintain and protect the safety, reliable operation, and balancing of the utility’s electric system.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(g)</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>A narrative description of decisions made including how the IRP expects to achieve the requirements in WAC 480-100-610 (4) (c) including the long-term strategy and interim steps the utility will take to equitably distribute benefits and reduce burdens for highly impacted communities and vulnerable populations; and the estimated degree to which benefits will be equitably distributed and burdens reduced over the planning horizon.</p>	
<p><b>WAC 480-100-620(11)(h)</b>                      A narrative description of decisions made including how the IRP expects to assess the environmental health impacts to highly impacted communities.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix J: Economic, Health and Environmental Assessment of Current Conditions</a></li> </ul>
<p><b>WAC 480-100-620(11)(i)</b>                      A narrative description of decisions made including how the IRP expects to analyze and consider combinations of distributed energy resource costs, benefits, and operational characteristics to meet system needs.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-620(11)(j)</b>                      A narrative description of decisions made including how the IRP expects to incorporate the social cost of greenhouse gas emissions as a cost adder.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix G: Electric Price Models Chapter Five: Key Analytical Assumptions</a></li> </ul>
<p><b>WAC 480-100-620(12)</b>                      A ten-year clean energy action plan for implementing the clean energy standards at the lowest reasonable cost; informed by the utility’s ten year cost-effective conservation potential assessment; identifies how the utility will meet the requirements in WAC 480-100-610 (4) (c); establishes a resource adequacy requirement; identifies cost-effective demand response and load management programs; identifies renewable resources, nonemitting electric generation and distributed energy resources; identifies any need to develop new, or to expand or upgrade existing, bulk transmission and distribution facilities; identifies the nature and possible extent to which the utility will rely on alternative compliance options; and incorporates the social cost of greenhouse gas emissions as a cost adder.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> </ul>
<p><b>WAC 480-100-620(13)</b>                      Include an analysis and summary of the avoided cost estimate for energy, capacity, transmission, distribution, and greenhouse gas emissions costs. Must list nonenergy costs and benefits addressed in the IRP and specify if they accrue to the utility, customers, participants, vulnerable populations, highly impacted communities or the general public.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(14)</b>                      Data input files made available to the Commission in native format as an appendix to the IRP.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p><b>WAC 480-100-620(15)</b> Information and analysis that will be used to inform annual filings under Chapter 480-106 WAC related to qualifying facilities.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>WAC 480-100-620(16)</b> A summary of substantive changes to modeling methodologies or inputs that result in changes to the utility's resource need, as compared to the previous IRP.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> </ul>
<p><b>WAC 480-100-620(17)</b> A summary of public comments received during IRP development and utility responses.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix A: Public Participation</a></li> </ul>
<p><b>WAC 480-100-625(4)(a)(i)</b> In this report, the utility must update its load forecast.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Six: Demand Forecast</a></li> </ul>
<p><b>WAC 480-100-625(4)(a)(ii)</b> In this report, the utility must update its demand-side resource assessment, including a new conservation potential assessment.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>WAC 480-100-625(4)(a)(iii)</b> In this report, the utility must update its resource costs.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key assumptions</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> </ul>
<p><b>WAC 480-100-625(4)(a)(iv)</b> In this report, the utility must update its portfolio analysis and preferred portfolio.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Models</a></li> </ul>
<p><b>WAC 480-100-625(4)(b)(v)</b> The progress report must include other updates that are necessary due to changing state or federal requirements, or significant changes to economic or market forces.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Four: Legislative and Policy Change</a></li> </ul>
<p><b>WAC 480-100-625(4)(c)</b> The progress report must also update for any elements found in the utility's current clean energy implementation plan, as described in WAC 480-100-640.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter 4: Legislative and Policy Change</a></li> <li>• <a href="#">Chapter 8: Electric Analysis</a></li> </ul>
<p><b>WAC 480-100-630(1)</b> The utility must demonstrate and document how it considered input from advisory group members in the development of its IRP and two-year progress report. Examples of how the utility may incorporate advisory group input including using modeling scenarios, sensitivities, and assumptions advisory group members proposed and using data and information supplied by advisory group members as inputs to plan development.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter One: Executive Summary</a></li> <li>• <a href="#">Appendix A: Public Participation</a></li> </ul>

Table B.2: Electric Utility Integrated Resource Plan Regulatory Requirements Codified in RCW 19.280.030

Statutory or Regulatory Requirement	Chapter and/or Appendix
<p><b>RCW 19.280.030(1)(b)</b> An assessment of commercially available conservation and efficiency resources. Such assessment may include, as</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>appropriate, opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>RCW 19.280.030(1)(c)</b>                      An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Four: Legislative and Policy Change</a></li> <li>• <a href="#">Chapter Seven: Resource Adequacy</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>RCW 19.280.030(1)(d)</b>                      A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>
<p><b>RCW 19.280.030(1)(e)</b>                      An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, and addressing overgeneration events, if applicable to the utility's resource portfolio.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix D: Generic Resource Alternatives</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>RCW 19.280.030(1)(f)</b>                      An assessment and ten-year forecast of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Assumptions</a></li> <li>• <a href="#">Chapter Seven: Resource Adequacy</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> </ul>
<p><b>RCW 19.280.030(1)(g)</b>                      A determination of resource adequacy metrics for the resource plan consistent with the forecasts.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter One: Executive Summary</a></li> <li>• <a href="#">Chapter Seven: Resource Adequacy</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix G: Electric Price Models</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>RCW 19.280.030(1)(h)</b>                      A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>RCW 19.280.030(1)(i)</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Seven: Resource Adequacy</a></li> </ul>





Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing sections 3 through 5 of CETA.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix G: Electric Price Models</a></li> </ul>
<p><b>RCW 19.280.030(1)(j)</b>                      The integration of the demand forecasts, resource evaluations, and resource adequacy requirement into a long-range assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events and implementing sections 3 through 5 of CETA, at the lowest reasonable cost and risk to the utility and its customers, while maintaining and protecting the safety, reliability operation, and balancing of its electric system.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter One: Executive Summary</a></li> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Three: Resource Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> </ul>
<p><b>RCW 19.280.030(1)(k)</b>                      An assessment, informed by the cumulative impact analysis conducted under section 24 of CETA of: Energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks, and energy security and risk.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Appendix J: Economic, Health and Environmental Assessment of Current Conditions</a></li> </ul>
<p><b>RCW 19.280.030 (1) (l)</b>                      A ten-year clean energy action plan for implementing sections 3 through 5 of CETA at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range integrated resource plan.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> </ul>
<p><b>RCW 19.208.030(3)(a)</b>                      An electric utility shall consider the social cost of greenhouse gas emissions, as determined by the commission for investor-owned utilities, pursuant to section 15 of CETA when developing integrated resource plans and clean energy action plans.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Chapter Eight: Electric Analysis</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>

Table B.3: Distributed Energy Resources Planning Requirements Codified in RCW 19.280.100

Statutory or Regulatory Requirement	Chapter and/or Appendix
<p><b>RCW 19.280.100(2)(a)</b>                      Identify the data gaps that impede a robust planning process as well as any upgrades, such as but not limited to advanced metering and grid monitoring equipment, enhanced planning simulation tools, and potential cooperative efforts with other utilities in developing tools needed to obtain data that would allow the electric utility to quantify the locational and temporal value of resources on the distribution system;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(b)</b>                      Propose monitoring, control, and metering upgrades that are supported by a business case identifying how those upgrades will be leveraged to provide net benefits for customers;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Appendix K: Delivery Systems Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(c)</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>Identify potential programs that are cost-effective and tariffs to fairly compensate customers for the actual monetizable value of their distributed energy resources, including benefits and any related implementation and integration costs of distributed energy resources, and enable their optimal usage while also ensuring reliability of electricity service, such as programs benefiting low-income customers;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix E: Conservation Potential and Demand Response Assessments</a></li> <li>• <a href="#">Appendix H: Electric Analysis and Portfolio Model</a></li> </ul>
<p><b>RCW 19.280.100(2)(d)</b> Forecast, using probabilistic models if available, the growth of distributed energy resources on the utility's distribution system;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>RCW 19.280.100(2)(e)</b> Provide, at a minimum, a ten-year plan for distribution system investments and an analysis of nonwires alternatives for major transmission and distribution investments as deemed necessary by the governing body, in the case of a consumer-owned utility, or the commission, in the case of an investor-owned utility. This plan should include a process whereby near-term assumptions, any pilots or procurements initiated in accordance with subsection (3) of this section or data gathered via current market research into a similar type of utility or other cost/benefit studies, regularly inform and adjust the long-term projections of the plan. The goal of the plan should be to provide the most affordable investments for all customers and avoid reactive expenditures to accommodate unanticipated growth in distributed energy resources. An analysis that fairly considers wire-based and nonwires alternatives on equal terms is foundational to achieving this goal. The electric utility should be financially indifferent to the technology that is used to meet a particular resource need. The distribution system investment planning process should utilize a transparent approach that involves opportunities for stakeholder input and feedback. The electric utility must identify in the plan the sources of information it relied upon, including peer-reviewed science. Any cost-benefit analysis conducted as part of the plan must also include at least one pessimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively high probable costs and comparatively low probable benefits, and at least one optimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively low probable costs and comparatively high probable benefits;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Four: Legislative and Policy Change</a></li> <li>• <a href="#">Appendix A: Public Participation</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(f)</b> Include the distributed energy resources identified in the plan in the electric utility's integrated resource plan developed under this chapter. Distribution system plans should be used as inputs to the integrated resource planning process. Distributed energy resources may be used to meet system needs when they are not needed to meet a local distribution need. Including select distributed energy resources in the integrated resource planning process allows those resources</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
to displace or delay system resources in the integrated resource plan;	
<p><b>RCW 19.280.100(2)(g)</b>                      Include a high level discussion of how the electric utility is adapting cybersecurity and data privacy practices to the changing distribution system and the internet of things, including an assessment of the costs associated with ensuring customer privacy; and</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(a)</b> Identify the data gaps that impede a robust planning process as well as any upgrades, such as but not limited to advanced metering and grid monitoring equipment, enhanced planning simulation tools, and potential cooperative efforts with other utilities in developing tools needed to obtain data that would allow the electric utility to quantify the locational and temporal value of resources on the distribution system;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> </ul>
<p><b>RCW 19.280.100(2)(b)</b> Propose monitoring, control, and metering upgrades that are supported by a business case identifying how those upgrades will be leveraged to provide net benefits for customers;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> </ul>
<p><b>RCW 19.280.100(2)(c)</b> Identify potential programs that are cost-effective and tariffs to fairly compensate customers for the actual monetizable value of their distributed energy resources, including benefits and any related implementation and integration costs of distributed energy resources, and enable their optimal usage while also ensuring reliability of electricity service, such as programs benefiting low-income customers;</p>	<p>Programs will be identified through the CEIP process and through engagement with the Equity Advisory Group. PSE is pursuing an Alternative Pricing pilot.</p>
<p><b>RCW 19.280.100(2)(d)</b> Forecast, using probabilistic models if available, the growth of distributed energy resources on the utility's distribution system;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix E: Conservation Potential Assessment and Demand Response Assessment</a></li> </ul>
<p><b>RCW 19.280.100(2)(e)</b> Provide, at a minimum, a ten-year plan for distribution system investments and an analysis of nonwires alternatives for major transmission and distribution investments as deemed necessary by the governing body, in the case of a consumer-owned utility, or the commission, in the case of an investor-owned utility.</p> <p>This plan should include a process whereby near-term assumptions, any pilots or procurements initiated in accordance with subsection (3) of this section or data gathered via current market research into a similar type of utility or other cost/benefit studies, regularly inform and adjust the long-term projections of the plan. The goal of the plan should be to provide the most affordable investments for all customers and avoid reactive expenditures to accommodate unanticipated growth in distributed energy resources. An analysis that fairly considers wire-based and nonwires</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Four: Legislative and Policy Change</a></li> <li>• <a href="#">Appendix A: Public Participation</a></li> </ul>



Statutory or Regulatory Requirement	Chapter and/or Appendix
<p>alternatives on equal terms is foundational to achieving this goal. The electric utility should be financially indifferent to the technology that is used to meet a particular resource need.</p> <p>The distribution system investment planning process should utilize a transparent approach that involves opportunities for stakeholder input and feedback.</p> <p>The electric utility must identify in the plan the sources of information it relied upon, including peer-reviewed science.</p> <p>Any cost-benefit analysis conducted as part of the plan must also include at least one pessimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively high probable costs and comparatively low probable benefits, and at least one optimistic scenario constructed from reasonable assumptions and modeling choices that would produce comparatively low probable costs and comparatively high probable benefits;</p>	
<p><b>RCW 19.280.100(2)(f)</b> Include the distributed energy resources identified in the plan in the electric utility's integrated resource plan developed under this chapter. Distribution system plans should be used as inputs to the integrated resource planning process. Distributed energy resources may be used to meet system needs when they are not needed to meet a local distribution need. Including select distributed energy resources in the integrated resource planning process allows those resources to displace or delay system resources in the integrated resource plan;</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Chapter Five: Key Analytical Assumptions</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(g)</b> Include a high level discussion of how the electric utility is adapting cybersecurity and data privacy practices to the changing distribution system and the internet of things, including an assessment of the costs associated with ensuring customer privacy; and</p>	<ul style="list-style-type: none"> <li>• <a href="#">Chapter Two: Clean Energy Action Plan</a></li> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>
<p><b>RCW 19.280.100(2)(h)</b> Include a discussion of lessons learned from the planning cycle and identify process and data improvements planned for the next cycle.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Appendix K: Delivery System Planning</a></li> </ul>

## 2. Report on Previous Action Plans

Per WAC 480-100-238(3)(h),<sup>1</sup> each item from the 2021 IRP electric resources action plan is listed below, along with the progress that has been made in implementing those recommendations.

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<sup>1</sup> [WAC 480-100-238](#)



## 2.1. Acquire Energy Efficiency

Develop two-year targets and implement reliable programs that put PSE on a path to achieve an additional 53.4 aMW of energy efficiency by the end of 2023 through program savings.

Under the Energy Independence Act (EIA), Utilities must pursue all conservation that is cost-effective, reliable and feasible. They need to identify the conservation potential over a 10-year period and set two-year targets. This 10-year cost-effective savings of 266 aMW divided by 5 is called the pro-rata share, so PSE's draft 2021 EIA target for the 2022-2023 biennium is the 10- year pro-rata share, which is 53.4 aMW. If we were to look at just the 2-year savings from the cost-effective energy efficiency instead of the 10-year pro-rata share, the 2-year energy efficiency saving is only 41.7 aMW.

**Progress:** Through the end of 2022, PSE acquired 243.22 MWh of conservation, equal to 27.8 aMW or 48.8 percent of the target.

## 2.2. Equity Advisory Group

Convene and engage an Equity Advisory Group (EAG) to provide guidance from a diversity of voices in the development of PSE's short-term and long-term strategies, initiatives and programs to ensure the equitable distribution of benefits and reduction of burdens to highly impacted communities and vulnerable populations in the transition to clean energy.

**Progress:** PSE formed the EAG in April 2021, meeting 19 times between April 2021 and December 2022. The EAG has informed our work on a wide range of topics, including those listed above.

## 2.3. Mitigate Risk of Short-term Energy Market

Update internal policies for market transaction limits for PSE's Energy Supply Merchant and begin to secure firm resource adequacy qualifying capacity contracts to reduce the risk associated with short-term bilateral energy market purchases.

**Progress:** For the 2023 Electric Report, PSE assumed that access to the short-term market would continue to be available but in decreasing amounts into the future. By 2029, we assumed that none of the transactions in the short-term market would be firm

## 2.4. Supply-Side Resources: Issue an All-source RFP

Determine and execute the appropriate resource acquisition strategy to meet the 2021 IRP resource needs with CETA-complaint resources. Ensure that all resources are evaluated across a consistent set of criteria and that appropriate enabling technologies sufficiently address the requirements necessary to support both distributed energy and utility-scale renewable resources.



**Progress:** On June 30, 2021, Puget Sound Energy (PSE) filed with the Washington Utilities and Transportation Commission (Commission) the final Request for Proposals for All Resources (the All-Source RFP) in docket UE-210220.

A draft All Source RFP was filed on April 1, 2020. After a 45-day public comment period, on June 1, 2021, PSE filed responses to all public comments and a revised RFP for Commission approval. Following an open meeting on June 11, 2021, the Commission issued Order #1 on June 14, 2021 approving with conditions PSE’s draft All Source RFP. The Commission order approving PSE’s All Source RFP may be found in Commission’s web site in the All-Source RFP docket [UE-210220](#). Information about the Commission’s approval process and how interested parties can participate can be found in the All-Source RFP Schedule and Public Participation sections below.

The All-Source RFP seeks bids from qualified respondents to supply up to 1,669 GWh of Clean Energy Transformation Act (“CETA”) eligible resources and up to 1,506 MW of capacity resources to PSE. It is an All-Source RFP, meaning that PSE will consider any electric resource or energy storage resource that can meet all or part of the company’s resource need, consistent with the requirements described in the RFP.

## 2.5. Demand-side Resources: Develop and Issue a Demand Response and Distributed Energy Resources RFP

File a targeted RFP with the Washington Utilities and Transportation Commission no later than November 15, 2021 for both distributed energy resources and demand response resources. Additional specific actions for the next four years will be developed and communicated in the CEIP. The electric action plan is discussed in further detail in Chapter 2, Clean Energy Action Plan

**Progress:** After filing a draft with the Washington Utilities and Transportation Commission (“WUTC”) on April 1, 2021, and a subsequent public comment period, on May 14, 2021, PSE issued a RFI for DERs. The DER RFI enhanced PSE’s understanding of DER options available in its service territory and informed the development of a well-designed targeted DER RFP. In 2021, PSE also developed the requirements for a virtual power plant (“VPP”) platform that will be used to dispatch DERs, including demand response. PSE expects that a common VPP platform will provide additional value to PSE customers and clarity to DER bidders by identifying specific integration and operational requirements.

Using the knowledge gained through the RFI process, PSE filed the draft targeted DER RFP with the WUTC on November 15, 2021, in [docket UE-210878](#), which incorporates the technical and operational requirements of the VPP platform. A revised DER RFP was filed on January 14, 2022, incorporating public comments, with the WUTC approving the updated filing on January 27, 2022. The final DER RFP was filed February 7, 2022. PSE accepted proposals for the DER RFP from February 7, 2022 till 11:59 PM PST on March 21, 2022.

## 2.6. Emission Reduction Strategy and Planning

Explore potential and voluntary carbon reduction opportunities, and develop and evaluate associated strategies for implementation. Bring the electric and natural gas modeling processes into closer alignment to improve the evaluation



of future fuel use for power and the gas-to-electric end-use conversions. Explore the potential for the blending of clean fuels (hydrogen) with existing pipeline infrastructure and customer end use applications. Investigate a range of appliances that may assist with both reducing carbon and helping to ensure natural gas and electric system reliability on peak load days.

**Progress:** Puget Sound Energy continues to improve the process between the electric and gas utility modeling. For this progress report, we included modeling of hydrogen and natural gas blending starting in 2030 and increasing to 100 percent hydrogen by 2045. This fuel blending was modeled as options for new peaker plants along with the existing thermal plants. The 2023 Gas Utility IRP includes analysis for electrification and is located [here](#).

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→ A full discussion of the hydrogen modeling is included in [Chapter Five: Key Analytical Assumptions](#).

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