

2023 ELECTRIC PROGRESS REPORT TABLE OF CONTENTS



2023 Electric Progress Report

About PSE

As Washington State's oldest local energy company, Puget Sound Energy serves more than 1.2 million electric customers and more than 900,000 natural gas customers in ten counties. Our service territory includes the vibrant Puget Sound area and covers more than 6,000 square miles, stretching from south Puget Sound to the Canadian border, and from central Washington's Kittias Valley west to the Kitsap Peninsula.

A subsidiary of Puget Energy, PSE meets the energy needs of its customers, in part, through incremental, costeffective energy efficiency, procurement of sustainable energy resources, and far-sighted investment in the energydelivery infrastructure. PSE employees are dedicated to providing great customer service and delivering energy that is safe, dependable and efficient. For more information, visit pse.com.

Our electric service territory includes all of Kitsap, Skagit, Thurston, and Whatcom counties, and parts of Island, King (not Seattle), Kittitas and Pierce (not Tacoma) counties.

Our natural gas service territory includes: Parts of King (not Enumclaw), Kittitas (not Ellensburg), Lewis, Pierce, Snohomish, and Thurston counties

Figure 1.1 below shows PSE's electric and gas service territories.



Figure 1.1 Puget Sound Energy Natural Gas and Electric Service Territories



Table of Contents: Chapters

Definitions and Acronyms

Chapter One: Executive Summary

- 1. Introduction
- 2. Resource Planning Foundations
- 3. Change Drivers
- 4. Preferred Portfolio

Chapter Two: Clean Energy Action Plan

- 1. Introduction
- 2. Requirements
- 3. Ten-year Resource Additions
- 4. Equitable Transition to Clean Energy
- 5. Resource Deliverability
- 6. Achieving CETA Compliance
- 7. Social Cost of Greenhouse Gases

Chapter Three: Resource Plan

- 1. Introduction
- 2. Preferred Portfolio
- 3. Resource Adequacy
- 4. Developing the Preferred Portfolio

Chapter Four: Legislative and Policy Change

- 1. Introduction
- 2. Clean Energy Transformation Act
- 3. Climate Commitment Act
- 4. Energy Efficiency Technology, Codes, Standards and Electrification
- 5. Inflation Reduction Act

Chapter Five: Key Analytical Assumptions

- 1. Introduction
- 2. Electric Analysis



TABLE OF CONTENTS

- 3. Electric Portfolio Analysis Assumptions
- 4. Electric Portfolio Sensitivities
- 5. Purchasing Versus owning Electric Resources

Chapter Six: Demand Forecasts

- 1. Introduction
- 2. Climate Change
- 3. Electric Demand Forecast
- 4. Methodology
- 5. Key Assumptions
- 6. Previous Demand Forecasts

Chapter 7: Resource Adequacy Analysis

- 1. Introduction
- 2. Overview of Results
- 3. Resource Adequacy Analysis Results
- 4. Market Risk Assessment
- 5. Adjustments for Portfolio Analysis
- 6. Western Resource Adequacy Program

Chapter 8: Electric Analysis

- 1. Introduction
- 2. Clean Energy Transformation Act
- 3. Resource Need
- 4. Types of Analysis
- 5. Reference Portfolio Analysis Results
- 6. Sensitivity Analysis Results
- 7. Portfolio Benefits Analysis Results
- 8. Stochastic Portfolio Analysis Summary



Table of Contents: Appendices

Appendix A: Public Participation

- 1. Introduction
- 2. Public Participation Approach
- 3. Participants
- 4. Timeline, Meetings and Topics
- 5. Meeting Documentation

Appendix B: Legal Requirement

- 1. Introduction
- 2. Regulatory Requirements

Appendix C: Existing Resource Inventory

- 1. Introduction
- 2. Supply-side Resources
- 3. Demand-side Resources

Appendix D: Generic Resource Alternatives

- 1. Introduction
- 2. Renewable and Storage Resource Technologies and Assumptions
- 3. Thermal Resource Technologies and Assumptions
- 4. New Resource Technologies and Assumptions
- 5. Resource Technologies Not Modeled
- 6. Tables

<u>Appendix E: Conservation Potential and Demand Response</u> <u>Assessments</u>

- 1. Introduction
- 2. Treatment of Demand-side Resource Alternatives
- 3. Distribution Efficiency

Appendix F: Demand Forecasting Models

1. Introduction

TABLE OF CONTENTS

2.

- Model Estimation
- 3. Base and Final Demand
- 4. Stochastic Demand Forecasts
- 5. Climate Change Assumptions

Appendix G: Electric Price Models

- 1. Introduction
- 2. 2021 Integrated Resource Plan
- 3. Modeling Power Prices
- 4. Electric Price Forecast Results
- 5. Electric Price Stochastic Analysis

Appendix H: Electric Analysis and Portfolio Model

- 1. Introduction
- 2. AURORA Electric Price Model
- 3. AURORA Portfolio Model
- 4. Modeling Inputs
- 5. Embedding Equity
- 6. Financial Assumptions
- 7. AURORA Stochastic Risk Model
- 8. PLEXOS Flexibility Analysis Model
- 9. Avoided Costs
- 10. Incremental Costs of Renewable Resources

Appendix I: Electric Analysis Inputs and Results

- 1. Introduction
- 2. Modeling Inputs
- 3. Modeling Outputs

<u>Appendix J: Economic, Health and Environmental Assessment of</u> <u>Current Conditions</u>

1. Introduction

2023 Electric Progress Report

- 2. Named Communities
- 3. Customer Benefit Indicators



TABLE OF CONTENTS

Appendix K: Delivery System Planning

- 1. Introduction
- 2. Electric Projects in Implementation Phase
- 3. Electric Projects in Initiation Phase

Appendix L: Resource Adequacy

- 1. Introduction
- 2. Resource Adequacy Overview
- 3. Resource Adequacy Inputs and Updates
- 4. Resource Adequacy Modeling Approach
- 5. Detailed Results for Generic Resources
- 6. Comparison with the 2021 Integrated Resource Plan
- 7. Western Resource Adequacy Program Methodology

