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# 2019 IRPAG Meeting #3

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# Welcome

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- Safety message
- Introductions
- Opening remarks

# Meeting objectives

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- PSE provides an overview of the Clean Energy Transformation Act
- PSE provides 2019 IRP updates
- PSE listens to public input on the IRP

# Agenda

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<b>Time</b>	<b>Topic</b>	<b>Presenter</b>
4:30 p.m.	Doors open	
5:00 – 5:15 p.m.	Welcome & Introductions	Diane Adams, Facilitator
5:15 – 5:45 p.m.	Clean Energy Transformation Act overview	David Mills, Sr. Vice President, Policy and Energy Supply, PSE
5:45 – 6:15 p.m.	2019 IRP updates	Irena Netik, Director Energy Supply Planning & Analysis
6:15 – 8:30 p.m.	PSE listening session on the IRP	David Mills, Sr. Vice President, Policy and Energy Supply, PSE  IRP Stakeholders
8:30 p.m.	Adjourn	Diane Adams, Facilitator

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Washington  
Clean Energy  
Transformation Act

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# PSE's commitment

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Consumer protection



Uncompromised reliability



Measurable emissions reductions



Efficient market development



Financial sustainability

# Clean Energy Transformation Act

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Signed into law on May 7, 2019

The Clean Energy Transformation Act requires utilities to:

**2025: eliminate coal-fired resources** from electric power supply

**2030: carbon neutral energy supply**

80% non-emitting and renewable resources

20% alternative compliance options

**2045: carbon free energy supply**

100% non-emitting and renewable resources

# Additional provisions

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- Electric utilities shall use the social cost of greenhouse gas emissions when developing IRPs and clean energy action plans.
- The law also includes:
  - Safety and reliability protections
  - Customer protections



# What does this mean for PSE?

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- Conservation: expand PSE's conservation programs to our customers
- Coal: remove coal from PSE's energy supply portfolio
- Resources: acquire significant amounts of non-emitting and renewable resources
- Transmission: begin developing new transmission corridors to renewable energy zones

# IRP update



# Rules governing IRPs

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WAC 480-100-238 (electric) and 480-100-238 (gas)

"Integrated resource plan" means a plan describing the **mix of energy supply resources and conservation that will meet current and future needs at the lowest reasonable cost to the utility and its ratepayers.**

RCW 19.280.030

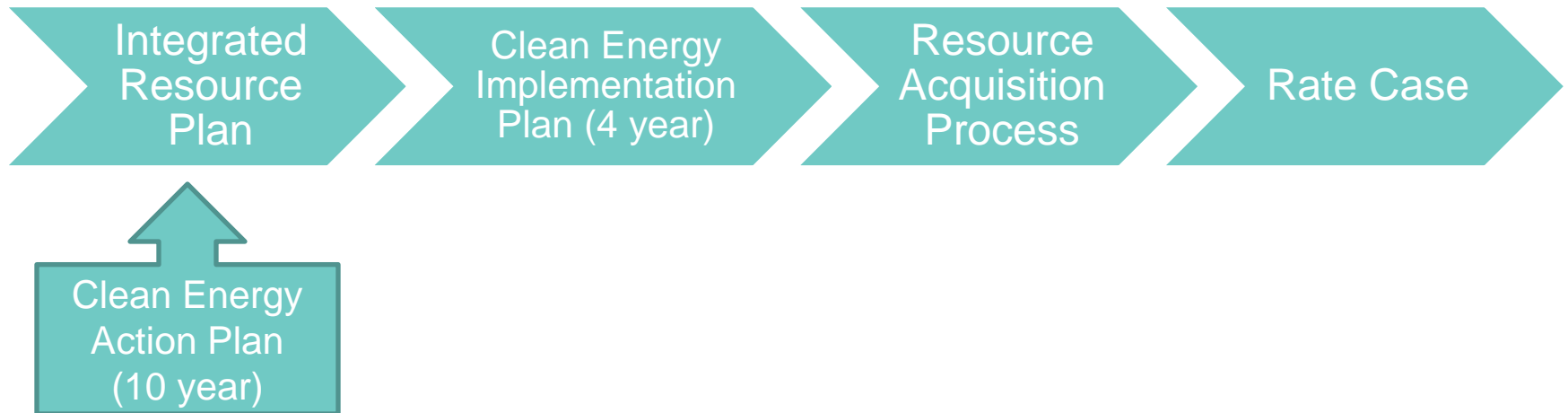
Requirements of a resource plan developed in the Integrated Resource Plan.



# IRP's role in the regulatory process

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Clean Energy Transformation Act changes the role of the IRP:



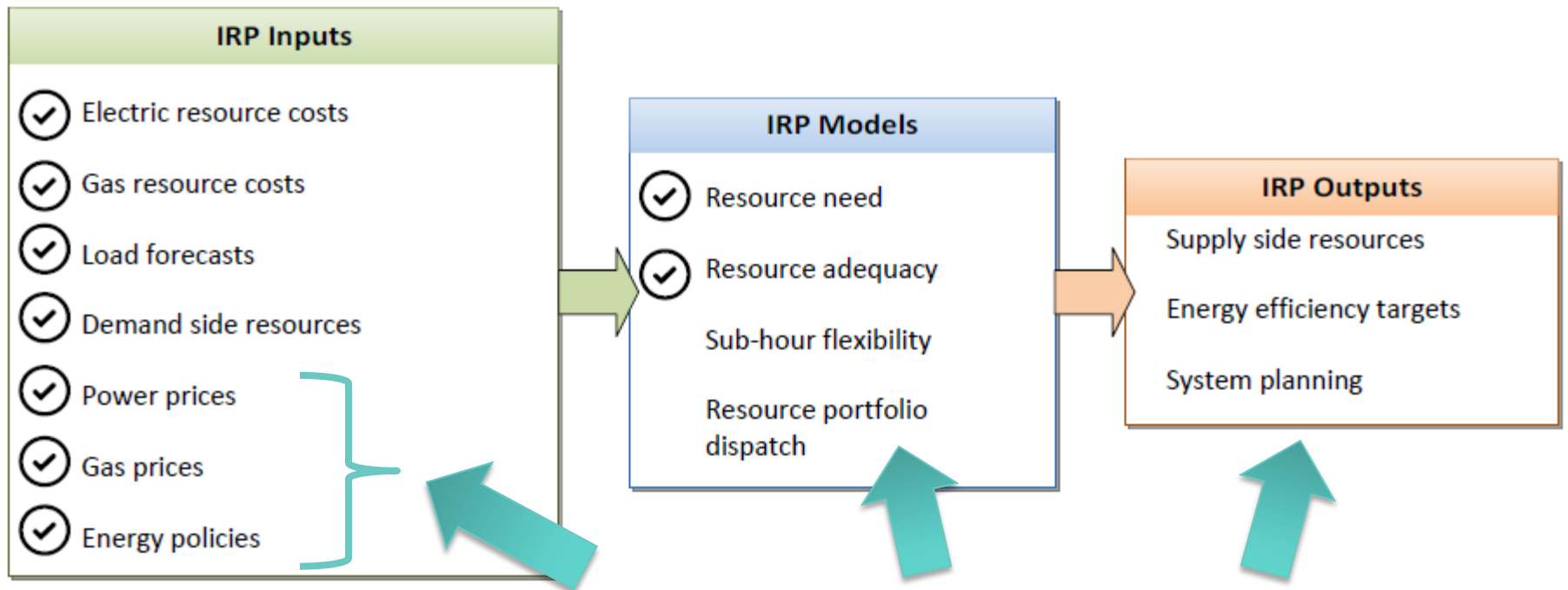
# Key changes to the IRP

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- Social cost of carbon as a planning adder (Section 14 (3)(a))
- Ten-year clean energy action plan (Section 14 (1)(l) and (5)(d))
- Vulnerable populations assessment (Section 14 (1)(k))

# IRP analytical process overview

- PSE has established an analytical framework to develop its **20-year forecast of demand side resources and supply side resources** that appear to be cost effective to meet the growing needs of our customers.



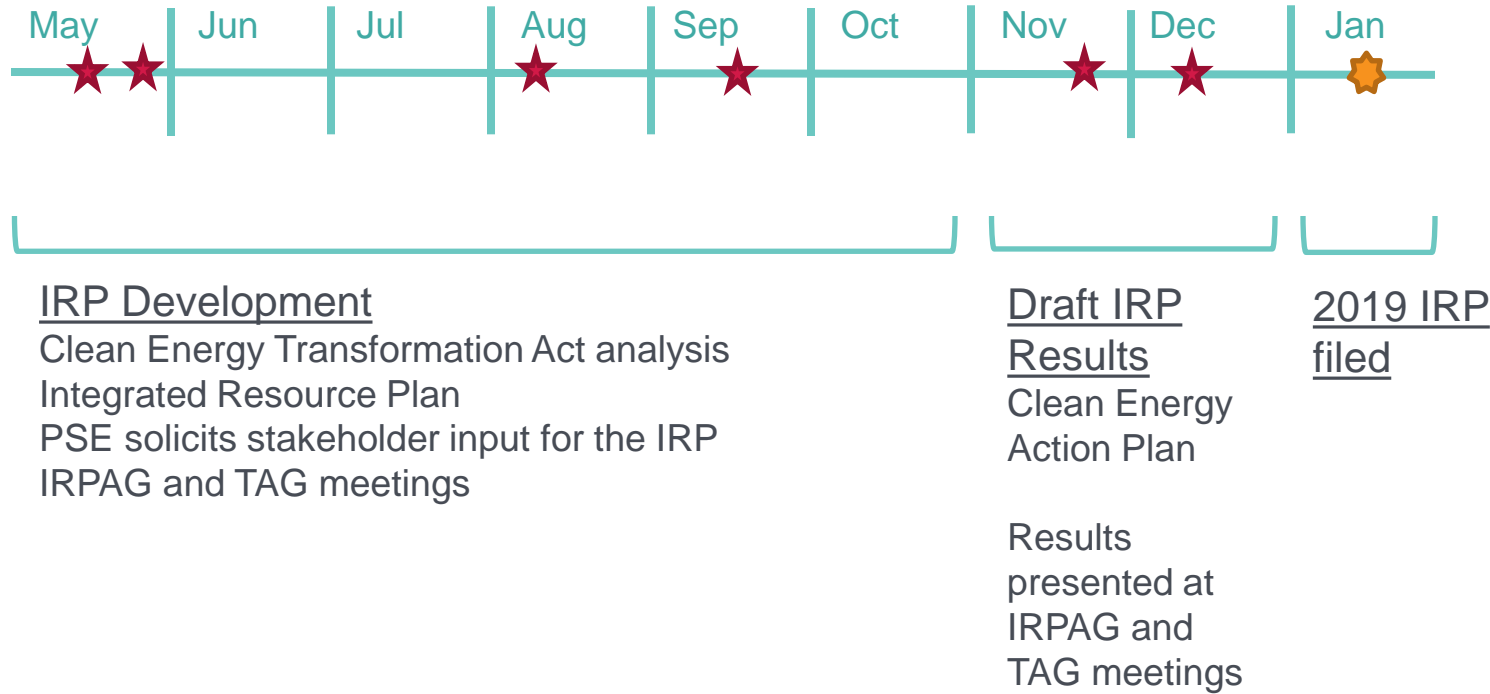
# 2019 IRP scenarios and sensitivities

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## Baseline assumptions:

- 2030: 80% of electric sales met by renewable/non-emitting resources
- 2045: 100% of electric sales met by renewable/non-emitting resources
  
- Social cost of carbon included in all scenarios
  
- Portfolio sensitivities three categories of analyses:
  - Emission reduction policies
  - Market reliance
  - Resource assumptions

# IRP timeline



## IRP Development

Clean Energy Transformation Act analysis  
Integrated Resource Plan  
PSE solicits stakeholder input for the IRP  
IRPAG and TAG meetings

## Draft IRP

### Results

Clean Energy  
Action Plan

Results  
presented at  
IRPAG and  
TAG meetings

## 2019 IRP

### filed

★ *Scheduled IRPAG and TAG meetings*



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# Next steps

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# Next steps

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Date	Action
June 5	PSE posts draft meeting notes on IRP website
June 12	Public participants review meeting notes and provide comments to PSE
June 19	PSE posts final meeting notes on IRP website: <a href="http://www.pse.com/irp">www.pse.com/irp</a>



THANK  
YOU

# IRP listening session

