

Puget Sound Energy's Posted Statement on Capacity Benefit Margin

Summary

It is Puget Sound Energy's (PSE's) practice to not preserve Capacity Benefit Margin (CBM).

Discussion

In Order 890A, FERC stated: "82. The Commission clarifies in response to Duke that utilities do not need to make CBM available to LSEs on their system if the utilities do not reserve for themselves CBM or its equivalent. Comparability only requires transmission providers to make CBM available when they set aside for themselves transfer capability to meet generation reliability criteria."⁴³

PSE updates and posts a CBM statement at least annually. CBM was last reviewed in September 2009 and will be re-evaluated in September 2010. In Order 890 the commission clarified the process for LSEs to request CBM. Prior to the effective date of Order No. 890, PSE's transmission provider function contacted customers serving load in the PSE Balancing Area who also have generation in the PSE Balancing Area regarding their need for CBM. Since most baseload generation used to serve PSE's network and native load customers is located remote to PSE's Balancing Authority Area, no such need was requested. Thus PSE adopted the zero CBM practice.

Conclusion

Based on FERC's allowance for Transmission Service Providers to not use CBM, and PSE's unique resource mix, Puget Sound Energy's statement of CBM is:

1. PSE posts zero (0) CBM on all paths
2. It is PSE's practice to not reserve CBM
3. PSE will review this practice no less than annually in light of any pending FERC Orders or NERC Standards concerning CBM.