



King County

Dow Constantine

King County Executive

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February 1, 2022

Washington Utilities and Transportation Commission
621 Woodland Square Loop
Lacey, WA 98503

RE: Green Direct Energy Charge Credit

Dear Chair Danner, Commissioner Rendahl, and Commissioner Balasbas:

I am writing to request Commission action on the topic of Puget Sound Energy's (PSE) Green Direct Energy Charge Credit.

Thank you for your direction in the Power Cost Only Rate Case (PCORC) Settlement Stipulation and Agreement for Docket UE-200980 that PSE and other stakeholders work toward a path forward on a durable method for calculating the energy charge credit for Green Direct customers. As you know, Green Direct customers objected both to the procedural approach and to the substantive result of the PCORC settlement, which has resulted in substantial additional costs.

King County has led the coalition of Green Direct customers, comprised of 28 public agencies and 7 private companies, in the informal convening and negotiation process. King County hired a technical consultant to review UTC staff methodology from UE-200980 and to propose an alternate methodology that more accurately captures the costs and benefits of the renewable resources developed to support the Green Direct program.

The customer group and other stakeholders, including PSE, Public Counsel representative and its technical consultant, and Renewable Northwest, along with UTC analysts and counsel, have met three times since October 2021 to present and review technical proposals for the Energy Charge Credit. PSE has also proposed a methodology for the Energy Charge Credit that it intends to use in its next general rate case. While there has been much discussion, the process has not resulted in any agreement on a solution as envisioned in the Commission's PCORC order.

At this point, King County, along with all other Green Direct customers, finds itself in an untenable position. We are being forced to intervene, at considerable expense for both staff

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and external legal resources, in PSE's next general rate case to litigate the Energy Charge Credit. If we choose to not intervene, we risk an outcome similar to that in the 2020 PCORC – our interests are not represented, decisions are made without our knowledge and consent, and the resulting decision has significant negative financial impacts for customers while contravening state and local government policy goals established to promote development of renewable energy supplies.

I ask that the Commission develop an option to resolve the Energy Charge Credit issue outside of the General Rate Case. At a minimum, the Commission should hear from the participants on the status of the collaborative process that it ordered. At King County, we are looking for resolution to the issue that holds Green Direct customers harmless in terms of the risk that was accepted at the time we eagerly enrolled in the Green Direct program in 2017. We also seek a solution that does not require frequent adjustments and heavy participation in regulatory proceedings – we simply do not have the capacity or expertise to support that work.

As advocates for this program, our goals remain the same: increase renewable electricity supplies and create jobs in Washington State. I ask for your support in resolving this issue quickly and equitably.

Sincerely,

A handwritten signature in black ink that reads "Dow Constantine". The signature is written in a cursive, flowing style.

Dow Constantine
King County Executive