



October 7, 2020

Chairman Dave Danner
Commissioner Ann Rendahl
Commissioner Jay Balasbas
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE Lacey, WA 98503

Re: Comments on Docket #200115 sent via email to dave.danner@utc.wa.gov,
ann.rendahl@utc.wa.gov, jay.balasbas@utc.wa.gov, records@utc.wa.gov

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UTIL. AND TRANSP.
COMMISSION

Dear Commissioners Danner, Rendahl and Balasbas:

We are writing to express our opposition to Puget Sound Energy's (PSE) sale of Colstrip Unit 4 and the associated Colstrip transmission capacity to NorthWestern Energy in Montana and Talen Montana (UTC Docket #200115).

In the Washington Legislature's landmark 2019 Clean Energy Transformation Act (CETA / SB 5116) – the 100% clean electricity law – the first sentence of the new law states, “The legislature finds that Washington must address the impacts of climate change by leading the transition to a clean energy economy.” Section 3 of the Act requires that “[o]n or before December 31, 2025, each electric utility must eliminate coal-fired resources from its allocation of electricity.”

The intention in drafting and supporting this Act was for Colstrip to retire by the end of 2025. The Act was heralded as one of the greatest greenhouse gas reductions in Washington – 11 million tons CO₂/year – with the closure of Colstrip Units 3 and 4. Now PSE is attempting to undo the intent of this provision by selling Unit 4 to NorthWestern, a Montana utility that intends to run this Unit through 2039.¹

In addition, when the state legislature passed our new climate reductions targets (HB 2311/SB 6272), they made clear that these goals should be achieved in a way that “avoids leakage of emissions to other jurisdictions.” PSE's sale of Colstrip Unit 4 to NorthWestern undermines the intent of this new law. The recent climate-enhanced wildfires across the west should serve as a clear reminder that selling our climate problem does not solve our climate problem.

¹ NorthWestern Energy's 2019 Resource Procurement Plan, page 11-8 and 272,
<https://www.northwesternenergy.com/our-company/regulatory-environment/2019-electricity-supply-resourceprocurement-plan>

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PSE also is proposing to sell an equivalent amount of its Colstrip transmission to NorthWestern and possibly to Talen Montana. During the CETA debate, the E3 study sponsored by PSE and other utilities showed that in order to achieve CETA's 100% clean electricity goals, utilities would have to expand procurement of renewable energy and that this would require a significant expansion of transmission capacity. The Colstrip transmission line is surrounded by some of the best wind resources in the country. The value of this transmission will increase over time. PSE should not sell this asset because of its long-term value to PSE customers.

There are other concerning aspects of this sale including unfavorable terms for PSE to buy back power from NorthWestern where NorthWestern can charge the higher amount between its dirty coal-fired power and market-based power. In addition, PSE will still remain liable for cleanup costs of toxic coal ash after the sale even though that additional pollution will come from NorthWestern's customers, not PSE customers.

As representing nearly 25,000 citizens in PSE's service territory, we do not believe that PSE's sale of Colstrip Unit 4 to NorthWestern is in the best interest of its customers, nor in the best interest of the climate. We strongly recommend you reject the sale.

Sincerely,



Leslie Schneider, Mayor, on behalf of the City Council