



King County

Dow Constantine

King County Executive

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October 8, 2020

Chair David Danner

Commissioner Ann Rendahl

Commissioner Jay Balasbas

Utilities and Transportation Commission

621 Woodland Square Loop SE

Lacey, WA 98503

Re: Authorizing the Sale of Interest in Colstrip Unit 4 and the Colstrip Transmission System,
Docket UE-200115

Dear Chair Danner and Commissioners Rendahl and Balasbas:

I am writing to oppose the proposed sale of Puget Sound Energy's (PSE) ownership interests in Colstrip Unit 4 to Northwestern Energy (NWE) and Talen Energy, and the sale of PSE's interests in the Colstrip Transmission System to NWE. I also oppose the proposed power purchase agreements between PSE and NWE and PSE and Talen Energy that would cumulatively supply 90MW of coal-fired electrical generation through mid-2025.

Confronting climate change and accelerating the transition to a clean energy economy are top priorities of my administration. I recently released my 2020 Strategic Climate Action Plan (SCAP), which is King County's guiding document for climate policy and investments in emission reduction, climate equity, and preparedness. The SCAP establishes goals and targets for King County operations, but also at the communitywide scale to reach shared goals to reduce greenhouse gas emissions by at least 50 percent by 2030 and 80 percent by 2050 as established through the Growth Management Planning Council. Decarbonizing our electricity supplies is essential to reaching our emission reduction goals.

I oppose the proposed sale of PSE's interests in Colstrip Unit 4 and the Transmission System, and the proposed power purchase agreements to supply coal to PSE's portfolio because these actions place PSE customers at risk for higher electricity prices and disproportionate responsibility for cleanup, and enable the continued operation of one of the largest CO₂ polluters in the United States.

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I strongly supported the passage of the Clean Energy Transformation Act (SB 5116) in 2019, and was proud to join Governor Inslee at the signing ceremony. I supported this bill because of its intent to eliminate coal-fired electricity generation by 2025, a goal I have championed for years. PSE's proposed sale of Unit 4 to NWE and Talen Energy may prolong the operation of the plant for decades, counter to the goals of the legislation, and counter to steps we need to take to rapidly reduce CO2 emissions regionally.

The sale of Unit 4 places PSE ratepayers at risk for cleanup expenses far greater than if the plant were shut down in 2025. In PSE's 2017 General Rate Case, a broad suite of stakeholders came to agreement on a plan for future cleanup and remediation costs, and also for worker transition. The sale of Unit 4 appears to maintain the responsibility of cleanup on PSE ratepayers, although they will no longer be customers of the plant.

I have concerns about the economics of the proposed power purchase agreement whereby NWE and Talen Energy would sell PSE 90MW of coal fired electricity annually through 2025. Coal generated electricity has declined throughout the United States, not only for climate concerns, but primarily due to economic realities – it's very expensive, and can't compete with natural gas and renewables. Now, in this time of economic uncertainty, customers should not be forced to purchase expensive electricity when other, cheaper alternatives exist. I would like to see more transparency on the cost impacts of this power purchase agreement on PSE ratepayers.

Lastly, I oppose the sale of the Colstrip Transmission System to NWE. PSE acknowledges that it will need significant transmission capacity as it transitions to renewable resources, and Montana has excellent wind resources. It does not seem prudent to sell an asset when it will be needed in the near future.

Climate change is no longer a future problem, we see the impacts around us now, and putting people, our economy, and our environment at risk. We must act with fierce urgency to address climate change – our greatest threat – that has disproportionate impacts to Black, Indigenous and People of Color communities. PSE has made strides toward decarbonizing its generation mix, but the prolonged operation of Colstrip Unit 4 through the sale to NWE and Talen Energy is a step in the wrong direction. I strongly oppose the sale of the plant, the transmission capacity, and the power purchase agreement that requires customers to purchase polluting and expensive electricity.

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I encourage the Utilities and Transportation Commission to reduce the future risk to ratepayers and the impact to the climate by opposing the proposed transactions. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink that reads "Dow Constantine". The signature is written in a cursive style with a prominent initial "D" and a long, sweeping underline.

Dow Constantine
King County Executive