

Testimony regarding UTC Docket UE-200115

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Chair Danner and Commissioners Rendahl and Balasbas...

In late 2016, soon after my retirement as a technology development manager with The Boeing Company, I started calling PSE with a simple question – how can your customers help you shut down your coal plants?

I called, about every two weeks, for several months. I mostly talked with the guy who is paid to answer the phone, asking, again, would he relay my message to the field outreach coordinator for my area. I did finally talk with her, whose name I now forget, but never once heard any recommendation about how PSE customers could help move PSE away from coal.

I'm pretty sure that's because PSE just doesn't think that way. Getting off coal, or any fossil fuel, is just not in PSE's long-range plan.

Since then, now a board member of the Vashon Climate Action Group, you may well know me for orchestrating PSE IRP Technical Advisory Group (TAG) members sending 18 letters to PSE leadership and UTC Commissioners regarding the aborted 2019 PSE IRP. Each letter articulating a specific technical or process problem in which PSE ignored our technical inputs so they could stick to their long-term fossil fuel plan.

More recently, and relevant to the issue of PSEs proposed sale of Colstrip Unit #4, PSE spokesperson Janet Kim was quoted in the Seattle Times two days ago:

Janet Kim, a PSE spokesperson, said the Colstrip Unit 4 sale would enable PSE to reach its clean energy goals “even before 2025, and take actionable measures on behalf of our customers.” (<https://www.seattletimes.com/seattle-news/pse-plan-to-sell-stake-in-montana-coal-plant-gets-poor-review-from-state-regulatory-staff/>)

I don't know if PSE considered that shutting down Colstrip Unit #4 would also allow them to meet CETA goals before 2025. Those who understand that just moving the pollution problem to another companies FERC report does nothing to help our climate. Does nothing to meet the intention of the lawmakers in the state where PSE has been given monopoly rights to sell electricity. Does nothing to comply with literally hundreds of public comments from PSE customers who want clean electricity, clean air and a climate that supports life on earth.

So, it falls to you. Our regulators.

PSE must shut down, not sell off Colstrip Unit 4.

PSE must retain the existing transmission line so that low cost, reliable, high capacity factor Montana wind can be made available, at lowest reasonable cost, to PSE customers.

PSE must stop investing in Colstrip, and you must declare further Colstrip investment not prudent, per my additional testimony below, so that this company can meet the intent of our duly elected legislators who have “declared that utilities in the state have an important role to play¹” in removing carbon from our electricity grid.

Additional testimony:

The intent of the Washington State legislature, embodied in the Clean Energy Transformation Act, is to eliminate coal-based power from Washington’s electricity grid by 2025. Sale of Colstrip may meet the letter of the new law, but fails to meet the intent. The sale of Colstrip does, however, violate the intent and letter of Washington’s new greenhouse gas emission limit law, HB 2311, which specifically restricts “leakage” of carbon pollution to other regions.

PSE must shut it down, not sell it off.

The transmission line, the lowest cost access to reliable, high capacity factor Montana wind, an exceptionally good match to our Puget Sound area winter electricity load, should not be sold. Doing so places a schedule and cost roadblock in the way of this important renewable energy resource.

PSE must retain the transmission line, for which PSE customers have already paid. We should not have to pay more for a new transmission line when we already have one.

One important action the Commission should take is to formally declare future PSE investment in Colstrip Unit #4 as imprudent. This will send a clear message to PSE and Colstrip co-owners that our state regulators support closure of Colstrip Unit #4.

There are multiple reasons to make this declaration:

- PSE voted against the 2020 Colstrip operations and maintenance budget.² PSE failure to support the 2020 budget is a strong indication that the Colstrip investment is no longer prudent.
- The proposed Colstrip Unit #4 sale contains a power purchase agreement which requires PSE to purchase Colstrip power through 2025. If Colstrip power was a prudent purchase the power purchase agreement would not be required.
- The requirement to buy back Colstrip power at higher than market rates, as stipulated in the power purchase agreement, is a clear indication the electricity is not price competitive, a bad deal for ratepayers, and not prudent.
- Projected fuel cost increases provided justification to shut down Colstrip Units #1 and #2. These higher fuel costs will be realized during continued operation of Colstrip #4, adding risk to future power costs which the power purchase agreement requires PSE customers to buy.
- These issues provide rationale enough, but when added to the cost risks of continued pollution and groundwater cleanup expenses the prudence argument fails spectacularly. Pollution cleanup costs are already high. Continued operation of Colstrip #4 will prolong and increase

¹ <http://lawfilesexternal.leg.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/Senate/5116-S2.SL.pdf?q=20201007120139>

² Colstrip Units 3&4 and Common 1-4 Ownership and Operations Committee Meeting, Colstrip, Montana, December 18, 2019 (meeting minutes available upon request)

both the pollution and the cleanup costs. What assurances do PSE ratepayers have that the final pollution cleanup costs can be fairly allocated?

I ask that the Commission declare that future PSE investment in Colstrip is imprudent. The Commission should not approve the sale of Colstrip Unit #4 or the existing transmission line. The Commission should encourage PSE to stop funding Colstrip Unit #4.

Shut it down, don't sell it off.

Thank you