Affiliated Tribes of Northwest Indians

AirWorks, Inc.

Alaska Housing Finance Corporation

Alliance to Save Energy

Allumia

Alternative Energy Resources Organization

Ameresco

American Rivers

Backbone Campaign

Beneficial State Bank

BlueGreen Alliance

Bonneville Environmental Foundation

Byrd Barr Place

Citizens’ Utility Board of Oregon

City of Ashland

City of Seattle Office of Sustainability & Environment

CleanTech Alliance

Climate Smart Missoula

Climate Solutions

Community Action Center of Whitman County

Community Action Partnership Assoc. of Idaho

Community Action Partnership of Oregon

Earth and Spirit Council

Earth Ministry

Ecova

eFormative Options

Energy350

Energy Savvy

Energy Trust of Oregon

Environment Oregon

Environment Washington

EQL Energy

Forth

Global Ocean Health

Home Performance Guild of Oregon

Housing and Comm. Services Agency of Lane Co.

Human Resources Council, District XI

Idaho Clean Energy Association

Idaho Conservation League

Idaho Rivers United

Interfaith Network for Earth Concerns

League of Women Voters Idaho

League of Women Voters Oregon

League of Women Voters Washington

Montana Audubon

Montana Environmental Information Center

Montana Renewable Energy Association

Montana River Action

National Center for Appropriate Technology

National Grid

Natural Resources Defense Council

New Buildings Institute

Northern Plains Resource Council

Northwest EcoBuilding Guild

Northwest Energy Efficiency Council

NW Natural

OneEnergy Renewables

Opower

Opportunities Industrialization Center of WA

Opportunity Council

Oregon Energy Fund

Oregon Environmental Council

Oregon Physicians for Social Responsibility

OSEIA

Pacific Energy Innovation Association

Pacific NW Regional Council of Carpenters

Portland Energy Conservation Inc.

Portland General Electric

Puget Sound Advocates for Retired Action

Puget Sound Cooperative Credit Union

Renewable Northwest

Save Our wild Salmon

Seattle City Light

Seinergy

Sierra Club

Sierra Club, Idaho Chapter

Sierra Club, Montana Chapter

Sierra Club, Washington Chapter

Small Business Utility Advocates

Smart Grid Northwest

Snake River Alliance

Solar Installers of Washington

Solar Oregon

Solar Washington

South Central Community Action Partnership

Southeast Idaho Community Action Partners

Spark Northwest

Spokane Neighborhood Action Partners

Sustainable Connections

The Climate Trust

The Energy Project

Transition Missoula

UCONS, LLC

Union Of Concerned Scientists

United Steelworkers of America, District 12

Washington Environmental Council

Washington Local Energy Alliance

Washington Physicians for Social Responsibility

Washington State Department of Commerce

Washington State University Energy Program

YMCA Earth Service Corps

Zero Waste Vashon

October 24, 2018

Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive S.W.

P.O. Box 47250

Olympia, WA 98504-7250

RE: COMMENTS ON DOCKET #U-180680

Dear Executive Director and Secretary:

The NW Energy Coalition (Coalition) submits these comments on docket # U-180680 concerning Puget Sound Energy’s (PSE or Company) proposed sale of non-controlling interest in Puget Holdings LLC.

The Coalition has demonstrated experience engaging in utility ownership sales proceedings at the Washington Utilities and Transportation Commission (WUTC). In particular, we participated in these cases to ensure that the transactions serve the public interest related to energy efficiency, renewable energy resources, greenhouse gas emissions reduction policies and low-income energy services.

The Joint Applicants have taken the position that the “net benefit” standard does not apply in this case. We understand that some parties will raise the issue of whether the “net benefit” standard should apply. At this time, the Coalition has not retained legal representation in this matter. The question of the “net benefit” standard should be approached by a careful review of relevant law, and consequently is beyond the expertise of our policy staff. For this reason, we will not comment on this question at this time.

However, even if the Commission determines that the “net benefit” standard does not apply in this case, the transaction must be found to be in the public interest under the “no harm” standard in order to gain Commission approval. Any utility transfer of ownership raises uncertainties and potential risks for customers and other stakeholders. Certainly, we find this to be true for the sale of Macquarie’s non-controlling 43.99 percent ownership interest in Puget Holdings, at issue in this proceeding, which brings in new owners and makes meaningful changes to the ownership structure of the Company.

These risks and concerns are best addressed by applicants who provide clear information about their plans for ownership of the utility, and include responsive, meaningful commitments. To be meaningful, commitments must be specific, measurable, and hold the applicant accountable for follow-through. The applicant must demonstrate value added over the status quo; otherwise change in the form of new ownership is simply not necessary in the eyes of many parties.

As an example, the 2008 Macquarie acquisition (Docket No. U-072375), in which the Coalition participated, was held to the public interest “no harm” standard because it occurred prior to the passage of the “net benefits” standard in 2009. In that case, PSE and Puget Holdings agreed to 63 commitments as part of the 2008 Settlement Agreement that was approved by the Commission, with additional conditions imposed in the Order. Those commitments were comprehensive and, in particular, the settlement offered strong commitments in the areas of energy efficiency, renewable energy resources, greenhouse gas emissions reduction policies and low-income energy services.

After a review of PSE’s filing in this matter, the NW Energy Coalition cannot determine that the proposed sale is in the public interest. From the filing alone, we do not find that the commitments as written offer a concrete proposal that would benefit, rather than harm, PSE’s customers relative to the status quo, *i.e.*, the current ownership structure.

Of note to the Coalition’s interests is the fact that there are no commitments related to energy efficiency in the transaction proposal filed by the Applicants (except for one low-income commitment that maintains the status quo). The commitments to renewable resources and low-income energy services are not new and, we are unable to determine if these commitments even satisfactorily support the status quo without more investigation and information. The commitment in the filing related to greenhouse gas emissions reduction policy has already been announced by the Company under the current ownership, consequently, this commitment does not offer any indication of a new commitment in this area by the proposed new ownership structure.

A determination of whether this proposed transaction is in the public interest requires more process and investigation by the Commission. Interested parties should have an opportunity to pursue discovery and get questions answered about both the risks and benefits of the transfer and the commitments made in the original filing. The Coalition respectfully suggests that the Commission pursue further process in this proceeding that allows for a thorough public interest review.

Sincerely,

*/s/ Wendy Gerlitz*

Wendy Gerlitz

Policy Director

NW Energy Coalition