

e. Energize Eastside

At the request of stakeholders, PSE provided studies in support of the reliability need it identified and potential alternative solutions to the Energize Eastside Project.³⁸ However, we heard from Staff and some stakeholders that PSE would not discuss these studies in the advisory group, and therefore left unresolved some basic questions about the studies' assumptions, methodologies, and conclusions. For example, the Plan does not include a narrative regarding:

- The effect of the power flows due to entitlement returns on the need for the Energize Eastside Project.³⁹
- The reason for, and effect on the need for the Energize Eastside Project, of modeling zero output from five of PSE's Westside thermal generation facilities.
- PSE's choice not to provide modeling data to stakeholders with Critical Energy Infrastructure Information clearance from FERC.
- Resolution of the effect of lower load assumptions on the need for Energize Eastside Project.

The IRP process is specifically structured to allow public discussion and inquiry, including a thorough examination of the analysis supporting a conclusion of need. This is an area in which we would like to see more engagement from the Company.

In describing the status of the Energize Eastside Project with respect to its 2017 IRP, PSE states, "the needs assessment and solution identification phases of this project have been completed. Currently, the project is in the route selection and permitting phases."⁴⁰ WAC 480-100-238(3)(d) requires an integrated resource plan to include "[a]n assessment of transmission system capability and reliability, to the extent such information can be provided consistent with applicable laws." The Company has an obligation to bring major transmission investments into the IRP for examination. The Company complied with the letter of the law in Chapter 8 where it provided a history of its Needs Assessment Reports. However, the Plan did not answer many questions that are needed for determining if the Company's conclusions are justified. For instance, it is still not clear if a joint utility analysis of all available transmission and potential interconnections in the Puget Sound region might solve the Energize Eastside reliability issues. Whether PSE has engaged in such analysis or discussions remains unclear and would have been better answered in the IRP.

f. Load Growth and the Effects of Conservation

PSE's forecasted increase in its annual energy and peak load growth over its 20-year planning horizon are due entirely to growth forecasted in the second half of the 20-year plan. As Staff

³⁸ Page 8-34 of PSE's 2017 IRP.

³⁹ Entitlement returns refers to the obligation of the United States to return a certain amount of power back to Canada as part of the Columbia River Treaty.

⁴⁰ Page 8-30 of PSE's 2017 IRP.