

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND ENERGY, Respondent.</p>	<p>DOCKETS UE-220066 and UE-220067</p> <p>REQUEST FOR CASE CERTIFICATION AND NOTICE OF INTENT TO REQUEST A FUND GRANT BY THE COALITION OF EASTSIDE NEIGHBORS FOR SENSIBLE ENERGY</p>
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- 1) Comes now the Coalition of Eastside Neighbors for Sensible Energy (CENSE) and, pursuant to RCW 80.28.430 and the Washington Interim Participatory Funding Agreement (Funding Agreement) (U-210595 Order 01), provides its Request for Case Certification and Notice of Intent to Request a Fund Grant.
- 2) Notice of Intent to Request a Fund Grant. Pursuant to Article 6.2 of the Funding Agreement, CENSE submits this Notice of Intent to request funds from the Customer Participation Sub-Fund for Puget Sound Energy.¹
- 3) This Notice and Request is filed within the time designated by the Commission in Order 03 in this docket and has been served on PSE and the parties of record.
- 4) CENSE meets the standards for Case Certification as provided in U-210595 Order 01, Section 5.2.1 and a Fund Grant for the following reasons.
 - a) CENSE is not a for-profit organization or a government entity:

¹ See Funding Agreement § 4.2.

- i) CENSE is a non-profit, all-volunteer corporation.
- b) CENSE represents broad customer interests.
- i) As indicated in its petition to intervene, CENSE was organized as a non-profit corporation in 2014, specifically to address the PSE proposal for a sixteen-mile, 230 kV transmission line, branded by the company as Energize Eastside. Since its organization, CENSE has participated in various land use, legislative and permit proceedings regarding the proposal. CENSE is currently involved in permit proceedings before the City of Newcastle.
- ii) CENSE has also presented comments to the Commission as a stakeholder, as far back as review of PSE's 2017 IRP. In PSE's 2017 Electric and Natural Gas Integrated Resource Plan Docket UE-160918 & UG-160919k, CENSE provided comments on PSE's IRP related to the Energize Eastside, which were acknowledged in the Commission's own specific comments.
- iii) As indicated on page 10 of its attachment to its May 7, 2018 Acknowledgement Letter (*see* Exhibit 1 hereto), the Commission indicated clear deficiencies in assumptions, methodologies and conclusions related to the project as follows:

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. 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.

- 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.

CENSE was the stakeholder that raised these issues.

- 5) Moreover, the Commission addressed other questions of need and reliability, also on page 10:

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.

- 6) In its cover letter dated May 7, 2018, the Commission specifically warned PSE that while its IRP met basic rule requirements:

By acknowledging compliance with statute and rule, the Commission does not signal pre-approval for ratemaking purposes of any course of action identified in the IRP. The Commission will review the prudence of the Company's actions at the time of any future request to recover costs of resources in customer rates. The Commission will reach a prudence determination after giving due weight to the information, analyses, and strategies contained in the Company's IRP along with other relevant evidence.

- 7) Puget Sound Energy (PSE) seeks to add more than \$280,000,000, more than half of the specific adjustments in their requested increase in rate base, for the Energize Eastside project discussed above and seeks a prudency determination.
- 8) As noted above, CENSE has continuously raised issues about the need, feasibility and cost of this proposal before local governments. CENSE has represented the broad customer

interests who are being asked to pay for the Energize Eastside project, including before this Commission, for more than seven years. CENSE seeks intervention before this Commission to address these issues in the Commission's critical prudence review.

- 9) Indeed, the Energize Eastside costs are a large percentage of the requested increase to the rate base, though the project is limited to a very small part of PSE's service area. As the costs for Energize Eastside are intended to be spread over the entire rate base, including vulnerable populations and highly impacted communities.
- 10) CENSE is able to effectively represent the particular customers it seeks to represent.
- 11) As described above, CENSE has a long history of involvement in the Energize Eastside matter. Specifically, CENSE has the legal, documentary and expert resources to comprehensively address the prudence questions before the commission. CENSE has engaged recognized experts to address these need and reliability questions, including Robert McCullough, principal in McCullough Research and an expert in utility planning. His resume is Attachment 2. CENSE has also engaged Richard Lauckhart, an experienced energy consultant, to address pertinent prudence issues, including the need for the project. His resume is Attachment 3. CENSE may also call on Dr. Randell Johnson, who has 25 years of experience in leadership and technical positions with expertise and experience in demand, distribution, transmission, and generation and wholesale power markets. His resume is Attachment 4. PSE has seen and reviewed the work of these witnesses previously.
- 12) No other current case-certified stakeholder participating in the proceeding adequately represents the specific interest of the customers represented by CENSE and/or the specific interests will benefit from CENSE's participation.

- 13) Though several parties have sought and been granted intervention, none of them have indicated that they intend to address the discrete question of the prudence of adding PSE's Energize Eastside costs to the rate base, with its multiple complexities.
- 14) CENSE request for case certification will not unduly delay the schedule of the proceeding. CENSE has agreed, and the terms of the approval of its intervention state, that it will be involved only in the prudency determination for the Energize Eastside project. CENSE has indicated it will abide by the case schedule set in the Pre-Hearing Order entered in this matter.
- 15) Eligible Proceeding. PSE is designated as a "Participating Public Utility" in Article 1(g) of the Funding Agreement. PSE's general rate case (GRC) constitutes an "Eligible Proceeding" under Article 1(c). This case will be carried out under the auspices of Washington's public service laws and Commission regulations.² PSE's GRC will materially affect the public interest. PSE proposes a three-year rate plan which would increase electric rates by over \$400 million and natural gas rates by nearly \$195 million. The Commission has found that "PSE's requested increase might injuriously affect the rights and interests of the public, and PSE has not demonstrated that the increase would result in rates that are fair, just, reasonable, and sufficient" and has suspended the rate filing for investigation.

16) CONCLUSION:

PSE's motion is intended to assure that no prepared and responsible party will question PSE's addition of the Energize Eastside costs to the rate base. To the contrary, the public

² Notice of Virtual Prehearing Conference (February 14, 2022), ¶ 6 (Statutory Authority).

interest supports the engagement of organizations to address the public interest and prudence issues presented. CENSE's Request for Certification should be granted.

DATED this 14th day of March, 2022.

/s/ J. Richard Aramburu

J. Richard Aramburu, WSBA #466

Attorney for Coalition of Eastside Neighbors for
Sensible Energy (CENSE)