



NW Energy Coalition
for a clean and affordable energy future

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.

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COMMISSION

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