

November 2, 2024

Kathy Hunter
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: Comments on Behalf of the Washington Clean Energy Coalition on Puget Sound Energy’s Proposal to Lower Clean Energy Targets for 2024 and 2025 (Docket UE-210795)

Dear Ms. Hunter,

The Washington Clean Energy Coalition (“WCEC”) appreciates the opportunity to comment on Puget Sound Energy’s recent proposal to lower clean energy targets for 2024 (from 59% to 48%) and 2025 (from 63% to 48%). **We strongly oppose this proposal.**

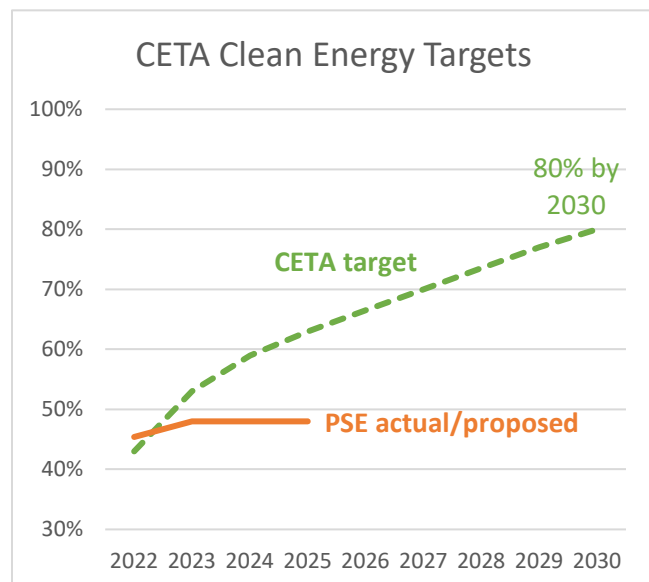
The WCEC is a coalition of volunteer representatives from environmental and civic organizations as well as individual activists and ratepayers. Our primary mission is to accelerate our state’s transition to clean energy sources by engaging with PSE and the UTC, advocating on behalf of current and future generations of people, plants, and animals that are impacted by rising concentrations of greenhouse gases in our shared atmosphere.

Although the WCEC was founded only a few years ago, many of our members have served on PSE’s Integrated Resource Plan Advisory Groups for almost a decade. We are well-informed about PSE’s efforts to comply with state legislation such as the Clean Energy Transformation Act (“CETA”), the Climate Commitment Act, and HB 1589, which seeks an orderly transition from natural gas to clean electricity. We are also familiar with PSE’s desire to maximize return on investment for its shareholders, sometimes at odds with compliance of these laws and the best interest of its customers and the environment. We appreciate the role the UTC plays in resolving these often-conflicting interests.

CETA vs. actual/proposed targets

The WCEC created this graph based on information shared by PSE at the October 29, 2024 meeting of its Resource Planning Advisory Group (“RPAG”).

The dashed green line shows interim targets as published in PSE’s 2021 Clean Energy Implementation Plan in response to the CETA law. PSE lowered the interim targets in its 2023 Biennium Update. Now PSE proposes to further stall progress in 2024 and 2025. As evident in the chart, this latest proposal produces an ever-widening gap between PSE’s performance and the targets necessary to credibly achieve the mandated goal of 80% clean energy by 2030.



This slippage incurs two risks. First, even if PSE were to get back on track in the last few years before 2030, the company will have emitted significantly more harmful gases than adherence to the 2021 targets would have achieved. Second, this minimal progress means that PSE may well miss the 2030 target, possibly by a lot.

In the October RPAG meeting, PSE said it was “cautiously optimistic” that it would achieve the 2030 goal despite its performance so far. However, the company cautioned that a few more low hydro years and competition from big tech companies to secure clean energy resources remain significant risks to achieving this goal.

For PSE, failing to comply with CETA means minor financial penalties. But for many cities and counties, PSE’s failure to deliver cleaner electricity means they will not be able to meet their own clean energy goals. The cascading failures would become national news. If a prosperous, climate aware, and high-tech region like the Puget Sound cannot meet its clean energy goals, is there hope for other cities, states, and countries? Such an outcome of our forward-looking climate policies would reverberate, promoting despair and negatively impacting clean energy goals in other localities.

Requested remedy

In the RPAG meeting, PSE said it was difficult to meet interim targets because electricity generated from hydropower has been scarce, and big tech companies have been competing for other clean resources. PSE claimed it could meet interim targets for 2024 and 2025 by spending \$200 million on short-term market purchases of clean energy. However, the company said that this spending would not help it achieve the 2030 target and would simply make electricity more expensive for all its customers.

This puts customers in a difficult position: “Pay up or mortgage the well-being of future generations.” PSE blames their failure on Mother Nature and other companies rather than acknowledging that its planning process was inadequate. PSE chose interim targets based on the assumption that hydropower would be normal, even though the Environmental Protection Agency has warned for years that climate change would reduce river flows in the Pacific Northwest. Members of PSE’s Advisory Groups (including members of the WCEC) have been describing this risk for many years.

Furthermore, there are many cost-effective policies and technologies that PSE could have incorporated during the past decade that would address the problems we now face. Consultants have described opportunities for Demand Response, Distributed Energy Resources, Virtual Power Plants, EV integration, Time-of-use Rates, and Electrical Efficiency that the company has ignored or unnecessarily delayed.

PSE wants customers to pay for the undesirable outcome of slow walking these innovations. This is surely not what the authors of CETA intended. The public vigorously protests PSE’s proposal to lower interim targets or raise electricity prices.

We ask the UTC to reject PSE’s proposal and require PSE to urgently implement the many options for reducing demand and increasing the availability of renewable energy. PSE must be held accountable for its slow rate of innovation and inadequate planning to meet clean energy targets set by our legislature.

Sincerely,

Don Marsh, Chair
Washington Clean Energy Coalition