Hello,

Please find attached a comment letter from King County Executive Dow Constantine, and the Mayors of Burien, Issaquah, Kirkland, Mercer Island, and Snoqualmie with reference to Puget Sound Energy's 2017 Integrated Resource Plan, Dockets UE – 160918 and UG - 160919.

On behalf of Executive Constantine, thank you for the opportunity to provide comments on this docket. Please do not hesitate to reach out to me directly with any questions.

Sincerely,

Rachel Brombaugh

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February 21, 2018

Steven V. King Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250 1300 S Evergreen Park Dr. SW Olympia, WA 98504-7250

RE: Puget Sound Energy's 2017 Integrated Resource Plan, Dockets UE-160918 and UG-160919

Dear Chairman Danner and Commission Members:

King County and the cities of Burien, Issaquah, Kirkland, Mercer Island, and Snoqualmie are commenting jointly on Puget Sound Energy's (PSE) Integrated Resource Plan (IRP) now before the Washington State Utilities and Transportation Commission (UTC). We are providing these comments as elected officials representing more than 2.1 million Washington residents, many of whom are PSE customers.

Confronting climate change and accelerating a transition to a clean energy economy is a shared priority for our jurisdictions. Through the Growth Management Planning Council, 39 cities and King County have established shared, formal targets to reduce greenhouse gas emissions by at least 50 percent by 2030 and 80 percent by 2050. As members of the King County - Cities Climate Collaboration (K4C), we have charted out specific commitments needed to meet these targets, including phasing out coal-fired electricity sources by 2025, limiting construction of new natural-gas fired electricity generation plants, and increasing renewable electricity use to 90 percent by 2030. To date, King County and thirteen local governments representing more than 1.75 million residents have endorsed the K4C's Joint County - City Climate Commitments and are working together to meet them.

We are pleased to see the emphasis on conservation, and the consideration of battery storage and demand response programs in the current IRP. We also appreciate PSE's integration of Steven V. King February 21, 2018 Page 2

carbon pricing into its scenarios. We are encouraged by the IRP models that demonstrate the ability of PSE to deliver power without constructing additional generating facilities until 2025. However, we believe there are additional opportunities for PSE to pursue that would significantly reduce or eliminate the need for additional fossil-fuel based generation beyond 2025. Where there are policy barriers to these actions, we want to work collaboratively to overcome them.

- Efficiency: We support the IRP's emphasis on energy efficiency as a low cost, highly effective component of PSE's core business, but believe that there is further potential to strengthen electricity and natural gas efficiency goals. Rapidly improving energy efficient lighting and mechanical systems, coupled with pursing deep energy retrofits supported by Washington's Commercial Energy Code, would save consumers money, reduce the need for additional generation, and spur local job growth and economic development.
- **Demand Response:** We support PSE's commitment to test the potential of demand response programs that support customer efforts to reduce or shift energy use during peak periods. These programs have potential to significantly conserve energy and reduce peak loads, thus reducing the need for additional generation facilities. Utilities in California and Texas have demonstrated the economic and environmental value of demand response programs, and we have an opportunity to expand our use of these efficient programs in Washington State. While the IRP begins to lay the groundwork for PSE to bring on demand response programs, these efforts should be expanded.
- **Carbon Pricing:** We appreciate PSE's inclusion of assumptions for future carbon regulation in its scenarios. This is consistent with our interest in policies that put a price on carbon to more accurately capture the costs and benefits of fossil fuels versus renewable energy alternatives.
- **Battery Storage:** We are pleased to see battery storage introduced as a resource in the IRP. We encourage PSE to increase the use of battery storage technologies and we would be supportive of policy that would fully value the flexibility and scalability of battery storage as a resource.
- **Rate Design:** We encourage PSE to more fully evaluate the potential for rate design to support the growing demand for electricity for vehicle charging while sending appropriate price signals to encourage customers to reduce peak loads, mitigating demand for new fossil-fuel based generation.
- **Renewable Energy:** We seek a more thorough and rigorous evaluation of renewable resources in concert with efficiency, demand response, and storage to meet the electricity needs of PSE's customers. We recommend a review of construction and operations costs for a range of solar generation locations, and closer analysis of wind facilities both in Washington and Montana that help flatten seasonal and daily

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generation profiles. For all renewable sources, pricing scenarios in the current IRP do not appear to reflect the rapid cost reductions of these technologies, particularly at utility scale.

• **Colstrip:** We thank PSE for its continued planning for the retirement and closure of Colstrip units 1 & 2 by 2022. We support PSE's work in its recent general rate case filing to reach an agreement with a stakeholder group holding broad and diverse interests that accelerated the depreciation of Colstrip units 3 & 4 to 2027, funded workforce and community transitions, and protected ratepayers. We continue to seek a clear timeline and commitment to retire units 3 & 4 and encourage PSE to explore and model scenarios in which units 3 & 4 are retired by 2025 and replaced with renewable resources.

The King County – Cities Climate Collaboration has a long history of collaboration with PSE. We have partnered with PSE on programs and initiatives that have increased investment in energy efficiency for our local government operations and for residents and businesses in our jurisdictions. King County and three K4C partner cities are enrolled in PSE's Green Direct program to power facilities with new wind power generated in southwest Washington.

A long-term plan that continues to rely heavily on fossil-fuel based electricity generation and thermal resources is economically risky for ratepayers, impacts our residents' health, and runs counter to our commitments to reducing greenhouse emissions and increasing production and use of clean renewable energy. We have a long term interest in the health, well-being, and economic opportunities of our residents. We will to continue to collaborate with the UTC and utilities to reduce barriers to advancing renewable energy in our region and Washington State, and achieve our goal of 90 percent renewable energy supply by 2030.

Thank you for the opportunity to provide comments.

Sincerely,

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Dow Constantine King County Executive

Mary Lou Pauly Mayor, City of Issaquah

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Jimmy Matta Mayor, City of Burien

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Amy Walen Mayor, City of Kirkland

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Dessie Butin

Debbie Bertlin Mayor, City of Mercer Island

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Matt Larson Mayor, City of Snoqualmie