

TESTIMONY ON PUGET SOUND ENERGY'S 2018 IRP

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My name is Ronald Snell and I am a resident of Kirkland, WA. I want to thank the Commission for holding this hearing in Renton and making it easier for PSE rate payers to testify on this IRP.

Last spring PSE initiated a new program called Green Direct in which it offered renewable energy to a number commercial customers and government agencies who wanted to reduce their greenhouse gas emissions. The program also included electricity at a fixed rate as part of a long term contract. The Kirkland City Council recognized that this was a good deal and approved the package with a vote of 7 to 0. Even those members not interested in clean energy supported it because it made good economic sense.

As a rate payer I would like the same deal on my electricity bill that the City of Kirkland accepted as I am sure would most other residents and businesses in PSE's service territory would as well. In its IRP PSE is proposing to replace most of Colstrip with natural gas plants. Natural gas prices like other fossil fuels are highly volatile in price. If gas prices should go up significantly, it will not be PSE's profits that are at risk. They will simply pass along their increased costs to Washington ratepayers.

Currently natural gas prices are at historic lows because of increased availability as a result of "fracking". Many experts, including the US Energy Information Administration, believe that natural gas prices will go up considerably, perhaps doubling over the next 10 years. It is impossible to forecast what gas prices will do over the expected life of a 40 year gas plant, but there are many factors which may drive the cost of natural gas even higher. It is likely that Washington will eventually adopt some form of carbon pricing which, in turn, will raise the price of natural gas. In addition, the gas industry is working hard to develop an export market for the product and their success will put additional pressure on natural gas prices. Finally, because of the threat that "fracking" poses to ground water, there is the risk that more states and localities may ban "fracking" and put further pressure on natural gas resources.

For both environmental and economic reasons, I urge that PSE close its Colstrip plant by 2025 and replace it with energy efficiency and renewable energy.

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