

GOOD MORNING, MY NAME IS WARREN HALVERSON. I LIVE AT 13701 NE 32<sup>ND</sup> PLACE, BELLEVUE WASHINGTON AND AM A RATEPAYER IN THE BRIDAL TRAILS NEIGHBORHOOD, PRESIDENT OF OUR HOMEOWNERS ASSOCIATION AND A BOARD MEMBER OF THE COALITION OF EASTSIDE NEIGHBORHOODS FOR SENSIBLE ENERGY. I AM A RETIRED EXECUTIVE OF US WEST AND CONSULTANT IN MARKETING, SALES AND REGULATORY INDUSTRIES.

HAVING ATTENDED NEARLY EVERY IRP MEETING AND SERVING ON THE ADVISORY COUNCIL, I WANT TO THANK YOU AND YOUR STAFF FOR THIS ANALYTIC FORUM; THE MEMBERS OF THE ADVISORY GROUP FOR THEIR ROBUST DEBATE AND PSE FOR SOME DEGREE OF OPENNESS ....

EVEN AT THAT PARTS OF THIS IRP APPEAR QUESTIONABLE AND INCOMPLETE (YOU HAVE ON FILE MY WRITTEN TESTIMONY). TODAY I WOULD LIKE TO ADD THESE COMMENTS: IN CHAPTER 5 "ENTITLED DEMAND FORECAST" THERE IS NO DISCUSSION OF GROWTH AREAS AS THERE WAS IN THE 2015 IRP. THIS IS REALLY IMPORTANT BECAUSE IT TELLS US WHERE GROWTH IS TAKING PLACE AND THUS CAPITAL EXPENDITURE REQUIREMENTS. ALSO, PSE HAS NOT PROVIDED A CURRENT 10 YEAR "EASTSIDE CUSTOMER DEMAND FORECAST", WHICH HAS BEEN THE CORNERSTONE OF PSE'S PUBLIC JUSTIFICATION FOR ENERGIZE EASTSIDE.

YET, RATEPAYERS ARE BEING TOLD THE ENERGIZE EASTSIDE PROJECT MUST BE CONSTRUCTED TODAY – IN THE 2018/19 TIMEFRAME TO AVOID POTENTIAL ROLLING BLACK OUTS. IT IS ONLY REASONABLE AND PRUDENT THAT THIS ANALYSIS BE INCLUDED, TODAY IN THE 2017 IRP. WE SIMPLY CAN'T WAIT.

IN CHAPTER 8 'SYSTEM PLANNING" PSE USED ENERGIZE EASTSIDE AS A DESCRIPTIVE EXAMPLE OF TRANSMISSION PLANNING. THIS IS A GOOD START BUT DOES NOT GO FAR ENOUGH. THERE IS NO MODELING. THERE ARE NO CURRENT FORECASTS. NO ANALYSIS. THERE ARE NO CURRENT LOAD FLOW STUDIES WHICH ARE THE CORNERSTONES FOR TRANSMISSION PLANNING. FURTHERMORE, THE IRP ADVISORY COMMITTEE NEVER HAD ANY INPUT, NEVER 'VETTED' NEVER APPROVED IT. CHAPTER 8 WAS ADDED DURING THE LAST FEW WEEKS OF THE PLANNING PROCESS. THIS LACK OF OVERSIGHT AND REVIEW IS TOTALLY INADEQUATE IN THE 2017 IRP AND SHOULD NOT BE KICKED DOWN THE ROAD TO THE 2019 IRP.

THE ELECTRICAL INDUSTRY IS RAPIDLY CHANGING: TREMENDOUS CHANGES IN PRODUCTION WITH SOLAR & WIND; CONSERVATION, EASILY SURPASSING WHAT MANY THOUGHT COULD BE ACHIEVED; NEW TECHNOLOGIES, BATTERIES AND DEMAND RESPONSE; SMART GRID

DESIGN WITH VARIOUS PROTOCOLS; HOUSES AND HUGE CORPORATE BUILDINGS BECOMING ENERGY SUFFICIENT. THESE ARE SIGNIFICANT, SO SIGNIFICANT THAT THE BPA JUST THIS LAST YEAR CANCELLED THE CONSTRUCTION OF A 550KV TRANSMISSION LINE.

THE BPA CAME UP WITH A WIRE TO NON-WIRE SOLUTION USING STORAGE BATTERIES, FLOW CONTROL DEVICES, DEMAND RESPONSE AND DISPATCH AND INJECTION PROTOCOLS. BPA NOTED THAT THIS WAS A MORE FLEXIBLE, MORE EFFICIENT AND A MORE SCALABLE SOLUTION FOR BOTH TODAY AND TOMORROW, THEREBY AVOIDING MILLIONS OF DOLLARS IN MITIGATION AND IN ESCALATING PROJECT COSTS.

IT SEEMS THAT PSE'S 2017 IRP DOES NOT MEET THE INTENT AND REQUIREMENTS IN WAC 480-100- 132 FOR TRANSMISSION AND WAC 480-100-238 FOR INTEGRATED RESOURCES PLANNING. THEREFORE, YOU MIGHT CONSIDER REQUESTING PSE PROVIDE A SUPPLEMENTAL TO THE CURRENT 2017 IRP REGARDING TRANSMISSION DEMAND AND PLANNING AND HOLDING A SEPARATE SPECIAL HEARING RELATED TO ENERGIZE EASTSIDE, THEREBY FULLY MEETING PRUDENCY TESTS AND OVERSIGHT RESPONSIBILITIES OF THE COMMISSION.

THANK YOU.