

January 30, 2023

Commissioner David Danner, Chair
 Commissioner Ann Rendahl
 Commissioner Milt Doumit
 Washington Utilities and Transportation Commission
 P.O. Box 47250
 Olympia, WA 98504-7250

RE: Puget Sound Energy Draft 2023 Gas Utility Integrated Resource Plan

Honorable Commissioners,

The Washington Clean Energy Coalition (WCEC) asks the Commission to **reject** Puget Sound Energy's Draft Gas Utility Integrated Resource Plan (IRP) published on January 24, 2023.¹ WCEC is a coalition of environmental and civic organizations that have participated as stakeholders in the development of PSE's IRPs for many years.

In the Draft IRP, PSE analyzes many possible sensitivities that model different assumptions and policies. We would like to focus on three: PSE's Preferred Portfolio, a Hybrid Heat Pump Portfolio, and an Electrification Portfolio based on the State Energy Strategy.

The Preferred Portfolio would cut present day emissions only 12% by 2050. The portfolio employs a mix of renewable natural gas, hydrogen, and Demand Side Resources. Together, these would reduce emissions by **24%** of the inexorably rising demand forecast. To mitigate harm caused by the remaining 76% of emissions, PSE proposes to buy billions of dollars of "carbon allowances" from other companies, as permitted by the Washington Climate Commitment Act. The cost of these allowances will be passed on to customers who will pay for PSE to pollute while doing little to reduce real emissions.

The Hybrid Heat Pump Portfolio assumes widespread switching of natural gas furnaces to a type of heat pump that burns natural gas whenever the temperature dips below 35 degrees. By 2050, this option would reduce emissions by **79%** (the remaining 21% would be covered by allowances). The cost would be \$2.4 billion, about 12% higher than the Preferred Portfolio. Although cleaner than the Preferred Portfolio, the adoption of hybrid heat pumps would prolong use of natural gas for many years to come.

Washington Clean Energy Coalition prefers the Electrification Portfolio, which reduces 2050 emissions by **86%** (14% left for allowances) and sets us on a path to eliminate gas emissions shortly afterward. Electrification would cost \$3.1 billion, 15% more than the Preferred Portfolio, but customers would fund investments in a clean energy grid rather than mitigating harmful emissions.

PSE claims the Preferred Portfolio is the cheapest solution, but the company is hiding the cost of converting to cleaner energy beyond the 2050 planning horizon. When that inevitable cost is added to the cost of buying enormous carbon allowances for decades, the Preferred Portfolio becomes undesirable economically as well as ethically.

Instead of paying other companies to offset PSE's emissions, we want PSE to invest our dollars in a clean, smart, reliable, affordable electric grid.

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Why would PSE prefer a plan that postpones real action on carbon emissions? It appears that PSE is prioritizing the interests of its shareholders. More than half of PSE's gas customers buy their electricity from a utility other than PSE.² If PSE pursues electrification with any vigor, the company would lose customers to other utilities. PSE apparently sees a transition to a clean electric grid as a risk to its revenues. We conclude that government oversight is necessary to serve the public interest.

Due to our state's history and geography, Washington benefits from abundant hydropower produced by dams that were funded by all US taxpayers. Consequently, we enjoy the cleanest electric grid and the least expensive residential electricity in the nation.³ Washington is now in a unique position to play a leading role in our nation's critically important transition away from fossil fuels.

However, Washington's largest utility company (PSE) has no incentive to enable this transition unless it is compelled by legislation and regulatory enforcement. Two bills being debated in the legislature, SB 5562⁴ and HB 1589⁵ may help, although we believe stronger legislative language would be needed to discourage PSE's self-interested promotion of hybrid heat pumps.

We ask the Commission, the Governor, the Legislature, and other representative bodies to compel PSE to create an energy plan that is worthy of our state, our planet, and those who will follow in our footsteps.

Don Marsh, Washington Clean Energy Coalition

Cc:

- Governor Inslee
- Washington State Attorney General Bob Ferguson
- Washington State Senator Joe Nguyen
- Washington State Representative Beth Doglio
- King County Executive Dow Constantine
- Snohomish County Executive Dave Somers
- Pierce County Executive Bruce Dammeier
- Thurston County Board of Commissioners
- Kittitas County Board of Commissioners

¹ PSE's 2023 Gas IRP can be found at <https://www.pse.com/IRP/Current-IRP-Process#2023GasIRP>.

² We surveyed the 50 largest cities in PSE's service territory to estimate how many gas customers would not be served by PSE if they electrified completely. The top four cities served by an electric utility other than PSE (Seattle, Tacoma, Everett, and Marysville) account for 40% of PSE's gas customers. The top four cities that get both gas and electricity from PSE (Bellevue, Kent, Renton, and Federal Way) account for only 18% of PSE's gas customers.

³ <https://www.citizensutilityboard.org/wp-content/uploads/2022/09/Electric-Utility-Performance-Report-Second-Edition-final.pdf>. Outstanding Washington results are shown on pages 7 and 27.

⁴ <https://www.waclimateleg.info/sb5562/>

⁵ <https://www.waclimateleg.info/hb1589/>

The following individuals and organizations (in bold) reject the Preferred Portfolio as described in PSE's 2023 Gas IRP and ask for a better plan for the sake of ratepayers, our world, and future generations.

1. Pete Stoppani, Redmond
2. Sarah Richards, Kirkland
3. Elizabeth O'Donoghue, Greenbank WA
4. Madeline Bishop, Olympia
5. Marty Bishop, Port Orchard
6. **BETTY MCNIEL, BELLEVUE**
7. Andrew Ryan, Tumwater
8. Lisa Ornstein, Olympia
9. Hanna Floss, Bellevue
10. Julie Martinson, Everett, WA
11. Terry W. Needham, Olympia
12. Suzanne Greenberg, Vashon, WA
13. Melvin Mackey, Vashon, WA
14. Virginia Lohr, Vashon
15. Stephanie G Barbee, Vashon
16. Jenna Riggs, Vashon
17. Noah Roselander, Vashon
18. Robert Briggs, Vashon
19. **Kevin Jones, representing Indivisible Vashon**
20. **Virginia Lohr, representing Vashon Climate Action Group**
21. Vicky de Monterey Richoux, Vashon
22. Patricia Minier, Vashon WA
23. Andrea Avni, Vashon Island
24. Stewart Putnam, Vashon WA
25. Jessica Lisovsky, Vashon
26. Patrick D, Tacoma
27. Cathleen deSmet, Vashon
28. Judith D. Tonkin, Vashon Island
29. Kathleen Fitch, Vashon island
30. **Rachel Waldron, representing Waldron Designs, LLC**
31. John Stott, Vashon
32. Rondi Lightmark, Vashon
33. Christopher McEnany, Vashon, WA
34. Terry Sullivan, Vashon, WA
35. Jean Berolzheimer, Vashon, WA
36. Janie Starr, Vashon
37. Ruth Lipscomb, Bellevue, WA
38. Harris Levinson, Vashon
39. Lorna Walker, Vashon
40. Gale Lurie, Vashon
41. Donna Klemka, Vashon
42. Kathy Ostrom, Vashon
43. Emily Herrick, Vashon
44. Morris Williams, Vashon
45. Nancy Murphy, Vashon, WA
46. **Carolynn Zimmers, representing North Kitsap Indivisible**
47. Diane Emerson, Vashon
48. Erin Durrett, Vashon
49. Darren Lay, Vashon
50. Owana Durrett, Vashon
51. Gideon Towns Griffin, Vashon
52. merrilee runyan, Vashon
53. Susan L Pitiger, Vashon
54. Tom Craighead, Vashon
55. **Deb Carstens, representing Wallingford Indivisible**
56. Christina Dubois, Vashon, WA
57. Deborah Reilly, Vashon, WA
58. **Kathleen Wallace and Holly Brewer, representing Indivisible Bainbridge Island**
59. Dan McDevitt, Vashon
60. Michael Laurie, Vashon
61. Mary Shemeta, Vashon, WA
62. Miriam Margulies, Bellingham
63. Mike Magrath, Vashon
64. **Louise Pathe, representing Indivisible Eastside (WA)**
65. Robin Gitelman, Sammamish
66. **Linda Hood, representing Indivisible Tacoma**
67. Brenda Cunningham, Mount Vernon
68. **Lisa Ornstein, representing Olympia Indivisible**
69. Alix Foster, Mount Vernon
70. Deborah Hubenthal, Stanwood
71. Linda Ballantine, Bow
72. Norm Conrad, Mount Vernon
73. Nancy Shimeall, La Conner
74. Hugh schmidt, Sedro woolley
75. Noah Roselander, Vashon
76. Roger Wechsler, Bow
77. Lettie Lance, Burlington
78. Deborah Hubenthal, Stanwood
79. Bob Gillespie, Mount Vernon
80. Alix Foster, Mount Vernon
81. **Steve Erickson, representing Whidbey Environmental Action Network**
82. Hans Van Dusen, Vashon
83. Elyette Weinstein, Olympias, WA
84. Willard Westre, Bellevue
85. **Fran Korten, representing Climate Action Bainbridge**
86. Ronald Snell, Kirkland
87. Herbert Hethcote, Bainbridge Island
88. Leslie Marshall, Bainbridge Island
89. Susan Loftus, BAINBRIDGE ISLAND
90. Michael Cox, Bainbridge Island
91. **Holly Brewer, representing Indivisible Bainbridge Island**
92. Deborah Rudnick, Bainbridge Island

93. Amber McGing, Bainbridge Island
94. Ellen Lockert, Bainbridge Island
95. Kiman Lucas, Bainbridge Island
96. Fay, Poulsbo
97. Cyndi Merritt, Bainbridge Island
98. Maureen Sansbury, BAINBRIDGE ISLAND
99. Joan Clark, Poulsbo
100. Julie MacGregor, Bainbridge Island
101. Bobbie Morgan, Bainbridge Island
102. Chrysan Gallucci, Bainbridge Island
103. Bill McClain, Bainbridge Island
104. M. C. Halvorsen, Bainbridge Island, WA
105. Joan Sutliff, Bainbridge Island
106. Risemary Sult, Seattle
107. Patricia Momi Palmieri, Leavenworth
108. Jennifer Slack, Bainbridge Island
109. Judy Friesem, Bainbridge Island
110. Elizabeth Baker, Poulsbo, WA
111. Elizabeth Baker, Poulsbo, WA
112. Hilary Hilscher, Bainbridge Island, WA
113. Donna Miksys, Seattle
114. Rimas Miksys, Seattle
115. Carol Ann Davidson, Bainbridge Island
116. elaine brouwer, bainbridge island
117. Paul Aussendorf, Bainbridge Island
118. Sharon Heim, Poulsbo
119. Anne Newcomb, Issaquah
120. John Sherwin, Issaquah
121. Mary Lovell, Indianola
122. Nancy Adam, Bainbridge Island
123. Nancy Mehlenbacher, Bainbridge Island
124. David Korten, Bainbridge Island
125. Lucy Ostrander, Bainbridge Island
126. Maradel Gale, Bainbridge Island
127. Judith Bamburg, Poulsbo
128. Alexandra Edvardsen, Bainbridge Island
129. Louise Davis, Bozeman MT
130. Cory Munson, Bainbridge Island
131. Judith Brockmann, Bainbridge Island
132. Jeanne Powell, Bainbridge Island
133. Jennie W. Sheldon, Bainbridge
134. Sarah Richards, Kirkland
135. Katherine Anderson Laws, Bainbridge Island
136. Michael Laurie, Vashon
137. Joe Deets, City of Bainbridge Island Councilmember
138. Kathleen Wallace, Suquamish
139. Julie Bennett, Bainbridge Island
140. Ann Frothingham, Seattle
141. Marcia Lagerloef, Bainbridge Island
142. Jon Mathison, Seattle
143. Brian Anderson, Bainbridge Island
144. Martha Bishop, Port Orchard
145. Anita rose, Port Orchard
146. Jo Walter, Bremerton
147. Kary Wayson, Port Orchard
148. Judy Arbogast, Olalla
149. Deborah Hodack, Port Orchard
- 150. Barbara Zimmer, representing Climate Action Bainbridge**
151. John Goertzel, Port Orchard
152. Luke, BAINBRIDGE ISLAND
153. Michael Libes, Bainbridge Island
154. Karen Mensinger, Allyn
155. Hunter Severt, Gig Harbor