Attachment B

From: Fukano, Harry O. (UTC)
To: Fukano, Harry O. (UTC)
Subject: FW: PSE Snoqualmie BESS Considerations | Supplemental Prudence Concern
Date: Friday, May 8, 2026 9:23:33 AM

From: Danielle Wallace <danielle@snovalleyenergy.org>
Sent: Wednesday, April 22, 2026 11:45 AM
To: Rybarik, Brian (UTC) <brian.rybarik@utc.wa.gov>; UTC DL Commissioners <Commissioners@utc.wa.gov>; Media (UTC) <media@utc.wa.gov>; Rendahl, Ann (UTC) <ann.rendahl@utc.wa.gov>; Rendahl, Ann (UTC) <ann.rendahl@utc.wa.gov>; Doumit, Milt (UTC) <milt.doumit@utc.wa.gov>; Thompson, Connor (UTC) <connor.thompson@utc.wa.gov>
Subject: PSE Snoqualmie BESS Considerations | Supplemental Prudence Concern

External Email

Dear WUTC Commissioners:

Please find attached a letter addressed to WUTC Commissioners regarding the Cascadia Ridge BESS proposal immediately adjacent to Snoqualmie, WA. This letter supplements a letter we sent April 13, 2026 from my personal email, daniellewallace213@gmail.com.

Kind regards,

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SVRE

Danielle Wallace
PRESIDENT
Snoqualmie Valley for Responsible Energy
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April 22, 2026

Chair Brian Rybarik
Commissioner Ann Rendahl
Commissioner Milt Doumit
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503
Via email

Cc: Mary E. Kipp, PSE
King County Council Chair Sarah Perry
King County Executive Girmay Zahilay
Via email

Re: Prudence Concerns | Snoqualmie BESS Project | Docket UE-260005 / UG-260006

Dear Chair and Commissioners:

On behalf of Snoqualmie Valley for Responsible Energy ("SVRE"), I write to supplement our prior correspondence of April 13, 2026 with a focused set of facts and observations bearing directly on the **prudence** of Puget Sound Energy's ("PSE") involvement in the proposed Snoqualmie / Cascadia Ridge Battery Energy Storage System ("BESS") project.

These facts are drawn from PSE's own internal materials submitted in this rate case, public reporting, public disclosure records recently obtained and local government records. We have learned many of these subsequent to our initial communication to you, and hence wanted to add them now. Taken together, we believe they raise a material question as to whether it was reasonable for PSE to advance and seek rate treatment for this project under the standards the Commission applies in a prudence review.

1. PSE treated Snoqualmie as a rate-recoverable resource decision

PSE's internal June 2, 2025 Snoqualmie materials[i] (EMC Informational, p. 9 of 259) make clear that this project was not treated as a passive interconnection or background grid upgrade. Rather, PSE:

- pursued a **20-year Energy Storage Service Tolling Agreement** for the full project capacity;
- planned to include the project in the **2026 General Rate Case**;
- expected to obtain **prudence approval and rate recovery** in that proceeding; and
- expected to **earn a return** on the arrangement.

Consistent with that intent, the current rate case materials appear to include the Cascadia Ridge battery tolling arrangement among the agreements on which PSE is seeking recovery and return. This places the project squarely within the Commission's prudence framework.

2. PSE advanced the project while acknowledging early-stage public-process exposure

At the same time PSE was positioning the project for prudence approval, its own materials acknowledge that the project was:

- **"in early permitting"**, and
- had **"not been subject to full engagement with interested parties and tribes or a public comment period."**

In other words, PSE moved forward commercially before the project had undergone the very processes most likely to surface material opposition, safety concerns, or permitting friction.

3. "No organized opposition" was presented in context where it had limited probative value

PSE's internal materials also state that the company **"currently knows of no organized opposition."** (EMC Informational, p. 19 of 259). That representation should be understood as preliminary and of limited probative value, because it was made before the project had undergone the public-facing processes most likely to surface organized opposition. That statement must be understood in context:

- It was made **before full public engagement and formal comment processes had occurred**;
- It therefore does not reflect a mature or tested level of community acceptance; and
- It risks overstating the absence of opposition as a meaningful indicator of project compatibility.

In prudence terms, this is not strong affirmative evidence—it is, at best, a preliminary observation made prior to exposure to the conditions under which organized opposition typically forms.

4. Local government signals indicated foreseeable controversy and risk

King County's early pre-application review as soon as November 2024[ii] identified concerns that are directly relevant to prudence, including:

- the potential for **substantial public interest** in the project;
- the possibility of **public safety conflicts**; and
- the risk of **"unmitigable significant adverse impacts"** not necessarily resolved through code compliance.

Relevant portions of the email state (emphasis added):

The BESS in-house staff meeting was held this afternoon. Following this meeting, I had a review question (item 1) and then some collective project thoughts to share: [...]

*3. **Staff agreed today that the BESS project at this location has strong potential for adversely impacting life and safety, and the surrounding environment**, i.e., noise, air/water contaminant from spills, containment of fire /combustible fluids-chemicals, etc. [...]*

*5. Staff discussed the range of potential adverse environmental impacts the proposed use could create, many of which may not be addressed/mitigated by code. **Overall, the consensus was this***

project will most likely generate a lot of negative public interest, as well as create unmitigable significant adverse impacts that may conflict with the publics interests. It's an unknown.

These statements are important not because they predetermine permitting outcomes, but because they demonstrate that:

- meaningful controversy, safety concerns, and environmental impacts were foreseeable at an early stage.
- A prudent decision-making process would reasonably account for such signals when evaluating site suitability and project risk.

5. Jupiter's public statements emphasize substation adjacency as primary siting rationale

In public reporting, Jupiter Power's project leadership explained the Snoqualmie siting decision in terms of grid need and proximity to the substation, stating, on March 17, 2026 (see https://bit.ly/4tUzauD at 2:06), in response to a news broadcast question as follows:

"Why a facility right here, with a neighborhood right there?"

- Reporter (KOMO News, Michelle Esteban), pointing to a Jupiter Power graphic showing BESS near Snoqualmie residences.

"Sure, right, well, because it's directly adjacent to the Mt. Si sub-station."

- Hans Detweiler, Director of Development, Jupiter Power

That public explanation is notable because it suggests that substation adjacency and electrical convenience were central siting drivers for the Snoqualmie proposal.

That rationale sits uneasily with the broader siting considerations PSE itself has articulated elsewhere. As SVRE previously noted to PSE and this Commission, PSE's own siting framework and "Good Neighbor" principles contemplate more than electrical convenience alone. They include considerations such as:

- compatibility with existing land use,
- minimizing landowner and neighborhood impacts,
- avoiding conflicts with nearby homes, schools, hospitals, and similar sensitive uses,
- and engaging the public early enough for lower-impact alternatives to be considered.

Thus, the concern is not that proximity to a substation is irrelevant. It plainly is relevant. The concern is that Jupiter's public explanation points to a **siting process dominated by interconnection convenience,** rather than the type of broader, balanced compatibility analysis that PSE's own materials suggest should inform storage siting where homes, parks, schools, and other sensitive community uses are nearby.

This same emphasis appears in PSE's internal Snoqualmie materials, which focus heavily on the direct Mt. Si interconnection path, system value, and the favorable zoning posture of the parcel.

That alignment between Jupiter's public explanation and PSE's internal framing further supports the inference that **electrical and commercial convenience may have outweighed broader site-compatibility considerations.**

6. Prudence requires more than cost and interconnection efficiency

SVRE recognizes that proximity to substations and system needs are legitimate and important considerations.

However, under well-established prudence standards, the Commission's inquiry is broader. It asks whether, at the time decisions were made, it was reasonable for a regulated utility to:

- select this site,
- advance this commercial structure, and
- seek cost recovery from ratepayers,

given what it knew or should have known about:

- permitting risk,
- public safety concerns,
- community compatibility, and
- the likelihood of organized opposition.

7. The central prudence question

Taken together, the record supports a straightforward question for the Commission:

Was it reasonable for PSE to advance a 20-year, return-bearing tolling arrangement for the Snoqualmie BESS project, and to seek rate treatment for it, **before the project had undergone full public engagement**, while **internal materials understated the significance of opposition risk**, and where **local government signals already indicated the potential for substantial and possibly unmitigable impacts?**

This is not a policy objection. It is a classic prudence inquiry.

Conclusion

SVRE respectfully requests that the Commission:

- require PSE to identify with specificity where and how, in Dockets UE-260005 / UG-260006, it seeks prudence approval, rate recovery, or return for the Snoqualmie / Cascadia Ridge arrangement;

- reserve any prudence determination as to Snoqualmie unless and until PSE makes a full supplemental showing regarding site selection, permitting posture, community and government-affairs risk, alternatives considered, and the basis on which PSE contends the arrangement remained prudent;

- deny or defer any rate recovery or return associated with the Snoqualmie / Cascadia Ridge arrangement absent such a showing; and

- require full disclosure, to the extent permitted by law and protective arrangements, of the materials bearing on PSE's board approval, risk assessment, regulatory recovery plan, and community-impact evaluation for this project.

We appreciate the Commission's attention to these issues and stand ready to provide any additional information that may assist in your review.

Respectfully submitted,

Danielle Wallace
President
Snoqualmie Valley for Responsible Energy (SVRE)
Snoqualmie, WA

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[i] Exh. CJP-20HC Puget Sound Energy – ***EMC Informational: Snoqualmie Energy Storage***
Witness: Craig J. Pospisil Dockets UE-260005 / UG-260006, Dated June 2, 2025 ("EMC Informational")
[ii] Email November 21, 2024, "PREA24-0129 Battery Energy Storage Systems (BESS) – assignment" from King County Senior Planner/Project Manager III, King County Department of Local Services, Permitting Division.