

Oral Comments of Lauckhart at Ownership Transfer hearing...Docket U-180680
Nov 5, 2018 Olympia, Washington WUTC Hearing Room

Under the Macquarie foreign ownership group, PSE has (and still is) abusing the transmission planning process. I have submitted written comments in this proceeding detailing those abuses and suggesting that this commission put a stop to these abuses by putting seven additional conditions on your approval of this ownership transfer to another foreign owner group. I have submitted written comments in support of the Joint Petitioners Petition for a Adjudicative Proceeding in this matter.

Your trial staff advises me that this is the wrong forum to raise my belief that additional Conditions be placed on any WUTC approval of this ownership transfer. They say I should raise these matters in the IRP or in a prudency hearing. Of course, the problem with raising these matters in a prudency hearing is that the environmental damage does not get fixed if this Commission does not approve the expenditures on a transmission line after the line is built.

One would think that the IRP process should be able to address these matters. But if PSE refuses to cooperate in an IRP process and the WUTC does not require them to cooperate, then that is not a remedy.

As you know, this year the Commission has admonished PSE for not properly dealing with transmission matters in their last IRP. That was done in your Acknowledgement Letter Attachment in PSE's last IRP (UE-160918).

I have submitted comments on PSE's new IRP (UE-180607) that the deficiencies articulated by this Commission in their Acknowledgement Letter need to be addressed in this next IRP. **But I see nothing in the 2019 IRP workplan that indicates these deficiencies will be addressed.** And more telling, PSE is still telling IRP Advisory Group members that they will not be answering questions on their justification for EE. In a Sept 19, 2018 letter, in response to an information request from Don Marsh, PSE has declined to answer questions for CEII reasons or confidentiality reasons.

CEII reasons: In that Sept 19, 2018 letter PSE stated that even though the member has CEII clearance from FERC, that ***"Please note that FERC approval does not constitute PSE approval. FERC jurisdictional entities such as PSE have their own CEII processes and procedures that are meant to function and be applied for separately and independently from those of FERC."*** And PSE refused to give their CEII approval and answer questions.

Confidentiality reasons: In that same Sept 19, 2018 letter PSE stated that ***"Historical loading on individual substations is confidential in order to protect customer sensitive information so this request is denied"***

It appears that once again the IRP process is being abused by PSE by their refusal to conduct IRP related analysis in an open and transparent manner with stakeholder input. **This PSE continued refusal to provide information is unacceptable.**

You should be aware that PSE is telling the City of Bellevue that they should take comfort in the fact that the WUTC is reviewing what they do. In response to an August 14th, 2018, letter from the City of Bellevue requesting additional information on the Conditional Use Permit Application that PSE had filed for the south part of Bellevue, PSE stated (in their Sept 26, 2018 response) as follows:

"PSE is a heavily regulated investor-owned utility whose actions are carefully monitored and reviewed by the Washington Utilities and Transportation Commission (UTC)."

In essence, PSE is telling the City of Bellevue that they need not delve in to technical matters because that is being done by you, the WUTC. But then PSE refuses to comply with WUTC IRP requirements.

I am suggesting in this proceeding that the Commission place "conditions" on your ownership transfer approval that fix these problems. If you feel the matter does not need to be dealt with here because it can be addressed in the IRP itself, then you need to step up and demand that PSE conduct their IRP analysis in an open and transparent manner with stakeholder input. You could have a confidentiality agreement process in the IRP proceeding if necessary. If PSE refuses to answer questions you could set a "fact finding" hearing under which PSE witnesses answer questions under oath on the studies they include in the IRP. Or there is another possibility to assure the need for Energize Eastside is studied appropriately in the IRP in an open and transparent fashion with stakeholder input. That would entail the WUTC, as a part of the IRP, making a FERC Order 1000 request to ColumbiaGrid to include Energize Eastside as a part of a Regional Plan and hence have ColumbiaGrid study the need for Energize Eastside in accordance with FERC Order 1000 rules. The results of that study would be brought to the IRP. I have separately filed comments on that possibility in PSE IRP Docket UE-180607.

I agree that conditions in this hearing would not be necessary if the IRP was conducted in an open and transparent matter with stakeholder input. I believe that is what is supposed to happen in the IRP. But it is not happening.

In order to protect PSE customers, you need to address these problems with PSE transmission planning that have arisen under foreign ownership. You could do it by placing the conditions I propose on your approval of the ownership transfer. Or you could do it by requiring PSE to conduct their IRP process in an open and transparent fashion with stakeholder input. Or in conjunction with the IRP you could request that ColumbiaGrid do the studies of the need for Energize Eastside.

You need to do at least one of these things in order to protect PSE customers.

I am providing 5 copies of these oral comments to you this morning. Attached to these comments are copies of:

- 1) The Sept 19, 2018 letter from PSE to Don Marsh that I refer to in these comments, and
- 2) The separate comments I filed in PSE IRP Docket UE-180607 regarding the WUTC requesting that ColumbiaGrid perform the studies of the need for Energize Eastside in an open and transparent manner with stakeholder input.

Richard Lauckhart
Energy Consultant
Davis, California
lauckjr@hotmail.com



PSE.com

September 19, 2018

Via Express Mail

Don Marsh
4411 137th Ave. SE
Bellevue, WA 98006

Re: CEII Requests dated June 9, 2018 and July 8, 2018

Dear Mr. Marsh:

This letter is in response to the subject CEII requests. Please accept our apologies for our delayed response.

CEII Request dated June 9, 2018

In this request, you asked PSE to provide the maximum summer and winter peak load levels served by each 230/115 kV substation and each 115/12kV substation serving PSE's Eastside territory for each of the past ten years (2008 through and including 2017). You also asked to include the date and approximate time of each peak load event.

This request is very similar to the request you made in March 6, 2016 for individual Eastside substation load data for a six-year time period. In PSE's response to you dated May 13, 2016, we stated, "Historical loading on individual substations is confidential in order to protect customer sensitive information so this request is denied." Unfortunately, the passage of time has not altered PSE's position that such information compromises the confidential nature of customer sensitive information, so this request is again denied.

In the statement of need in your June 9, 2018 request, you noted, "This information is critical for me to understand the overall need and the specific locational and seasonal need that justifies construction of the Energize Eastside transmission upgrade project." As you may recall, the need for the Energize Eastside project has been documented numerous times: two reports by PSE and national experts from Quanta Technology, and verified by qualified and independent consultants. These experts include Utility System Efficiencies, Inc., a consultant hired by the City of Bellevue at your request.

Additionally, the Federal Energy Regulatory Commission (FERC) dismissed both of CENSE's protest and complaint against PSE, Seattle City Light, the Bonneville Power Administration (BPA) and ColumbiaGrid pertaining to the Energize Eastside Project. Specifically, FERC affirmed that PSE, BPA and ColumbiaGrid complied with their transmission planning responsibilities in proposing and evaluating the Energize Eastside Project as follows:

"Based on the record before us, we find that Puget Sound (PSE) and the other Respondents complied with their transmission planning responsibilities under Order 890 in proposing and evaluating the Energize Eastside Project" (pg. 25, para 63 of the FERC Order Dismissing Compliant under EI.15-74)

Lastly, in the statement of need in your June 9, 2018 request, you noted, "I received CEII from FERC on April 8, 2016." Your March 6, 2016 request contained a similar statement. In PSE's response to you dated May 13, 2016, we stated, "Please note that FERC approval does not constitute PSE approval. FERC jurisdictional entities such as PSE have their own CEII processes and procedures that are meant to function and be applied for separately and independently from those of FERC." That distinction still exists.

CEII Request dated July 8, 2018


In this request, you asked PSE to provide, for the years 2008 – 2017, a brief description of the date and the situation where Corrective Action Plans (CAPs) were engaged to prevent overloading of the Talbot or Sammamish transformers, and to also note the duration.

While PSE has CAPs in place today, you requested a list of when all CAPs were engaged to prevent transformer overloads at the Talbot (Hill) or Sammamish substations between 2008 and 2017. Prior to April 1, 2014, CAP events were not specifically tracked or reported, so PSE is unable to provide specific data. From 2014-2017, PSE has not had to implement CAPs for the specific contingencies you requested.

Thank you again for your interest in the Energize Eastside project.

Sincerely,

Puget Sound Energy, Inc.

By: 
George Marshall

Its: Manager Transmission Policy and Contracts

Comments by Richard Lauckhart dated October 9, 2018 in Docket No. UE-180607.

These comments deal with PSE's proposed Energize Eastside project.

On August 4, 2018 I provided comments in this Docket pointing out that the WUTC Acknowledgement Letter in the previous IRP listed deficiencies that need to be corrected in the future. I further indicated that those deficiencies should be address in this 2019 IRP.

I note that the PSE Workplan for the 2019 IRP does not address dealing with these deficiencies noted by the WUTC. Even more problematic is the fact that PSE continues to refuse to provide requested information on their studies showing the need for Energize Eastside. See attached September 19, 2018 latter from PSE to Don Marsh with regards to his request for information.

There is another solution to PSE's intransigence. That solution involves ColumbiaGrid.

In 2015 CENSE and others filed a complaint with FERC asking them to require ColumbiaGrid to conduct load flow studies on the need for Energize Eastside in an Open and Transparent fashion with Stakeholder input. In their Order dismissing the CENSE complaint FERC stated simply that there was no evidence that PSE nor any eligible party had requested in writing that Energize Eastside be a part of a Regional Plan and thus FERC did not have jurisdiction. A very technical point on FERC's part that ignored the history, the 1,500 MW to Canada and the MOU between PSE, Seattle City Light, and BPA.

PSE clearly should have made a written request to ColumbiaGrid to have Energize Eastside be a part of a Regional Plan. It seems clear that Macquarie/PSE chose not to request Energize Eastside be a part of a regional plan because to be included in a Regional Plan ColumbiaGrid would have been required to study the need for the line in an open and transparent fashion with stakeholder input. ColumbiaGrid did not do that. Further, FERC would have determined how much each entity (PSE and SCL and BPA) would be required to pay for the line. *[PSE/Macquarie have signed an MOU with Seattle City light and BPA that requires negligible financial contribution by BPA to the cost of the Energize Eastside even though it is BPAs request that Energize Eastside enhance their ability to move power over their lines to Blaine Washington that is the biggest cause for the need for the line.]* Macquarie wanted none of that to happen because Macquarie wanted to spend the money itself and have it included in PSE's ratebase by the WUTC.

There is another clear way for the WUTC to remedy these problems. FERC has pointed out that neither PSE nor any other eligible party has requested that Energize Eastside be a part of a Regional Plan. But the WUTC is clearly an eligible party to make such a request. The ColumbiaGrid protocol with the WUTC is one document that makes it clear that the WUTC would be an eligible party to make such a request. The WUTC should make that request. By having ColumbiaGrid study the need for Energize Eastside in an Open and Transparent fashion with Stakeholder input, it will assure that the 2019 IRP is properly evaluating the need for Energize Eastside. It will also be a way for the WUTC to assure that if Energize Eastside ever gets built that BPA will pay its appropriate share of the cost of Energize Eastside and that burden will not inappropriately fall on PSE customers.



ColumbiaGrid Planning Process

Order 1000 Potential Need Suggestion Form

Potential Need Name: Puget Sound Area transmission needs

Proposed by: WUTC

Contact: _____

New suggestion: Reevaluated suggestion, Previous Need Number: _____

Descriptions of Potential Order 1000 Needs (attached additional pages if needed):

See Attached

Timeline of the need: _____

Need Driven Factors (check all that applies):

Reliability requirements Economic Requirements Public Policy Requirements

Supporting Document attached: _____

Signature: _____

Date: _____

Several years ago ColumbiaGrid looked at increasing the ability of BPA to move power through the Puget Sound area to the Canadian Border at Blaine. In parallel with that, PSE did its own study of its reliability needs on the eastside of Lake Washington.

PSE's load flow studies addressed both their reliability needs and the desire for BPA to increase its ability to move power to Blaine. PSE concluded that its Energize Eastside project should be able to accomplish both goals. At that time, PSE should have requested that Energize Eastside be included in a Regional Plan in order to assure that BPA paid its fair share of the cost of the Energize Eastside project. PSE neglected to make that request.

Now the WUTC is investigating the need for Energize Eastside in the PSE 2019 IRP (WUTC Docket No. UE-180607). The PSE studies are now old and out of date. They need to be redone, in part in order to assure that BPA pays its fair share of any PSE proposed project that fulfills both PSE needs and BPA desires.

That being the case, the WUTC is requesting that Energize Eastside be included in a Regional Plan. That means that ColumbiaGrid needs to study the need for the line in an open and transparent fashion with stakeholder input. The ColumbiaGrid study needs to identify the best project that meets both PSE reliability requirements and the BPA desire to increase its ability to move power through the Puget Sound area to the Canadian Border at Blaine. Then ColumbiaGrid needs to remove the plan to increase the ability to move power to the Canadian border and see what is necessary for PSE to just meet its own reliability needs. The difference in the cost between these two plans is a cost that FERC would correctly assign to BPA.

Please move forward with this request include the PSE Energize Eastside project in a Regional Plan. This is necessary for us, the WUTC, to assure that PSE customers are not being burdened with an inappropriate amount of the cost of Energize Eastside.