

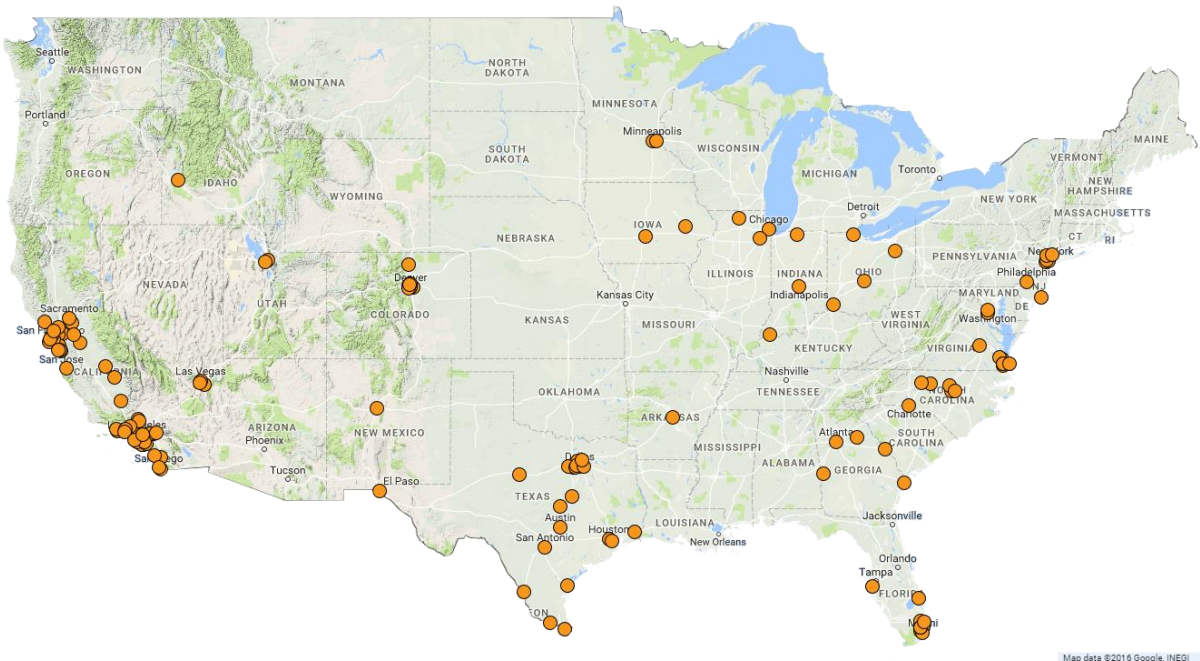
August 15, 2016

Dear Commissioners,

I am writing on behalf of CENSE (Coalition of Eastside Neighborhoods for Sensible Energy) and thousands of Eastside residents who are concerned about PSE's proposed transmission line replacement project known as "Energize Eastside."

We strongly support PSE's RFP (Filing UE-160808) for increased use of Demand Response, Distributed Generation, and Energy Storage as an appropriate response to the reduction in capacity caused by the closure of coal-fired generation units in Colstrip, Montana. We appreciate the environmental benefits of reduced carbon emissions. But the benefits don't end there. In the words of the Seventh Northwest Power Plan, the technologies and policies proposed in this RFP represent the "least expensive and least economically risky resource" for future development of our electric grid.

In the past, PSE has been reluctant to rely on Demand Response programs, saying they are unproven, unpredictable, and beyond the company's control. Using data from the U.S. Energy Information Administration, CENSE has developed the following map that shows 139 cities with more than 100,000 population that are served by Demand Response programs:



It's evident from this map that the Northwest lags the rest of the country in deployment of Demand Response. This is probably because we've been blessed with abundant, low-carbon hydro power. But that resource has its own environmental costs, and it's now at greater risk due to changing precipitation patterns in our region. It is time for the Northwest to get smarter about our electricity consumption and catch up with the rest of the country. We specifically endorse the comments and data submitted by EQL Energy in response to UE-141170.

Residents and businesses on the Eastside have found a new reason to embrace 21st century solutions. PSE is proposing to build a new 230,000-volt transmission line through at least four Eastside cities

containing 29 neighborhoods. This transmission line will industrialize our neighborhoods, destroy thousands of trees, and compromise the safety of two petroleum pipelines that deliver millions of gallons of jet fuel and gasoline to the Seatac and Portland airports on a daily basis. In comparison to the technologies in PSE's RFP, the transmission line project makes little economic or rational sense.

PSE justifies the transmission line using a study of a peak power emergency: an N-1-1 outage of two major transformers on the coldest day of the year, with six local generation plants offline, 1500 MW of electricity being exported to Canada, and then some additional failure in the grid. This scenario exceeds NERC reliability criteria, according to documents provided by ColumbiaGrid. Our own load flow study conducted by Rich Lauckhart, a former VP of Power Planning for PSE, raises questions about whether the existing electric grid can even realistically operate under these theoretical circumstances.

PSE's decision to close units in Colstrip and issue this RFP changes the assumptions for power consumption on the Eastside. Before customers are charged \$300 million or more for this project, we want to see an updated study that shows how new technologies and policies might affect the need for the transmission line. We also ask that the study details be made available to well-qualified experts who can review PSE's work. PSE has been unwilling to share this data, rejecting requests for Critical Energy Infrastructure Information at least five times during the past year.

A project that cannot withstand critical review is not a prudent investment for PSE's ratepayers.

Sincerely,

Don Marsh, President
CENSE.org