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May 7, 2021

Chair David Danner Commissioner Jay Belasbas Commissioner Ann Rendahl c/o Mark L. Johnson, Executive Director and Secretary Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

Re: Puget Sound Energy 2021 Integrated Resource Plans for Electricity and Natural Gas, Dockets UE-200304 and UG-200305

Dear Chair Danner, and Commissioners Belasbas and Rendahl:

Thank you for the opportunity to comment on Puget Sound Energy's (PSE) 2021 Draft Integrated Resource Plans (IRP) for Electricity and Natural Gas, which is now before the Utilities and Transportation Commission (UTC). I respectfully submit these comments as an elected official representing more than 2.25 million Washington residents, many of them PSE customers.

Confronting climate change and accelerating a transition to a clean energy economy is a priority for King County and our partner jurisdictions in the King County-Cities Climate Collaboration (K4C) representing more than 80 percent of the county's 2.25 million residents. Through the Growth Management Planning Council, 39 cities and King County have established shared, formal targets to reduce greenhouse gas emissions by at least 50 percent by 2030 and 80 percent by 2050. Members of the K4C have charted out specific commitments needed to meet these targets, including phasing out coal-fired electricity sources by 2025, limiting construction of new natural-gas fired electricity generation plants, and increasing renewable electricity use to 90 percent by 2030. King County's 2020 Strategic Climate Action Plan lays out priority actions to reach these goals, informed by best available science, and substantial stakeholder input.

I thank PSE for its work in developing an IRP under challenging conditions in 2020. There are several components of the IRP that show great improvement, including an increased focus on energy efficiency and demand side resources, and the acquisition of significant

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amounts of new renewable resources. However, I have concerns with several components of PSE's approach, listed below.

Compliance with CETA: The approach to IRP planning should take into account Clean Electricity Transformation Act (CETA) requirements for 80 percent carbon neutral electricity by 2030 and 100 percent clean electricity by 2045. Utilities should be developing analysis that shows the pathways to achieving these 2030 and 2045 goals at the lowest reasonable cost. I encourage the UTC to require PSE to exhaust the possibilities of renewables, efficiency, storage, demand response, and grid modernization to meet its supply needs before sourcing additional fossil fuel generation.

Electric Preferred Portfolio: PSE's 2021 Final IRP electric preferred portfolio indicates the development, by 2045, of 966 MW of Peaking Capacity with Biodiesel, referred to as "flexible capacity" in the draft IRP. I suggest a fuller analysis that demonstrates that PSE can secure a consistent high-quality supply of biodiesel that enables it to operate these plants without reliance on natural gas. Without consistent supplies of biodiesel, the capacity will likely be met with natural gas – in direct opposition to the goals of the Clean Energy Transformation Act and King County's shared emission reduction targets. This analysis should address not only availability, but cost variability, especially in light of the recent passage of the statewide Clean Fuels Standard, which makes biofuels more valuable. This analysis should compare the operational cost effectiveness of the proposed peaking capacity with other peaking "resources," including storage and demand response, and the risk of this peaking capacity becoming stranded assets in 2045. I encourage the UTC to ask PSE to more deeply investigate the cost and efficacy of efficiency, demand response, and West Coast renewable resources to address peak system needs.

Alignment with Beyond Net Zero pledge: I applaud PSE's recent release of its "Beyond Net Zero" pledge. As part of the pledge, PSE commits to CETA goals of a 100 percent carbon free electricity supply by 2045, to reduce emissions from its natural gas operations 30 percent by 2030 from a 2019 baseline, and to promote electrification in the transportation sector. I would like to see these ambitious goals, particularly the emissions reduction from the natural gas utility more clearly reflected in the 2021 IRP. In Figure 1-10 in the Executive Summary, PSE estimates an increase in peak day load prior to conservation and a nearly flat demand after conservation. This does not appear to align with the 30 percent emission reduction goal. I encourage PSE to aggressively ramp up conservation of natural gas for space and water heating, and King County is ready to partner on these efforts.

King County has a long history of collaboration with PSE. We have partnered with PSE on programs and initiatives that have increased investment in energy efficiency for our local government operations and for residents and businesses in our jurisdictions. King County is the largest subscriber to PSE's Green Direct program to power facilities with new wind power generated in southwest Washington and solar in central Washington.

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A long-term plan that continues to rely heavily on fossil-fuel based electricity generation and thermal resources is economically risky for ratepayers, impacts our residents' health, and runs counter to our commitments to reducing greenhouse emissions and increasing production and use of clean renewable energy. We have an interest in the health, well-being, and economic opportunities of our residents, particularly those communities disproportionately impacted by climate change. We will continue to collaborate with the UTC and utilities achieve the CETA goals for clean energy supplies by 2045.

Thank you again for the opportunity to comment.

Sincerely,

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