



July 30, 2013

Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250
Docket #UE-120767 (and UG-120768)

RE: Comments on Puget Sound Energy's Integrated Resource Plan

Dear Chairman Danner and Commission Members:

We are writing to comment on Puget Sound Energy's (PSE) Integrated Resource Plan (IRP) that is currently open for public comment as part of the Washington State Utilities and Transportation Commission's (UTC) review process. The IRP details PSE's plans for obtaining future energy resources for its customers.

King County is the most populous county in PSE's service territory and King County and its cities are also major PSE customers, purchasing power to support regional services like wastewater treatment and essential local services like street lighting, water supply, and traffic control. King County has a long and productive history partnering with PSE, collaborating on renewable energy projects such as the biogas capture facility at Cedar Hills landfill and accessing rebates to support energy efficiency retrofits in King County facilities. The county and cities in PSE's service area have also benefited from partnerships to establish a regional network of electric vehicle charging stations and secure the Eastside Rail Corridor for multiple public benefits, including as a utility corridor. As a major energy provider, employer, and investor in clean energy development, PSE has helped to make the region more prosperous, dynamic, and sustainable for all our residents. We look forward to continued strong partnerships with PSE as we work to improve efficiency and reduce the environmental impacts of providing services to our residents.

King County and many of its cities are also committed to environmental sustainability and responding to the challenge of climate change. We have adopted ambitious targets for reducing greenhouse gas (GHG) emissions and are making significant investments in transportation, green

building standards, capital improvement projects, open space acquisition, and waste reduction and recycling programs that will help us to meet these targets. At the same time, we are making significant investments through our King County Flood Control District to address a key local risk associated with climate change: increasing flood impacts. We are also working together through the King County-Cities Climate Collaboration to help establish a joint countywide target for reducing GHG emissions that will meet or exceed the Washington State GHG emissions reduction requirement.

In 2011, approximately 32% of PSE's electricity came from burning coal, with the majority of this coming from the Colstrip Generating Facility in Eastern Montana. Based on King County's most recent GHG emissions inventory (completed in 2012), it is clear that to meet our state, county, and city GHG targets we need to have a dedicated focus on energy efficiency and increasingly cleaner electricity generating sources.

We believe PSE's submitted IRP should more fully incorporate environmental, public health, and financial impacts and risks of continued reliance on coal-produced electricity, most notably at Colstrip, where PSE is the largest owner. We would like to see the PSE's IRP and other utility proposals relying on coal more thoroughly address the environmental and financial costs of coal mining, transport, and burning. Washington Administrative Code (480-100-238 subsection (2)(b)) directs the UTC to consider that the lowest reasonable cost scenarios include the cost of risks associated with environmental effects including emissions of carbon dioxide. In June, President Obama directed the Environmental Protection Agency to work expeditiously to complete carbon pollution standards for existing power plants. Final standards and regulations are required by June, 2015. PSE's final recommendation to the UTC, known as the "preferred portfolio," assumes no cost or price on carbon pollution for the next 20 years. Given current state law and the recent announcement by the Obama Administration, we urge the UTC to request that the IRP be updated to include an appropriate cost of carbon.

If the full costs, uncertainties, and risks of Colstrip's continued operation are considered, it is likely that the combined costs of complying with environmental impacts (including impacts related to air pollution, coal ash, and groundwater), upgrading plant technology and infrastructure, and likely regulation of carbon pollution would be greater or equal to cleaner alternatives such as expanded energy efficiency, renewable energy, smart grid and other approaches. As major customers, employers, and local elected officials representing large areas of PSE's service area in King County, we urge the UTC and PSE to better integrate the full range of these costs and risks for PSE's plan for future energy sources. Given uncertainty associated with pending lawsuits and successful regulatory compliance at Colstrip, mapping out a path for reducing reliance on Colstrip and shifting to cleaner energy sources should provide greater rate certainty for customers.

We understand that there may be existing laws, regulations, and pricing policies that make energy efficiency and renewable energy investments less profitable for utilities compared to large capital infrastructure expenditures. As appropriate, we are interested in helping to support legislation and policy changes that would provide PSE and other utilities with appropriate rates of return that are decoupled from capital and other investments, and have the potential to reduce environmental and rate impacts. PSE and the Northwest Energy Coalition's recent joint petition and the UTC's approval of decoupling PSE's profits from its energy sales is a good step in this direction that will help to drive investments in energy efficiency.

King County and the cities who are signatories to this letter understand that the Colstrip issue is complicated. But coal power is an increasingly out-of-date technology with very real, and too often unaccounted for, impacts to public health and the environment. Washington's environmental, labor, political and business interests came together in 2011 to establish a phase out plan of the last coal-fired power plant physically located in Washington State, the Centralia plant owned by the TransAlta Corporation. This model, and the ever-increasing number of coal plants being retired across the U.S., shows that a cleaner energy future can be carried out in a way that sustains economic development.

King County has established strong relationships with its cities, businesses and the state that are helping move the region to a cleaner energy future. King County and the cities who are signatories to this letter hope that we can work with the UTC and PSE and other partners to help continue to make the region more sustainable as our population grows.

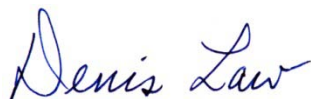
Sincerely,



Dow Constantine
King County Executive



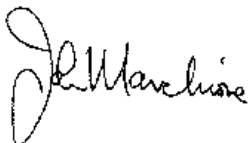
Matthew Larson
Mayor, City of Snoqualmie



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Mayor, City of Renton



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Joan McBride
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CC:

The Honorable Jay Inslee, Governor
The Honorable Shelly Short, State Representative
The Honorable Joe Fitzgibbon, State Representative
The Honorable Kevin Ranker, State Senator
The Honorable Doug Ericksen, State Senator
Kimberly J. Harris, President and CEO, PSE
David Namura, Government and Community Relations Manager, PSE