

EXHIBIT NO. \_\_\_\_ (DOD-1HCT)  
DOCKET NO. UE-121373  
WITNESS: DANIELLE O. DIXON

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Petition of**

**PUGET SOUND ENERGY, INC.**

**for Approval of a Power Purchase Agreement  
for Acquisition of Coal Transition Power, as  
Defined in RCW 80.80.010, and the Recovery  
of Related Acquisition Costs**

**Docket No. UE-121373**

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF  
DANIELLE O. DIXON  
ON BEHALF OF NW ENERGY COALITION**

**REDACTED  
VERSION**

**NOVEMBER 2, 2012**

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**NW ENERGY COALITION**

**PREFILED DIRECT TESTIMONY (HIGHLY CONFIDENTIAL) OF  
DANIELLE O. DIXON**

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1                   **I.       IDENTITY AND QUALIFICATIONS OF THE WITNESS**

2                   **Q.       Please state your name, occupation and address.**

3                   A.       I am Danielle Dixon. I am a Senior Policy Associate for the NW Energy  
4 Coalition (“Coalition”), located at 811 1<sup>st</sup> Ave, Suite 305, Seattle, WA 98104. I am serving as  
5 a witness for the Coalition in this proceeding.

6                   **Q.       What are your qualifications?**

7                   A.       I have a B.A. in biology with a concentration in environmental studies from  
8 Williams College, and a M.S. in natural resources policy and management with a minor in  
9 conservation and sustainable development from Cornell University. I joined the staff of the  
10 NW Energy Coalition in 1998 to work primarily on energy policy issues in Washington  
11 State. I serve on various electric utility advisory boards, including Puget Sound Energy’s  
12 (“PSE”) Integrated Resource Plan Advisory Group (“IRPAG”) and Conservation Resource  
13 Advisory Group (“CRAG”). I have represented the Coalition in various proceedings before  
14 the Washington Utilities and Transportation Commission and the Energy Facility Site  
15 Evaluation Council. I have represented the Coalition in the State Legislature, and was the  
16 organization’s lead in negotiations concerning the State’s emissions performance standard  
17 (RCW 80.80), which was enacted in 2007. I have served as a Board member of the NW  
18 Energy Efficiency Alliance and NW SEED, and as an Executive Committee member of  
19 Washington Environmental Council.

20                   **II.       SUMMARY OF TESTIMONY**

21                   **Q.       Please explain the purpose of your testimony.**

22                   A.       My testimony considers whether the proposed power purchase agreement  
23 (“PPA”) between PSE and TransAlta for coal transition power is in the public interest. In

1 undertaking this analysis I focus on the implications of the PPA on 1) greenhouse gas  
2 emissions reductions and 2) financial commitments made by TransAlta to clean energy and  
3 the local community affected by transition of the Centralia coal plant.

### 4 **III. BACKGROUND AND HISTORY**

5 **Q. Please explain the Coalition’s role in establishing the State’s emissions**  
6 **performance standard.**

7 A. The Coalition joined with other stakeholders, including PSE, to develop and  
8 advocate for an emissions performance standard (“EPS”) during the 2007 legislative session.  
9 That standard was enacted and codified in RCW 80.80. In 2011, the Coalition worked with  
10 other stakeholders to amend the EPS in order to facilitate the transition of the Centralia plant  
11 away from coal. The Coalition and the Environmental Priorities Coalition (of which the  
12 Coalition is a member) were major supporters of Senate Bill 5769. That bill modified the  
13 EPS (allowing long-term contracts for coal transition power from Centralia and establishing a  
14 timeline for applying the standard to the two boilers at Centralia); established air pollution  
15 and community investment commitments; and allowed the Utilities and Transportation  
16 Commission (“Commission”) to approve a return on investment for a utility under its  
17 jurisdiction that signs a power purchase agreement meeting conditions outlined in the law.  
18 On April 29, the Governor signed the bill into law. That bill is codified in RCW 80.80 and  
19 RCW 80.04.560 - 570.

20 **Q. Does the law require the Governor to take additional action?**

21 A. Yes. E2SSB 5769 directed the Governor to enter into a Memorandum of  
22 Agreement (“MOA”) with the owners of a coal-fired baseload facility located in Washington  
23 that emitted more than one million tons of greenhouse gases annually. Only the Centralia

1 coal plant located in Lewis County, owned by TransAlta, met this description. The  
2 Legislature specified the nature of the provisions to be included in the MOA, including (a)  
3 incorporating by reference the provisions of RCW 80.80.040 that direct the EPS to apply to  
4 one generating boiler by December 31, 2020 and the other boiler by December 31, 2025; (b)  
5 establishing binding commitments to install selective noncatalytic reduction pollution control  
6 technology in coal-fired generating boilers by January 1, 2013; and (c) providing financial  
7 assistance to the affected community for economic development, energy efficiency and  
8 weatherization, and for energy technologies with the potential to create considerable energy,  
9 economic development, and air quality, haze, or other environmental benefits.

10 **Q. Did the Governor and TransAlta sign a MOA?**

11 A. Yes, on December 23, 2011. (Exh. No. \_\_\_ (RG-8HC), ps. 433-447.)

12 **Q. Did the Coalition enter into any relevant commitments following passage**  
13 **of amendments to the EPS?**

14 A. Yes. During negotiations that resulted in SB 5769, the Coalition agreed in  
15 principle to a Memorandum of Understanding (“MOU”) with certain other environmental  
16 organizations and TransAlta, as a means to show mutual support for the successful  
17 negotiations. In June 2012, the Coalition signed the MOU (see Exh \_\_\_ (DOD-2)). In that  
18 MOU the Coalition committed, among other things, to support or not oppose the approval of  
19 power sales of coal transition power if the power sales contract is in the public interest. The  
20 Coalition also agreed to speak to the positive environmental outcomes resulting from any  
21 sale, and to ensure that sales from the Centralia coal plant for the remaining duration of its  
22 operations support appropriate investments in community transition and economic  
23 development, energy efficiency and clean energy. I discuss these financial obligations on the

1 part of TransAlta further below.

#### 2 IV. KEY ISSUES

3 **Q. How does the Coalition define the term “public interest”?**

4 A. In keeping with the U.S. Supreme Court in *Udall v. FPC* (387 U.S. 428, 450  
5 (1967)), we define the term “public interest” in a broad manner to include society’s interests  
6 (inclusive here of the interests of Lewis and South Thurston Counties) and the environment.  
7 We anticipate that the testimony of other parties will focus on the direct impact of this  
8 proposed sale of coal transition power on PSE customers (which we may also address at the  
9 hearing and/or in post-hearing briefing).

10 **Q. What are the key factors you considered in examining the question of**  
11 **whether the proposed transaction is in the public interest?**

12 A. In reviewing PSE’s filing, I focused on how the PPA addresses the cost and  
13 risk of greenhouse gas (“GHG”) emissions, and how the PPA addresses investments in  
14 community transition and clean energy.

15 **Q. Taking these issues one at a time, please describe your thought process**  
16 **regarding the PPA and greenhouse gas emissions.**

17 A. I considered five questions related to greenhouse gas emissions:

18 1) What is the impact of the Centralia coal plant transitioning away from coal?

19 2) How does the proposed PPA fit within the context of public policies  
20 regarding resource preference and GHG emissions reductions adopted by  
21 Washington State?

22 3) Has PSE acquired power from the Centralia coal plant in recent years, and  
23 if so, would this PPA replace those acquisitions?

1 4) Did PSE use an appropriate cost of carbon emissions in its scenario  
2 analysis, and how did the proposed PPA fare in the “Base plus CO2”  
3 scenario?

4 5) How is the contract structured with regard to who bears the risk of possible  
5 future regulation of GHG emissions? And does the contract allow for lower  
6 GHG emitting resources to be substituted for coal power under certain  
7 circumstances?

8 **Q. What is the impact of the Centralia coal plant transitioning away from**  
9 **coal?**

10 A. According to the Environmental Protection Agency, the Centralia coal plant is  
11 the single largest emitter of greenhouse gases in the Northwest, emitting 9.78 million metric  
12 tons of CO2 in 2010. Nearly 11 percent of Washington State’s carbon dioxide emissions  
13 come from the plant.

14 Prior to the 2011 amendments to the EPS, there was no certainty as to the future  
15 operations of the Centralia coal plant. Some argued that market conditions and future  
16 environmental regulations would cause the plant to shut down prior to 2020. But others  
17 believed that scenario was far from certain. Applying the EPS to one of the boilers at the  
18 Centralia coal plant by the end of 2020 and the other by the end of 2025 provide certainty  
19 that the plant will transition away from coal and GHG emissions from the facility will be  
20 substantially reduced or completely eliminated.

21 In 2008, the Legislature enacted GHG emissions reduction targets, requiring the State  
22 to reduce its overall GHG emissions to 1990 levels by 2020; to 25% below 1990 levels by  
23 2035; and to either 50% below 1990 levels or 70% below expected emissions by 2050.

1 (RCW 70.235.020) Applying the EPS to the Centralia coal plant has the added benefit of  
2 helping to ensure the State’s GHG emissions reduction targets are met.

3 **Q. RCW 80.80 now requires the Centralia coal plant to meet the EPS. What**  
4 **role does this PPA play?**

5 A. With the amendments approved in 2011, the EPS applies to the Centralia coal  
6 plant, but not until 2020 (for the first boiler) and 2025 (for the second boiler). In the interim,  
7 power from the facility can be sold to electric utilities on a short-term or long-term basis.  
8 Allowance of long-term PPAs during that interim period provides TransAlta with the  
9 financial stability needed to transition to a cleaner source of energy and was necessary in  
10 order to secure a date certain for transitioning the plant away from coal. Without that  
11 certainty, the plant could have continued to emit substantial GHG emissions throughout its  
12 remaining life.

13 **Q. How does the proposed PPA fit within the context of public policies**  
14 **regarding resource preference adopted by Washington State?**

15 A. E2SSB 5769 directed the Commission when reviewing a proposed PPA to  
16 consider, among other items, whether the proposed resource is cost-effective in accordance  
17 with the State’s lowest reasonable cost resource standard. (RCW 80.04.570(4)) The lowest  
18 reasonable cost standard requires a consideration of specific variables, including “public  
19 policies regarding resource preference adopted by Washington state or the federal  
20 government.” (RCW 19.280.020(11)) Public policies presumably are adopted with the public  
21 interest in mind. The Legislature clearly laid out its views regarding preference for coal  
22 transition power in E2SSB 5769.



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The legislature finds that an electrical company's acquisition of coal transition power helps to achieve the state's greenhouse gas emission reduction goals by effecting an orderly transition to cleaner fuels and supports the state's public policy. (RCW 80.04.560)

The legislature finds coal-fired electric generation may provide baseload power that is necessary in the near-term for the stability and reliability of the electrical transmission grid and that contributes to the availability of affordable power in the state. The legislature further finds that efforts to transition power to other fuels requires a reasonable period of time to ensure grid stability and to maintain affordable electricity resources. (2011 c 180 § 101 (3))

Therefore, it is the purpose of this act to provide for the reduction of greenhouse gas emissions from large coal-fired baseload electric power generation facilities, to effect an orderly transition to cleaner fuels in a manner that ensures reliability of the state's electrical grid, to ensure appropriate cleanup and site restoration upon decommissioning of any of these facilities in the state, and to provide assistance to host communities planning for new economic development and mitigating the economic impacts of the closure of these facilities. (2011 c 180 § 101 (5))

The Legislature prioritized acquisition of coal transition power in the near-term as an important tool for reducing GHG emissions in Washington State over the long-term and meeting the State's emissions reduction targets established in 2008. In learning about the proposed PPA, Governor Gregoire expressed her support from a public interest perspective:

I'm delighted that TransAlta and Puget Sound Energy came together to help advance the state's goal of replacing coal-fired power. This will help our state move toward more environmentally sustainable energy.<sup>1</sup>

**Q. Has PSE acquired power from the Centralia coal plant in recent years, and if so, would this PPA replace those acquisitions?**

A. In response to data requested by Public Counsel, PSE informed parties that it executes electricity transactions with various counterparties, including TransAlta Energy Marketing

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<sup>1</sup> TransAlta and Puget Sound Energy sign power purchase agreement – Transaction advances pact to end coal-fired power generation in Washington. <http://pse.com/aboutpse/PseNewsroom/NewsReleases/Pages/Transalta-and-PSE.aspx>

1 (US) (“TEMUS”), which do not specify generation sources. Other than the Coal Transition  
2 PPA, PSE says that it is not a party to trade agreements and/or trade confirmations for the  
3 purchase of electric power directly from the Centralia coal plant. According to data  
4 requested by the Coalition, [REDACTED]

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED] In comparison, through the  
8 proposed PPA, PSE would acquire 1.6 million to 3.3 million MWh/year, for a total of  
9 33,595,680 MWh delivered over a 133 month period on a 24/7 basis. That is more than 3  
10 million MWh/year on an average annual basis.

11 PSE says it has no current plans to purchase additional power from the Centralia coal  
12 plant after December 31, 2012, but does not commit to avoiding such purchases. Due to  
13 limitation of long-term firm transmission capacity, PSE would be constrained from  
14 purchasing additional power (beyond the PPA) on a long-term basis from the coal plant at the  
15 Bonneville Power Administration (“BPA”) C.W. Paul and PSE Tono substations Point of  
16 Receipts (all electricity generated from the Centralia coal plant originally sources from and  
17 flows through the C.W. Paul Substation). The same constraint does not exist on a short-term  
18 or spot market basis, and presumably contracts with counterparties for unspecified generation  
19 could include power from the Centralia coal plant. (Exh. No. \_\_\_ (DOD-3) However, if the  
20 proposed PPA is approved, [REDACTED]

1           **Q.     How did PSE evaluate the cost of carbon emissions in its scenario**  
2 **analysis, and how did the proposed PPA fare in the Base plus CO2 scenario?**

3           A.     PSE used the carbon dioxide (“CO2”) prices modeled and published by the  
4 Environmental Protection Agency (EPA) in its analysis of the Kerry-Lieberman “American  
5 Power Act” cap-and-trade proposal. PSE selected the “moderate” CO2 cost for its Base plus  
6 CO2 scenario. (Exh. No. \_\_\_ (CB-3HC), p. 93) The proposed PPA runs from December  
7 2014 through December 2025. The CO2 costs used in PSE’s model for that timeframe range  
8 from 20-44 nominal dollars per ton. (Exh. No. \_\_\_ (CB-3HC), p. 94) When PSE’s 2011 IRP  
9 was being developed, that represented a reasonable set of assumptions based on then-current  
10 activity in Congress. For comparison purposes, Synapse Energy Economics Inc. (“Synapse”)  
11 released its carbon price forecast in 2011 with a mid-case of \$15/short ton beginning in 2018  
12 and increasing to \$35.42 in 2025.<sup>2</sup> Synapse just released its 2012 forecast with a mid-case of  
13 \$20 starting in 2020 and increasing to \$31.25 in 2025.<sup>3</sup>

14           The assumed cost per ton of carbon emissions translates into an adder in PSE’s Base  
15 plus CO2 scenario ranging from \$12.18/MWh in 2014 to \$24.42/MWh in 2025. That adder  
16 was included in the evaluation of the coal transition PPA. (Exh. No. \_\_\_ (CB-3HC), p. 207)  
17 PSE considered five scenarios when evaluating proposed contracts: Base, Base with New  
18 Gas, Base plus CO2, Low Growth, and High Prices. The proposed PPA with TransAlta was  
19 selected in four of those scenarios, including Base plus CO2. (Exh. No. \_\_\_ (CB-3HC), p.

20 28) [REDACTED]

21 [REDACTED] (Exh. No. \_\_\_ (CB-3HC), p. 29)

<sup>2</sup> Johnston et al. 2011 Carbon Dioxide Price Forecast. Feb. 11, 2011 (amended Aug. 10, 2011). At p. 17. Analysis used 2010 dollars.

<sup>3</sup> Wilson et al. 2012 Carbon Dioxide Price Forecast. Oct. 4, 2012. At p. 4. Analysis used 2012 dollars.

1           **Q.     How is the contract structured with regard to who bears the risk of**  
2 **future regulation of GHG emissions?**

3           A.     If new or revised emission performance standards or operational or financial  
4 requirements related to greenhouse gas emissions are imposed by law, section 10.1 of the  
5 PPA provides that PSE and TransAlta would modify the agreement to the mutual satisfaction  
6 of the parties. If PSE and TransAlta cannot agree upon any such modification, either party (if  
7 adversely affected by the new standard or requirement) would have the right to terminate the  
8 PPA without liability. (Exh. No. \_\_\_ (RG-1HCT), ps. 13-14)

9           **Q.     What role would the Commission play in such an event?**

10          A.     Any such modification would be subject to Commission review and approval.  
11 (Exh. No. \_\_\_ (RG-1HCT), p. 14)

12          **Q.     How does this issue fit within your analysis of whether the proposed PPA**  
13 **is in the public interest?**

14          A.     The statutory definition of lowest reasonable cost includes consideration of  
15 “the cost of risks associated with environmental effects including emissions of carbon  
16 dioxide.” (RCW 19.280.020(11)) The Coalition has argued in past proceedings that PSE and  
17 other utilities, when they issue requests for proposals (“RFP”), should solicit bids where the  
18 proponent takes on the risk of future GHG emissions regulations, thus allowing for better  
19 apples to apples comparisons when considering proposals with different fuel types. Similarly,  
20 here we believe that the interest of PSE customers in avoiding future risk of GHG emissions  
21 regulation aligns with the broader public interest as represented by the polluter pays  
22 principle, i.e., the party responsible for producing pollution should also be responsible for

1 paying for any damage done to the natural environment. When applied, this principle is  
2 intended to internalize the cost of environmental harm into the cost of a product.

3 **Q. Do you support provision 10.1 in the contract as it is currently written?**

4 A. No. I believe that TransAlta should absorb the risk of future GHG emissions  
5 regulations. I recognize that RCW 80.04.570(2) says that a PPA for coal transition power  
6 must provide for modification of the PPA to the satisfaction of the parties in the event of  
7 imposition of new GHG emissions regulations. However, this PPA could establish TransAlta  
8 as the assumed risk taker in the event of future greenhouse gas emissions regulations or  
9 requirements, while still allowing for a contract reopener at the time of any such regulations  
10 or requirements to assess specific details if needed. I acknowledge that if TransAlta assumes  
11 the risk of future GHG regulations, the agreed upon power price terms could change. When  
12 arguing for this type of risk being placed on a bidder in the RFP process, the Coalition  
13 assumes that the bid price reflects this risk.

14 **Q. Does the TransAlta PPA contract allow for lower GHG emitting**  
15 **resources to be substituted for coal power?**

16 A. Yes, under certain circumstances. While the contract requires power delivery  
17 on a 24/7 basis, the contract recognizes there are times when TransAlta will not be running  
18 the plant. (Exh. No. \_\_\_ (RG-3C rev.), §3.2 at p. 17) Modifying the provision as  
19 recommended above could incent TransAlta to take advantage of lower GHG emitting  
20 resources while still meeting the terms of the contract.

21 **Q. Having explored your five questions regarding GHG emissions, what do**  
22 **you conclude about the implications of this PPA for GHG emissions?**

1 A. Having a date certain for the Centralia coal plant to meet the State's emissions  
2 performance standard is in the public interest. The negotiations and agreements surrounding  
3 that amendment to the law include the ability of Washington electric utilities to enter long-  
4 term financial commitments for coal transition power, and the Legislature and Governor have  
5 encouraged such commitments. [REDACTED]

6 [REDACTED]  
7 [REDACTED] PSE fairly accounted for the potential cost of future GHG emissions regulation in  
8 its analysis of the proposed PPA. However, who bears the risk of such future regulation  
9 remains an open question, and we recommend the Commission send a clear signal on this  
10 issue.

11 **Q. Turning now to the issue of financial assistance to clean energy and to the**  
12 **affected community, please describe the relevant provisions in the MOA.**

13 A. In the MOA, TransAlta committed to certain levels of funding for economic  
14 and community development, energy efficiency, and clean energy technologies. The MOA  
15 provides for \$20 million to the affected community for education, retraining, economic  
16 development, and community enhancement; \$10 million to the affected community for  
17 energy efficiency and weatherization; and \$25 million for energy technologies with the  
18 potential to create considerable energy, economic development, and air quality, haze, or other  
19 environmental benefits.

20 **Q. Why are these investments important?**

21 A. TransAlta's commitment to invest in local economic development and clean  
22 energy was a critical element of the negotiations that led to amending the emissions  
23 performance standard for coal transition power. Further,

1 The legislature finds that coal-fired baseload electric generation facilities are a  
2 significant contributor to family-wage jobs and economic health in parts of the state  
3 and that transition of these facilities must address the economic future and the  
4 preservation of jobs in affected communities. (ESSB 5769, Sec. 101(4); 2011 c 180)

5  
6 The Centralia coal plant provides a number of family-wage jobs. The law and the  
7 MOA provide both time and funding to help the community succeed in its transition away  
8 from operating a coal-fired power plant. Providing educational and retraining opportunities  
9 for local workers is a critical piece of ensuring an orderly transition. At the same time,  
10 dedication of funds to energy efficiency and clean energy technologies will help create new  
11 good-paying “green jobs” while providing a path to cleaner power. Investing in clean energy  
12 technologies will also help keep Washington competitive in the global economy.

13 It is important to note that in November 2006, TransAlta closed its on-site mining  
14 operation and gave out pink slips to approximately 500 workers with only two to three  
15 months of severance pay. The proposed transition plan included in the law and MOA is  
16 meant to avoid a similar circumstance.

17 **Q. Are these financial commitments guaranteed?**

18 A. Not necessarily. The law makes one exception to the requirement for financial  
19 assistance in the event that certain tax exemptions currently available to the Centralia coal  
20 plant are repealed. (RCW 80.80.100(3)(c)) The MOA, however, also includes a termination  
21 clause that can be invoked by TransAlta if the Company fails by December 15, 2012 to  
22 execute sufficient long-term (at least eight years) PPAs to sell at least 500 MWs of output  
23 from the Centralia facility. In such event, the parties to the MOA can extend the terms of the  
24 MOA for an additional year.

1           **Q.     Would approval of the proposed PPA ensure those financial**  
2 **commitments are met, absent any repeal of the tax exemptions?**

3           A.     It’s somewhat confusing. While E2SSB 5769 does not appear to contemplate  
4 that the financial assistance requirements would be contingent on the sale of coal transition  
5 power, it did require, as discussed above, the execution of an MOA. Since the average  
6 volume of power to be delivered during the term of the proposed PPA is only 346 MW (Exh.  
7 No. \_\_\_ (RG-1HCT), p. 25), the approval of the PPA would not preclude TransAlta from  
8 invoking its termination rights under the MOA, which might, in turn, excuse it from meeting  
9 the financial assistance requirements in the law. I am not privy to whether TransAlta has  
10 sufficient additional contracts under negotiation or in place to enable it to reach the 500 MW  
11 threshold.

12           **Q.     What role would the Commission play if the MOA is terminated or**  
13 **cancelled?**

14           A.     The role of the Commission is unclear. In response to a data request issued by  
15 the Coalition, PSE indicated that it “does not know what role, if any, the Commission would  
16 play ‘should any of the circumstances arise as described in Section 17.3’ of the PPA.” (Exh.  
17 No. \_\_\_ (DOD-4C)

18           **Q.     Does PSE’s filing include any guarantees that its purchase of coal**  
19 **transition power will be accompanied by investment in clean energy and local economic**  
20 **development?**

21           A.     [REDACTED]  
22 [REDACTED]  
23 [REDACTED]



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[REDACTED]

**Q. What do you recommend?**

A. [REDACTED]

**Q. Do you have any concluding remarks about this issue?**

A. Yes. The Legislature specified the levels of financial assistance that must be provided by the owners of a coal transition facility. Those commitments were fleshed out by the MOA. In its review of the proposed PPA, PSE highlighted various qualitative advantages, including “entering into PPA helps provide financial assistance to host

1 communities.” Also that “coal transition power has strong public, local community,  
2 environmental groups and government support.” (Exh. No. \_\_\_ (CB-4HC), ps. 8-9) That  
3 support is predicated on the financial commitments laid out in statute and detailed in the  
4 MOA. PSE indicated that it took into account both its quantitative and qualitative analyses in  
5 concluding that the proposed PPA represents a least cost, least risk offer.

6 **Q. Is there another issue that you would like to raise?**

7 A. Yes. While perhaps a bit untimely, I feel compelled to question the extent of  
8 material that the Commission has authorized be deemed confidential and highly confidential  
9 in this proceeding. In my opinion, the Commission’s standard that such designations be  
10 “strictly limited” was not followed. (WAC 480-07-423) To its credit, PSE realized that its  
11 initial designation of the entire PPA as confidential was not justified, as demonstrated by its  
12 submission of a revised exhibit on October 2.

13 The Coalition is a Board-driven member organization. Coalition members have a  
14 heightened interest in this proceeding given the Coalition’s role in the passage of E2SSB  
15 5769, as well as years of efforts to reduce GHG emissions in the Northwest. Yet members  
16 were unable to provide substantial guidance to Coalition staff in this case.

17 Over the past year the Coalition has urged the Commission to reassess how it treats  
18 claims of confidentiality and who has access to confidential information. I believe that the  
19 amount of material withheld from public view in this proceeding further supports the need  
20 for a Commission examination of its procedures for ensuring that the maximum amount of  
21 information is publicly available without violating any party’s proprietary or competitive  
22 rights.

**V. CONCLUSION**

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**Q. Does that conclude your prefiled direct testimony?**

3

A. Yes.