From:	Richard Lauckhart
To:	Public Involvement (UTC)
Cc:	Cameron-Rulkowski, Jennifer (UTC); Gafken, Lisa (ATG); Dallas, Joe (UTC)
Subject:	Re UE-220066....When PSE should have stopped spending money on Energize Eastside...
Date:	Wednesday, June 8, 2022 4:11:38 PM

External Email

Dear WUTC-

I am participating in proceeding UE-220066 as a public commenter. I have considerable information to put on the record in UE-220066 regarding the prudency of Energize Eastside.

This is the ninth set of public comments I am making on the Prudency of the PSE Energize Eastside project.

I have previously provided comment that PSE made seven fatal flaws in the input data it used in its modeling of the need for Energize Eastside. Those seven fatal flaws are:

1) Shutting down of 6 PSE natural gas fired generators in the Puget Sound area during a heavy winter peak

2) Assuming the BPA proposed "I-5 Corridor Reinforcement Project" would be built. But that project was cancelled in 2017.

3) Not allowing nearby 230/115 KV transformers to serve Eastside load in the modeling when in the real world they in fact do serve Eastside load.

4) There is the false assumption that PSE ratepayers are responsible to build Energize Eastside for developing the capability to allow 1,500 MW of power to flow to Canada under winter peak load conditions and two elements of the grid out on forced outage.

5) Using the wrong "rating" of transformers and transmission line segments on the grid in the load flow studies

6) The PSE/Quanta studies assumed customer demand on the Eastside would rapidly grow over the next 10 years when in reality the Eastside load is actually decreasing.

7) Not simulating reasonable alternatives to Energize Eastside by running load flow studies with prominently proposed alternatives.

By fixing one or more of these seven flaws, the modeling of the need for Energize Eastside would have concluded that Energize Eastside was not a prudent project to continue building.

There are several candidate dates when the commission could establish that PSE should have known not to continue to pursue Energize Eastside as follows:

- PSE knew, or should have known, that Energize Eastside was not a prudent project in **2013**. They should have known the assumptions in the Quanta studies (including shutting down PSE west side gas fired generation during a heavy winter peak) were not proper. And they were aware of the problem of co-locating gas and transmission lines was extremely dangerous from the experience in Bellingham in 1998.
- PSE was put on notice by the WUTC in **Feb 2018** that their project was at risk in the WUTC acknowledgement letter in their IRP.
- PSE Owners were made aware of the problems with the prudency of Energize Eastside in **2018 in the Ownership Transfer proceeding**. A prudent owner would have negotiated the price it paid for purchasing PSE at the time to eliminate the investment made in Energize Eastside up to that time and chosen to stop pursuing Energize Eastside at the time.

The WUTC should pick one of the dates above as when PSE should have known not to continue spending money on Energize Eastside.

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