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Subject: TAG discussion of Energize Eastside

Dear TAG members,

At the last TAG meeting, CENSE representatives asked when the TAG would discuss PSE's "Energize Eastside" transmission project. Many people have told us that this project should be discussed in IRP advisory meetings, despite PSE's reluctance.

CENSE believes consideration by the TAG is appropriate for the following reasons:

1. Washington Administrative Code 480-100-238.3.d states that the IRP should include, at a minimum, **"An assessment of transmission system capability and reliability, to the extent such information can be provided consistent with applicable laws."**

2. In its response to the 2017 IRP, the WUTC elaborated: **“The Company has an obligation to bring major transmission investments into the IRP for examination.”** Note that Energize Eastside is slated to cost ratepayers \$200-\$300 million, a significant investment.
3. No discussion has occurred in either the IRP Advisory Group or the TAG regarding cost-effective alternatives that could address peak demand reliability issues. For example, some combination of demand response, electrical efficiency, distributed generation, and energy storage would provide reliability benefits, lower cost, and reduced greenhouse gases.
4. On May 7, 2018, the WUTC listed a number of questions the Commission has about the Energize Eastside project regarding 1) Canadian Entitlements; 2) need for Energize Eastside; 3) five thermal generation facilities that are assumed to be offline during a peak load scenario; 4) lack of response to individuals who obtained CEII clearance from FERC; 5) peak load forecasts; 6) a joint utility analysis to serve regional reliability issues. **PSE has not publicly responded to these questions.**
5. On July 13, 2018, PSE filed its 2019 IRP work plan with the WUTC, including an IRP meeting specifically dedicated to Transmission and Distribution Planning on November 23, 2018. **This meeting was never held.**
6. On November 16, 2018 (WUTC Docket U-180680 – Transfer of Ownership), Sheree Carson and Jennifer Cemerón-Rulkowski, lead lawyers for PSE and the WUTC respectively, rejected expert testimony from former PSE vice-president Rich Lauckhart concerning transmission infrastructure. The lawyers agreed that these issues were **“more appropriately discussed in the IRP process and/or rate case testimony.”**

At the TAG meeting, Phillip Popoff, PSE’s Manager of Resource Planning, said Energize Eastside is a local transmission project that is outside the scope of the “system-wide” IRP planning process. However, PSE has included enormous transfers of electricity to Canada (1,500 MW) and California (2,850 MW) in its “key assumptions” that justify the project

(see https://energizeeastside2.blob.core.windows.net/media/Default/Library/Reports/Eastside_Needs_Assessment_Final_Draft_10-31-2013v2REDACTEDR1.pdf

, pages 7-8). If a transmission upgrade is needed to sustain these regional flows at maximum rated capacity during an N-1-1 outage on the Eastside, then the project is not just a local transmission line. It is a “major transmission investment” that should be discussed in IRP meetings.

We ask TAG members to support our call for PSE to provide technical justification for this project at the TAG. We would also like the TAG to consider alternatives that may be more cost effective for ratepayers and beneficial for the environment. The TAG can more easily understand the technical issues and trade-offs than local council members and land use judges who lack the necessary technical background.

There is some urgency, since public hearings on Energize Eastside may happen in late January.

Sincerely,

Don Marsh, President
CENSE.org