

Comments by James Adcock on UE-200414 PSE 2020 RFP  
Docket number of this proceeding: UE-200414  
Commenting party's name: James Adcock, Electrical Engineer  
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The Legislature passed CETA with binding Emergency Effect immediately on May 7 2019

Quote:

Sec. 14.

(3)(a) An electric utility shall consider the social cost of greenhouse gas emissions, as determined by the commission for investor-owned utilities pursuant to section 15 of this act and the department for consumer-owned utilities, when developing integrated resource plans and clean energy action plans. An electric utility must incorporate the social cost of greenhouse gas emissions as a cost adder when:

- (i) Evaluating and selecting conservation policies, programs, and targets;
- (ii) Developing integrated resource plans and clean energy action plans; and
- (iii) Evaluating and selecting intermediate term and long-term resource options.

End-Quote.

PSE's 2019 IRP Progress Report document was published after the effective date of CETA, on Dec. 10 2019, I believe without meeting the SCGHG requirements of (ii) and (iii) quoted above. CETA's Emergency Effect binds utilities whether or not UTC or Commerce have issued clarifying regulations. I believe in this 2020 RFP PSE is attempting to ignore CETA -- even though as of May 7 2019 CETA already had binding effect. This is one of two primary concerns that I am expressing here. The second concern is that I believe PSE is using stale load estimates, including stale peak load estimates, which have not been updated to account for the huge effect COVID-19 is having on reducing load -- and will have on reducing load for the coming decade.

I suggest that the Legislature, in enacting this Sec. 14 (3)(a) rule quoted above, is stating that they \*do\* expect SCGHG to be included in modeling dispatch of potential resources being

evaluated for selection "intermediate and long-term." Effectively I believe this should be considered a "heads up" coming from the Legislature, stating: "Hey, we think that you \*will\* be subject to a real carbon tax, or its operational equivalent, in the near future, which will limit your actual real dispatch options, and so you are required effective now to include that assumption in your modeling of dispatch, lest you acquire 'stranded resources' that in practice you will not be able to afford to dispatch." To give this issue a label call it the requirement to include "SCGHG in modeled dispatch." Effectively the Legislature is defining utility "prudence" as "must assume SCGHG as a cost in future dispatch" -- to avoid stranded resources.

PSE's RFP 2020 corresponds to item (iii) above "Evaluating and selecting intermediate term and long-term resource options" and thus must include in all aspects "SCGHG in modeled dispatch." My understanding -- although it is extremely difficult [if not impossible] to get PSE to respond openly and honestly to IRP participant's questions -- is that PSE's 2017 and 2019 IRP \*do not\* include SCGHG when modeling actual dispatch of modeled resource that PSE is "evaluating" in pursuit of the actual selecting of "electing intermediate term and long-term resource options" herein the PSE 2020 RFP. If on the contrary PSE does claim that they do include SCGHG in all such modeled dispatch, and all other aspects of the 2017 and 2019 IRP efforts, then I ask that UTC require PSE to give sworn testimony from a manager in the IRP group to that effect. If PSE doesn't want to give such sworn testimony, then I ask that UTC require PSE to remove the 2017 IRP, 2019 Draft IRP and 2019 IRP Progress report as evidence in support of their 2020 RFP process. Further, I suggest that the 2017 IRP cannot be used to support the 2020 RFP for the same reason -- namely it is inconsistent with Sec. 14. (3)(a)(iii) -- the 2017 IRP lacks the required "SCGHG in modeled dispatch."

I ask that UTC require PSE to rerun any and all modeling analysis that PSE has run for the purposes of evaluating "intermediate term and long-term resource options" -- whether those modeling analysis were only for internal use or also published externally -- in order to effect "must include" SCGHG in modeling dispatch of resources -- at least in Washington State -- in order to properly account for the requirements of Sec. 14. (3)(a)(iii) quoted above.

Further, I believe the 2019 IRP Progress Report contains "stale information" in regards to Peak capacity needs. In recent IRPs PSE has consistently refused to explain to Participants how they calculate Peak capacity needs. In prior IRPs PSE had explained, partially [refusing a complete explanation] that PSE modeled load including "Weather Data" -- [actually historical climatic data] dating back to the 1930s -- but 20-year-coldest winter days, due to climate change, have warmed by about 15 degrees since then, greatly reducing actual peak load needs. In the current 2020 IRP PSE has mentioned that they are using the 7th Power Plan for their load modeling -- but that Plan was first published in draft form May 2016 -- well before the current COVID-19 crash. National economists are stating that it will take a decade for the economy to recover from COVID-19, in turn due to the well-known strong correlation between level of economic activity and electrical load, this means that it will take a decade for PSE's load to recover to PSE's now-stale pre-COVID-19 load estimates. I ask that PSE be required to fairly and in an unbiased manner re-evaluate their load estimates, including Peak load estimates, based on the post-

COVID-19 economy. The world has changed. It would be inappropriate to "soldier on" pretending that nothing has happened.

Reference PSE 2019 Draft IRP Page 11 claims "Figure 1 shows the peak capacity need graph PSE discussed with the Technical Advisory Group at its September 2019 meeting." On the contrary PSE didn't "Discuss" anything with IRP participants. Rather PSE "Presented" materials to their own liking and told IRP participants to shut and listen. In prior [the last 10+] years PSE has had IRPs with greater participant actual "Participation" -- including real "Discussions" -- even if those discussions were mainly heated disagreements -- about whether or not PSE should be including SCGHG in their resource decisions. [Effective May 7 2019 CETA now says "Yes They Must."] However, the degree of actual "Participation" including "Discussion" -- even if just "Disagreements" -- has steadily declined to near-nothingness by the 2019 Aborted IRP process. And PSE's sudden choice to abort the 2019 IRP Process left participants with no opportunity to "discuss" with PSE the 2019 IRP documents submitted to UTC -- even if just the "Progress Report" cited here in PSE draft RFP submission to UTC. Traditionally IRPs include a "Wrap Party" -- a final discussion period, between IRP participants and PSE, where participants can at least partially discuss the Draft IRP report with PSE, express any concerns and disagreements with that Draft, and at least hope that PSE might fix some of the problems therein. This did not happen when PSE chose to abruptly abort the 2019 IRP process.

Page 2 of PSE's Cover Letter to their 2020 RFP refers to the traditional "lowest reasonable cost to customers." I suggest this must be modified -- in that CETA is already in effect -- to state instead "the lowest reasonable cost to customers including the SCGHG in modeling and evaluating dispatch of any potentially acquired resources." [Sec. 14. (3)(a)(iii)] With the historical use of the now-outdated-by-CETA phrase "lowest reasonable cost to customers" I am concerned that the cover letter demonstrates that PSE is indeed trying to "Sneak this one by" -- IE trying to pretend that the 2020 RFP is not already subject to CETA requirements including "SCGHG in modeled dispatch."

Also on page 2 of PSE's Cover Letter claim is made that notice of PSE's 2020 RFP and invitation to comment has been sent to all 2017 IRP "stakeholders". I'm not sure this is a true claim. I was a "stakeholder" in the 2017 IRP, but I don't believe I was sent any such an "invitation to comment" -- I can find no such "invitation" in my records, which I think I would have been interested to keep. On the contrary, I believe what PSE might have done was to selectively send such "invitations" to only such 2017 and 2019 IRP participants that PSE wanted 2020 RFP comments from. I ask that PSE be required to submit to UTC the list of people and entities to whom they sent such an "invitation to comment" and that if any 2017 or 2019 IRP participants were not sent such an "invitation" that they now be send such a "invitation", and that the 60 day comment period be reopened starting when reasonable receipt of such an "invitation" by 2017 and 2019 participants could be expected. Certainly the lack of response to date to such an "invitation to comment" suggests that such delivery may not have been made, or was ineffective.

PSE RFP document 200414-PSE-All-Source-Draft-RFP-2020-05-04.pdf Table 2 "Preferred glide path" suggests 200 MW Peak Capacity additions by 12/2023 -- much larger than the 84 MW called for in PSE's RFP 2020 Cover Letter. I am concerned that PSE is planning on

acquiring much more resources in this time period than the 84 MW called for in their 2020 RFP cover letter. I suggest that PSE needs to inform above "IRP stakeholders" of this fact. For example IRP stakeholders might "shrug their shoulders" failing to respond to this docket thinking [say] "I guess I can live with 84 MW of new Peakers" -- but instead might object if they had been fairly and fully informed that PSE is intending to acquire 200 MW.

I agree with Swan Lake that PSE's stated requirements that project proposals include their own transmission rights seems to be an unfair needlessly excessive constraint. As one hypothetical example a project proposal could be for a battery storage unit near an existing PSE wind farm, such that when the wind farm fails to generate at capacity [a very frequent occurrence -- wind farms average about 30% capacity] the associated transmission capacity could instead be utilized by the battery storage unit. And/or the battery can charge ["negative generation"] while the wind farm generates ["positive generation"] resulting in net no load, or reduced load, on the transmission lines. I thus suggest instead that PSE needs to work fairly with project proposers to figure out how PSE existing transmission rights might, or might not, "work" with that project proposal, prior to having to develop a full formal project proposal submission. There are many attractive development areas within Washington State where I am concerned that PSE may "chase away" projects by placing these needless and excessive transmission constraints on project proposers. I want these jobs for Washingtonians.

PSE Exhibit D page D-1 table 1. "2019 IRP Progress Report Forecast of Mid-C Market Prices" shows forecasts of Mid-C market prices which would be influenced based on whether PSE [correctly] included "SCGHG in modeled dispatch" or [incorrectly] failed to include "SCGHG in modeled dispatch." This table needs to be corrected for effects of CETA-required "SCGHG in modeled dispatch."

PSE Exhibit D page D-2 table 2. "2017 IRP Forecast of Avoided Capacity Costs s (with January 12, 2018 correction)" shows forecasts of avoided costs relative to "projected fixed costs of a simple-cycle combustion turbine" which I believe does not contain the required "SCGHG in modeled dispatch" of that combustion turbine. This table needs to be corrected for the costs of CETA-required "SCGHG in modeled dispatch."

PSE Exhibit E demonstrates that PSE does consider acquiring emitting resources. When evaluating the need for such emitting resources PSE must include "SCGHG in modeled dispatch" in order that they can fairly be evaluated against non-emitting resources.

PSE "All Source RFP" 200414-PSE-All-Source-Draft-RFP-2020-05-04.pdf page 7 makes it clear that -- rather than truly being an "All Source" cattle call -- actually PSE is actively discouraging "Summer generating resources" -- meaning in practice Solar generation. I think it is a mistake for PSE to be discouraging the submission of solar projects, in that Washington State (according to EIA) has its largest use of NG generation during the late summer -- not in the middle of winter. Solar projects have the practical effect of reducing these late summer NG SCGHG emissions, and conserving and extending hydro resources to the late summer. Therefore I believe Solar projects represent a valuable contribution to CETA-era modern Washington State utility

portfolios. I would ask that PSE be required to modify the "cattle call" to include Summer solar in order to effectively reduce NG SCGHG emissions.

I ask that UTC require the above suggested changes of PSE re PSE's 2020 RFP.

Thank you for your consideration,

James Adcock, Electrical Engineer