

# Citizens for Sane Eastside Energy (CSEE)

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January 18, 2018

To: The Washington Utilities and Transportation Commission

Docket UE-160918

[submitted by email to records@utc.wa.gov](mailto:records@utc.wa.gov)

Re: Inadequacies in PSE's IRP include its failure to address the need for or better alternatives to Energize Eastside

Dear Honorable Commissioners:

Citizens for Sane Eastside Energy (CSEE) is an Eastside citizens action group. This letter supplements my earlier letter to you of August 14, 2017, and addresses the following issues of continuing concern regarding PSE's insufficient and inadequate IRP and the UTC's response to it:

**A. PSE's IRP clings to outmoded forms of energy production and distribution.**

PSE stubbornly ignores your admonition to produce an IRP consistent with new technologies, clean energy, and a holistic approach to energy. It has consistently resisted adequate measures to reduce the carbon emissions and toxic chemicals spewing out of the Colstrip plant in Montana. Further, PSE compounds its backward-looking vision by promoting Energize Eastside ("EE"), a \$300 million dinosaur of a transmission project that would replace older wooden poles with even bigger steel towers to transmit four times the existing power — towers placed dangerously close to two aging pipelines pumping jet fuel under pressure through the Olympic Pipelines from Bellingham to SeaTac and beyond.

EE is an environmental and public safety disaster waiting to happen. Yet PSE fights all public opposition tooth and nail because this project was incentivized by a nearly 10% state-guaranteed return on infrastructure investment. Maximizing corporate profit, promoted by our laws, drives this project. To date PSE has reportedly spent up to \$50 million in PR and legal fees to sell EE to the public with phony "load flow studies" (hiding key data from the public) and an onslaught of false advertising.<sup>1</sup> Consistent with such practices, PSE plays the same hide-the-ball tactics in its efforts to sell a half-baked IRP to the UTC.

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<sup>1</sup> See, e.g., <https://sane-eastside-energy.org/2017/05/21/four-big-lies-in-ps-es-hard-sell-of-energize-eastside-project/>, <https://sane-eastside-energy.org/2017/06/30/ps-es-energize-eastside-a-continuing-fraud/>, and <https://sane-eastside-energy.org/2016/06/29/ps-es-calling-energize-eastside-a-system-upgrade-is-another-big-lie/>.

**B. Energize Eastside is not needed and thus not a “resource” PSE can legitimately designate in its IRP.**

Richard Lauckhart is a former Vice President for Power Planning for what was then Puget Power. He has retained an abiding interest in assuring that the ratepayers he served for so many years not be called upon to suffer and pay for a needless, dangerous, and environmentally harmful project. On January 8, 2018, Mr. Lauckhart submitted to you his detailed analyses about PSE’s false project assumptions and rigged load flow studies undertaken to sell EE to city councils and the public. Mr. Lauckhart’s white paper is supported by a host of detailed technical facts. CSEE endorses Mr. Lauckhart’s analyses and conclusions which are attached to the email transmitting this letter. At a minimum, PSE needs to explain to the UTC and fully document much of the sought-after information it has withheld from CSEE, CENSE and Mr. Lauckhart, even after FERC told PSE that Mr. Lauckhart was CEII-cleared and deserved to have the complete data from the PSE-sponsored load flow studies. Among other things, the UTC should order PSE that the load flow data that Mr. Lauckhart, CSEE, and CENSE have been requesting for over the past three years be given to him.

Additionally, another authoritative voice spoke out recently against EE for reasons such as those given by Mr. Lauckhart. Mr. Steve Funk, a former Chairman of the Bellevue Planning Commission, last week wrote in a *Bellevue Reporter* op-ed:

“As a commissioner I thought of the city as a machine in which every part works together for the benefit of neighborhoods and the city as a whole. Energize Eastside appears to place burdens on residents and neighborhoods to facilitate rapid development in downtown Bellevue and the new Spring District. However, the premise of the project has been thrown into doubt by new technology and declining consumption of electricity.

“PSE is repeating the same mistake Seattle City Light made in recent years. Both utilities anticipated increasing demand for electricity due to population growth. However, demand has been falling in Seattle and the Eastside despite the growing population and economy. These trends are occurring across the country due to climate change, conservation, renewable energy, and more efficient lighting, computers and appliances. PSE’s revenues have been declining for years, providing the company with an economic incentive to promote a transmission line. The \$300 million project will increase PSE’s revenues and utility bills for customers for decades.

“Other cities are installing safer, less expensive alternatives, such as large batteries manufactured by Tesla and other companies. Batteries can be installed in less than three months and provide better reliability than a new transmission line for a fraction of the cost. Batteries also reduce carbon emissions by storing cheap solar and wind energy during periods of low need. When demand peaks around dinner time, electricity can be withdrawn from the batteries instead of burning fossil fuels in a coal or gas-fired plant. Additional batteries can be in-

stalled to exactly match our need instead of building an expensive transmission line with more capacity than we may ever need.”<sup>2</sup>

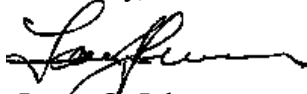
**C. The UTC needs to use the woefully limited power it has to signal to PSE and its investor owners that Energize Eastside is imprudent and unworthy of reimbursement.**

The King County Bar Association’s publication, *Bar Bulletin*, published my article, “The Toothless Washington Utilities and Transportation Commission,” in March 2017.<sup>3</sup> I argue in the article that the UTC is virtually unique among all other such state utility commissions in not having the power to stop an ill-considered project before it is built. The UTC can only deny reimbursement for a project *after* such a project is built, after all the harm has been done. Not surprisingly, the UTC has never exercised even this somewhat futile option, leaving open the question of what, beyond rates, the UTC can effectively regulate.

Nothing in Washington law prevents the UTC from issuing a non-binding written opinion stating that building Energize Eastside would be imprudent, based on the existing evidence and subject to a responsive rebuttal from PSE. Your opinion could be provisional and subject to change if the evidence warranted it. But, with due process fully preserved for PSE, why does the UTC have to remain silent *now*? Not only would your provisional opinion be a fair and responsible thing to do to protect the public, but it would also serve as a fair warning to PSE’s foreign investor owners.

PSE’s continuing passive-aggressive approach to formulating a proper IRP presents an opportunity for the UTC to act proactively not only on Colstrip, but on Energize Eastside as well. Further, if in the extreme case PSE chooses to continue to ignore and game the UTC and the public regarding its IRP and boondoggle projects, then I submit the UTC has the inherent power to disenfranchise PSE and invite another entity to take its place. PSE was not given a permanent and perpetual monopoly, unaccountable to those who granted that monopoly.

Sincerely,



Larry O. Johnson

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cc: IRP Advisory Group members; CENSE; City Councils of Bellevue, Newcastle and Renton

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<sup>2</sup> The entire January 14, 2018, article is attached to the email transmitting this letter.

<sup>3</sup> A reprint of the article is attached to the email transmitting this letter.

