

PSE Rate Case Hearing Testimony

Washington Utilities and Transportation Commission

Wednesday, August 30, 2017

Docket # UE-170033 and UG-170034

Effects of Carbon Pricing

I'm here tonight to urge you to close Colstrip units 3 & 4 no later than 2025 and to meet future electrical needs through improved efficiency and carbon-free sources like wind and solar, not with other fossil fuels.

My main concern is for the climate, but in addition there is substantial financial risk to PSE customers from carbon pricing. According to The World Bank, 41 national and 25 sub-national jurisdictions have already implemented methods to price carbon¹.

Of the world's ten largest economies only one does not have a carbon price—the United States. I am a volunteer with Citizens' Climate Lobby, and we are working hard to change this. We have seen the political will in Congress to price carbon growing, especially in the past two years. Evidence of this includes last year's formation of the Climate Solutions Caucus² in the House, which now has 26 Republicans and 26 Democrats working together to deal with climate change.

Other evidence includes a proposal from the Climate Leadership Council, a group of leading conservatives, including former members of the administrations of Presidents Reagan and Bush. They propose an initial \$40/ton tax on carbon rising steadily over time. As the Council notes, "Economists are nearly unanimous in their belief that a carbon tax is the most efficient and effective way to reduce carbon emissions."³ Even ExxonMobil supports putting a price on carbon.⁴

The Council's proposal would initially add 3.7 cents to the average kWh from coal and 1.7 cents to kWh generated from natural gas. Accounting for fugitive methane emissions from fracked gas could easily double the tax on electricity from gas. Allowing PSE to plan to replace Colstrip with other fossil fuels is an unnecessary, unwarranted, and unconscionable risk to PSE ratepayers.

Please consider the risk from future carbon pricing in your decisions.

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¹ <http://carbonpricingdashboard.worldbank.org/>

² <https://citizensclimatelobby.org/climate-solutions-caucus/>

³ <https://www.clcouncil.org/our-plan/>

⁴ <https://citizensclimatelobby.org/laser-talks/carbon-prices-around-world/>