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WUTC Commissioners and Staff,

Below are my comments on PSE's 2023 Electric Integrated Resource Plan, specifically on PSE's intention to phase out its traditional 1,500 MW of annual Mid C power purchases by 2028. These comments are my personal opinion, based on over 40 years of experience in the Pacific Northwest (PNW) energy market, including seven years as CEO of Seattle City Light and six years as CEO of the Bonneville Power Administration (BPA). There are several reasons for PSE to phase out its past practice of Mid C market purchases:

1. The Mid C market is increasingly volatile, leading to higher prices for PSE consumers and uncertainty regarding availability of supply.
2. Mid C purchases, because they contain substantial quantities of coal and natural gas fired power, are classified as "unspecified" power, meaning such power is typically more expensive than comparable amounts of wind and solar energy.
3. By eliminating 1,500 MW of Mid C spot market purchases, PSE will free up that amount of cross Cascade tx capacity for import of firm wind/solar energy and non emitting capacity to help meet its 80 percent clean energy requirement by 2030 mandated by Washington state legislation. Enabling this additional amount of East-West tx capacity is especially important as BPA's Cross Cascade North (CCN) tx path is significantly constrained, meaning failure to phase out Mid C spot market purchases using this tx path will likely force PSE to purchase additional CCN tx capacity enabled by expensive tx upgrades identified in BPA's 2021 and 2022 tx cluster studies. Such tx purchases (probably necessary for PSE to import eastern Washington renewable power to meet its 2030 clean energy goal) will clearly increase the overall delivered cost of that energy to PSE customers;
4. Finally, substituting PSE purchases of renewable power and non emitting capacity for Mid C purchases should also enable PSE to better comply (and comply at lower overall cost) with the future resource adequacy requirements of the Western Resource Adequacy Program (WRAP), specifically created to ensure satisfactory reliability among WECC Balancing Authorities.

For all the above reasons, phasing out Mid C spot market purchases, as PSE proposes, represents a prudent and responsible action. It will ensure improved reliability, likely save

both power and tx costs for PSE, and better enable PSE to meet its 2030 80 percent clean energy goals.

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