



King County
King County Councilmember Joe McDermott

January 24, 2018

To WUTC Commissioners,

Puget Sound Energy's commitment to retire the two most toxic boilers at the Colstrip coal plant is a tremendous victory for our climate. I commend PSE for its leadership in moving the Northwest beyond coal. Puget Sound Energy's long-term plan must address removing Colstrip coal-fired electricity from the grid by 2025 and explicitly exclude new fossil fuel infrastructure, including liquefied natural gas (LNG). These steps are critical to enable the carbon-free future that my constituents expect from our state's largest utility.

Climate change is already disrupting everything from our water supplies to our food systems—fueling forest fires, damaging shellfish, and causing sea-level rise on our Pacific coast. Eliminating coal combustion is an important first step. New studies show gas is as or more damaging to the climate than coal due to much higher methane leakage than previously assumed. This is particularly true for gas produced by hydraulic fracturing. We must transition off fossil fuels as quickly as possible to avoid global warming's most catastrophic effects.

Gas is also financially risky for PSE customers. History shows that gas fuel costs are prone to dramatic price swings, and the Energy Information Administration predicts future increases. Moreover, gas will ultimately be subject to rising carbon costs. PSE's corporate owners may bear little risk associated with fuel or carbon costs, but customers stand to pay significantly.

PSE's customers overwhelmingly demand renewable energy. Cities and counties that are home to hundreds of thousands of PSE ratepayers have called on PSE to reduce its fossil fuel dependence and transition to carbon-free resources. Major corporate customers, such as Microsoft, Starbucks, and REI, have joined the Renewable Energy Buyer's Alliance to guarantee their operations run clean. Moreover, the Northwest Power Planning and Conservation Council's most recent projections demonstrate that new gas infrastructure is unnecessary to meet the region's energy demands for at least a decade. The Council has instead called on utilities to invest in 4,500 MW of conservation and 600 MW of demand response in its 20-year plan.

PSE should leverage Colstrip's retirement as an opportunity to lead our region in clean energy development. PSE has already proven skilled at using energy storage and demand response to meet its capacity needs. PSE has also piloted energy efficiency solutions that have reduced customers' bills across its service territory. More can—and should—be done to bring these measures to scale. Integrating conservation measures and demand response with investments in new renewable resources will enable PSE to meet its capacity and generation demands while minimizing environmental harm and financial risk for customers.

We need to get this right. To that end, PSE's replacement plan for Colstrip must reflect the following values:

- Economic prosperity: Clean energy creates three times more jobs for every dollar invested than fossil fuels. It is critical that green jobs create equitable pathways for local residents, communities of color, and lower-income communities.
- Equity: PSE must minimize short-term rate impacts on lower-income households. It is also vital that, as we transition to a clean energy future, the community of Colstrip and its workforce are not left behind.
- Transparency and inclusivity: Meaningful and transparent engagement with labor groups, lower-income communities, people of color, and other impacted communities in crafting a Colstrip replacement plan is vital for ensuring equitable outcomes and worker and community protections.

PSE's decision to retire Colstrip Units 1 and 2 is praiseworthy. I expect you will use your full existing authority to defend the public interest by insisting PSE retire the remaining two Colstrip coal plants—Units 3 and 4—no later than 2025 and to commit to a 100% renewable energy and energy efficiency replacement for Colstrip with no new natural gas.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe McDermott". The signature is fluid and cursive, with a large initial "J" and "M".

Joe McDermott
Chair, King County Council
District Eight