

September 27, 2019

Mr. David Danner, Chairman
Ms. Ann Rendahl, Commissioner
Mr. Jay Balasbas, Commissioner
Mr. Mark Johnson, Executive Director
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Olympia, WA 98503

RE: PSE’s continuing investment in Colstrip coal plant

Dear Commissioners,

CENSE (Coalition of Eastside Neighborhoods for Sensible Energy) is an all-volunteer citizen group representing more than 1,000 residents of the Eastside, including Bellevue, Newcastle, Renton, and Redmond. Although our organization was originally founded to represent citizens opposed to Puget Sound Energy’s “Energize Eastside” transmission project, over the past five years our mission has expanded to seek energy solutions that are safe, cost-effective, supportive of community values, socially equitable, and environmentally sustainable. We applaud the efforts of the Commission and our state legislature to modernize and clean up our energy resources.

We support Washington’s Senate Bill 5116 (Clean Energy Transformation Act, a.k.a. CETA) and the 2025 mandate to get coal out of Washington’s energy supply. This has a direct impact on the closure of the dirtiest coal plant west of the Mississippi that is partially owned by PSE in Colstrip, Montana. PSE’s 2017 Integrated Resource Plan (IRP) found that a modest carbon price would increase customers’ cost by \$150 million. Now PSE is obligated to assess a carbon price of \$74/ton on all fossil resources, making electricity generated by Colstrip uneconomic.

We are alarmed that PSE is not committing to ramping down investment in the Colstrip plant. If this facility stops serving Washington customers in five years, it makes no sense to continue investing millions of dollars so that it can continue running beyond 2025. That’s like putting a new engine in a car that you intend to tow to the junkyard next year. It’s a distraction and a misdirection of limited resources that should be focused on modernizing our local grid with investments in solar and wind energy, battery storage, demand response, and advanced efficiency.

Residents and businesses on the Eastside expect the transformation of our energy grid will be governed by three principles:

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1. Environmental responsibility
2. Cost to ratepayers
3. Safety and reliability

We believe these goals can be achieved through modernization and judicious incorporation of smart technology and wise energy policies. PSE does not seem to be on the same page.

In the September 19, 2019 meeting of the IRP Technical Advisory Group, PSE devoted half a dozen slides to the topic of natural gas prices and emission costs. However, the company provides almost no analysis of the potential for demand response, distributed generation, or battery storage. As PSE focuses on transmission lines and gas plants, ratepayers will be deprived of solutions that could reduce emissions, save money, and increase reliability.

A recent study by energy consultant Strategen found that Arizona consumers could significantly reduce greenhouse gas emissions and save between \$3.5 and \$10 billion by replacing 11 coal-fired power plants with solar plus storage 12 years earlier than the utility had planned.¹ We suspect that proportional savings could be achieved by shutting down Colstrip as soon as possible and redirecting investments from this obsolete plant into renewable energy and storage.

Curtailing further investment in Colstrip is an important first step to demonstrate PSE's commitment to true transformation, rather than using CETA to justify minimal change and maximum returns for the company's investors.

Please require PSE to demonstrate that ratepayer dollars are not being used to invest in the Colstrip plant for operation beyond 2025 by any future purchaser of this dirty energy resource.

Sincerely,



Don Marsh, President

CENSE.org

¹ <https://www.utilitydive.com/news/arizonans-could-save-35b-with-quicker-coal-to-solar-storage-transition-r/563123/>