

Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734

PSE com

May 22, 2015

Mr. Steve O'Donnell, President Coalition of Eastside Neighborhoods for Sensible Energy (CENSE) 12819 SE 38th St. #294, Bellevue, WA 98006

Mr. Larry G. Johnson, President Citizens for Sane Eastside Energy (CSEE) 8505 129th Ave. SE, Newcastle, WA 98056

Dear Mr. O'Donnell and Mr. Johnson:

Kimberly Harris asked us to respond to your letter dated May 8, 2015. In your letter, you asked Ms. Harris to make a series of requests to ColumbiaGrid to conduct additional studies on the regional transmission system.

Because Energize Eastside is a local load-serving project that will connect to the regional grid, ColumbiaGrid reviewed the project to ensure it will not adversely affect the regional power system. ColumbiaGrid completed the necessary studies and determined that the project will fit into the regional grid. As such, PSE has met all of its obligations to plan a local load-serving project that must be interconnected with the regional grid. For this reason, PSE will not be asking ColumbiaGrid to conduct additional studies on your behalf.

As we have previously discussed with you and your colleagues, Energize Eastside is a local load-serving project driven by growth on the Eastside. Local population and economic growth has been steadily increasing, and according to independent data from sources like the Puget Sound Regional Council (PSRC), this growth is expected to continue well into the future. In fact, between 2010 and 2040, the PSRC predicts Eastside employment to grow 73 percent and population to grow by more than a third. By contrast, the existing electric system serving the Eastside area had its last major upgrade 50 years ago. Since that time, Eastside population has grown almost eight times, from a population of 50,000 in 1960 to nearly 400,000 today. This drastic growth requires a robust electric system that can support it.

PSE and independent consultants have conducted multiple studies on the need for the Energize Eastside project. The most recent independent study was commissioned and funded by the City of Bellevue. That study was conducted by Utility System Efficiencies, Inc. (USE), to which your organizations were provided access. The USE study concluded that there is a need for the Energize Eastside project to address local need. In addition, the study included additional analysis of generator and intertie level sensitivities, and the results still showed a local need for the Energize Eastside project. Please see below for excerpts from USE's independent technical analysis.

Is there a need for this project to address growth in Bellevue? Yes. (p. 4)

Is the EE project needed to address the reliability of the electric grid on the Eastside? Yes. (p. 5)

Is the project needed to address regional grid power flows, specifically power flows on the Northern Intertie (to and from Canada)? The project is necessary to address local need. (p. 6)

The scenarios you inquired about in your most recent letter have been fully analyzed in these previous studies, which found these scenarios do not solve the local load-serving problem driving the Energize Eastside project. In short, this project, its local need and regional effects have been thoroughly reviewed by PSE and its regional partners.

For additional background, please view USE's independent technical analysis or PSE's recently updated <u>needs report</u>. PSE also recently updated its <u>solutions study</u>, which provides more detail on the various alternatives that were studied.

Last, the Energize Eastside project is undergoing environmental review, which includes preparation of a Washington State Environmental Policy Act (SEPA) Environmental Impact Statement (EIS). The EIS process is led by the City of Bellevue in cooperation with Kirkland, Newcastle, Redmond and Renton. A scoping period for Phase 1 of the EIS is currently open from April 30, 2015 through June 15, 2015. For more information on the EIS and how to submit comments, please visit EnergizeEastsideEIS.org.

Please note that **comments or questions submitted to Puget Sound Energy will not be considered part of the EIS.** Again, to submit comments as part of the EIS, please visit Bellevue's website at EnergizeEastsideEIS.org.

Sincerely,

Jens Nedrud, P.E. Sr. Project Manager Energize Eastside Project

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