

Washington Utilities and Transportation Commission public hearing on
Puget Sound Energy's 2017 Integrated Resource Plan
Renton Community Center, February 21, 2018

Comments by Eric Frankowski
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Thank you for the opportunity to address the UTC. My name is Eric Frankowski, and I am the executive director of the Western Clean Energy Campaign. For the past 15 years, WCEC has been deeply involved in work across the West to help facilitate the region's transition to clean energy. I'm here today to offer you my perspective and observations on the sweeping changes we're seeing in the West and how the forces behind them make change inevitable in every state and for every utility and coal plant.

As recently as late 2016 – really just a bit over a year ago – there was little indication that we would see the kind of tectonic shifts in the western energy landscape that have taken place over the past year. Coal-burning power plants that owners said would operate for decades are now on the retirement block as the plunging economics of coal drive swift 180-degree decisions from some utilities.

Consider the following:

- In November 2016, the owners of Navajo Generating Station in Arizona, the largest coal-burning power plant in the West, were actually in federal court arguing to be able to continue operating the plant into the 2040s. Less than two months later, they announced that the plant would be closed by the end of 2019.
- In New Mexico, the owners of San Juan Generating Station retired two of the plant's four units at the end of 2017 and have signaled that they will fully retire the plant by 2022 – that's three decades earlier than planned just a few years ago.
- In Nevada, the Valmy plant was supposed to run for another decade. The plant's two owners then decided last May to close it 10 years ahead of schedule.
- Just over five years ago, the owners of Utah's biggest coal plant – the Intermountain Power Project – were still talking about building 900 megawatts of new coal capacity. Last May, they decided instead to shutter it in 2025 and build a new gas plant on the same site.
- In Colorado, Xcel Energy just wrapped up an RFP for new capacity – part of a plan to close two coal units – and the MEDIAN bids for new wind, solar and storage projects to replace the units are some of the lowest ever seen in the United States – low enough to outcompete existing coal and send it to the graveyard.

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- And finally, just an hour away from the Colstrip plant in Montana is the 116 MW Hardin Generating Station. It's one of the newest coal plants in the country, built in 2006. Late last year, the owners said they said they had simply lost too much money to keep running the plant and would likely have to close it this spring unless a new owner materializes. None has.

Here's why that matters to Puget Sound Energy's resource plan. All these plants were supposed to run for years – if not decades – more. And all of them are now being closed and there was little warning. The timelines set down by the utilities to phase out coal were all unrealistic – by exponential factors. And it was basic economics that led to the closure decisions. PSE and Colstrip are not immune to the market forces that led to these shutdowns. I know that PSE and the UTC are already looking to the day when Colstrip shuts down. If we're to learn anything from these examples, though, it's that we need to plan and prepare for that day coming far sooner than anyone imagined.