

Citizens for Sane Eastside Energy (CSEE)

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May 22, 2017

Ms. Heidi Bedwell
Energize Eastside EIS Program Manager
City of Bellevue Development Services Dept.
450 110th Ave. NE
Bellevue, WA 98004

submitted by email to info@EnergizeEastsideEIS.org

Re: Comments regarding Energize Eastside Phase 2 Draft EIS

According to section 1.3 of the Phase 2 Draft EIS, “the lead agency is responsible for ensuring that a proposal that is the subject of environmental review is properly defined. **The process of defining the proposal includes an understanding of the need for the project, to enable a thorough understanding of the project’s objectives**” (emphasis added). CENSE’s expert on Northwest regional power planning, Richard Lauckhart, submitted on May 17, 2017, a white paper detailing the complete failure of the EIS process and EIS drafts to address the fundamental issue of project need. His comments are attached hereto as Attachment A.

We agree. It is manifestly absurd to blindly push ahead with evaluating a proposed project’s potential environmental impacts if the project itself makes no sense. And certainly nothing could be more central to the project’s “No Action” “alternative” than proof that building Energize Eastside (“EE”) would satisfy no legitimate need.

Citizens for Sane Eastside Energy (CSEE) is composed chiefly of persons who are most directly threatened by the dangers to life and property if PSE’s proposed Energize Eastside project is allowed to go forward. While some may find it easy to dismiss CSEE as “NIMBY” (“Not In Our Back Yard”), the truth, no matter by whom spoken, still remains the truth. We submit EE is driven solely by PSE’s foreign investor owners who stand to make up to a handsome 9.8% return on EE if built. That is the real motivation for PSE’s wanting to build a boondoggle that should be in *no-one’s* back yard.

It is difficult to assess the many problems associated with EE, not only because of a number of complex technical issues involved, but also because PSE has been from the outset duplicitous and fraudulent in presenting a number of misleading justifications for the project.

There are at least four major areas of such deceit underlying PSE’s determined efforts to hard-sell Energize Eastside that will be addressed here. They are:

1. EE is based on a failed ColumbiaGrid flow study that included exaggerated, false NERC criteria.

The project's foundational justification is a uniquely strange, failed load flow study conducted by ColumbiaGrid in 2013, the results of which (the studies did not "solve") were dismissed by ColumbiaGrid then as something one could comfortably ignore since the studies bizarrely *exceeded* NERC requirements.¹ But those unnecessarily beefed-up, false criteria for that failed "informational" study nevertheless found their way into the Quanta flow studies that are fundamental to PSE's argument for the supposed need for EE. For further details, see Attachment A.

In short, the core rationale for EE is based on a fairy tale.

The fact that PSE's aggressive pitches for EE are founded in myth is further buttressed by the fact that PSE steadfastly refuses to release to CENSE's expert the data inputs used in the Quanta studies done under PSE's supervision and control, even though FERC has made it clear to PSE that CENSE's expert is entitled to see and study that information.

The Lauckhart-Schiffman flow studies are the only untainted studies ever done for EE, and they show no need for EE. Yet an email from PSE's Bradley Strauch to Mark Johnson of ESA, dated 3/25/2016, attached hereto as Attachment B, reveals that PSE still clings to the exaggerated "informational" ColumbiaGrid flow studies criteria beyond those required of NERC when criticizing the Lauckhart-Schiffman studies for not meeting those absurd criteria which Strauch mischaracterizes as "minimum:"

"...as we have already stated in PSEs Phase 1 DEIS comments, the Lauckhart and Schiffman document does not meet the minimum federally required planning standards necessary to provide or develop meaningful results; therefore, it has no relevance when evaluating PSE [sic] thoroughly vetted project proposal."

¹ See page 12 of the ColumbiaGrid 2013 System Assessment Report, first full bulleted paragraph, which includes this language: "**This case is being studied for information purposes and mitigation is not required as it goes beyond what is required in the NERC Reliability Standards**" (emphasis added). That is to say, the study used three major failure events occurring in the scenario tested, or what NERC calls an "N-1-1-1 event," when only two critical system component failures are required for NERC compliance, i.e. an "N-1-1 event." ColumbiaGrid is not known to do studies for "information purposes" only, and we submit that PSE wanted these bizarre studies done in order to create a justification for EE. The ColumbiaGrid 2013 System Assessment Report is available online at <https://www.columbiagrid.org/Notices-detail.cfm?NoticeID=109>.

Ironically, it is rather the PSE/Quanta studies that are wrong and irrelevant, since their foundation is that failed, bogus ColumbiaGrid study.²

CSEE submits that a project of EE's magnitude, costing \$200 to \$300 million and portending catastrophic and irreversible consequences, should be solidly based on complete and totally transparent flow studies, trust, and clarity, involving simultaneously all stakeholders. If done fairly and openly, all parties affected by this controversial project stand to benefit.

2. PSE has misrepresented its desire and efforts to seek an alternative route with Seattle City Light.

One must conclude from the current EIS draft that PSE has apparently succeeded so far in selling the notion that PSE tried but failed to obtain Seattle City Light's (SCL's) permission to

²Probably aware that its rationale for EE as a reliability solution has become flimsy, PSE's justification for EE has morphed into one based on the need for a vague "system upgrade," discussed further in Item 4 in this document and Attachment F. A chronology:

- 1) October 2013. PSE/Quanta release their Eastside Needs Assessment. It states the need was identified with a power flow model (a/k/a load flow model). They indicate their input assumptions include 1,500 MW to Canada and a shut down of local generation from several peaker plants (built specifically to meet reliability emergencies!). This results in the very exaggerated NERC N-1-1-1 event that ColumbiaGrid found to be irrelevant and thus merely "informational."
- 2) December 2013. PSE (without Quanta) provides an Executive Summary of the Eastside Needs Assessment. That Executive Summary provides the infamous "Eastside Capacity and load line (The Problem)" graph where brownouts could start as soon 2017. The Executive Summary indicates that Quanta ran load flow studies, but the Executive Summary changes the justification for EE's need: the need to meet generic customer demand as shown in the "The Problem" graph (included in Attachment F-1 hereto). Note that Quanta did not sign on to this Executive Summary; it is a PSE-developed document.
- 3) 2014-2015: PSE draws a number of questions and criticisms regarding the assumptions in the Quanta load flow studies. Eventually, PSE's lead project consultant, Mark Williamson, goes on the record to admit that including the 1,500 MW to Canada in the Quanta studies was a mistake (YouTube video at <https://youtu.be/UixzxsOmPic>), yet PSE has never done anything to correct that mistake or counteract the wrong conclusions others have made from that mistake. PSE also cannot explain why it had Quanta shut down six local generators (peaker plants) in the load flow study. Not surprisingly, PSE has abandoned the myth that EE's need derives from a load flow study. Yet they refuse to re-run the load flow study without 1,500 MW to Canada or with all PSE generators running. The Lauckhart-Schiffman's studies do just that, however, resulting in their conclusion that there is no need for EE.

For the PSE/Quanta 1,500 MW assumption, see page 8 of the Eastside Needs Assessment at https://energizeeastside2.blob.core.windows.net/media/Default/Library/Reports/Eastside_Needs_Assessment_Final_Draft_10-31-2013v2REDACTEDR1.pdf.
For the PSE/Quanta shut down of local generation, see Table 4-4 on page 32 of the same document.
- 4) 2016: PSE begins focusing on the aforementioned "Problem" graph that it published in its December 2013 Executive Summary. PSE revises that graph to include a mysterious "capacity" line at 700 MW and an exaggerated Eastside load growth that is some ten times greater than what Seattle City Light predicts for booming Seattle. See Attachment F-2. PSE removes the embarrassing 2013 graph from its website and abandons use of it as the basis for the need for EE.
- 5) 2017: PSE's selling point for EE is now: "Nothing has been done to update the Eastside grid for 50 years," a blatantly false claim refuted in Attachment F.

share SCL's Eastside line as a route for EE, a route PSE spokespersons repeatedly assured citizens at public meetings was PSE's "first choice" for EE.

A variant of this misleading narrative is found on the FAQ page of PSE's website dedicated to EE:

"Routing

"•Why can't PSE use the Seattle City Light corridor that runs from Redmond to Renton?

"PSE **looked into** using the Seattle City Light corridor and **yes, if rebuilt, the corridor could work to meet the Eastside's energy needs**. However, PSE has been told by Seattle City Light that this corridor is a key component of their transmission system and **is not available for our use**." (emphasis added; from <http://energizeeastside.com/faqs>)

The underlined words in the last sentence of that paragraph are a link to a June 2, 2014, letter from Uzma Siddiqi, SCL's System Planning Engineer, to the City of Bellevue's Mr. Nicholas Matz, Attachment C, where she writes:

"SCL foresees current and future uses of these existing east side facilities and **prefers not to utilize** SCL's transmission lines for PSE's native load service needs." (emphasis added).

"Prefers not to utilize" is hardly the same thing as "refuses to allow." And note that Ms. Siddiqi's letter is directed to a City of Bellevue employee and not to PSE, who in fact never even tried to make a formal request for sharing those lines. That conclusion is made crystal clear in an April 25, 2017, letter from SCL's Sephir Hamilton, Engineering and Technology Innovation Officer, to me, Attachment D:

"As your letter mentions, although PSE and Seattle City Light have had limited discussions about PSE's Energize Eastside Project, **PSE has never formally requested transmission service on Seattle City Light's Eastside transmission lines. Obviously, if PSE would make a formal request for transmission service on Seattle City Light's Eastside lines, Seattle City Light would respond appropriately.**" (emphasis added)

CSEE submits that PSE never tried to act on its "first choice" for an EE route because to have done so would have deprived its owners of a highly lucrative project, boondoggle though it be.

Further, virtually none of the information PSE has provided the authors of this latest draft EIS about the very real and superior SCL Eastside lines alternative to EE (assuming *arguendo*

something like EE is needed) is accurate. In the May 11, 2017, letter of CENSE's expert, Richard Lauckhart, to Ms. Heidi Bedwell, Attachment E, there are paragraphs cited from the current draft EIS which in part or in whole contain incomplete or erroneous information, with his rebuttals of same. Those comments further buttress the conclusion that if PSE were to follow the steps as outlined in FERC Order 888, SCL would have little choice but to cooperate with PSE in coming up with a far more workable, less expensive, and above all, less dangerous solution than EE, assuming there is any objective need for EE.

The Phase 2 draft EIS is woefully inadequate and simply wrong when it comes to the SCL Eastside line alternative, and it needs to be completely done over again without PSE pressure or interference.

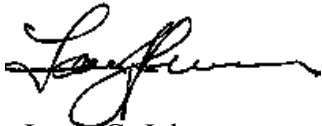
3. PSE has mounted an aggressive PR campaign, similar in kind and credibility to a political campaign,³ in order to mislead the public into thinking EE will fulfill a need to meet future Eastside growth that PSE claims is 10 times that of booming Seattle.

For details, see Attachment F-1 and F-2.

4. PSE repeatedly and falsely advertises the lie that EE is needed as a “long overdue Eastside grid upgrade” despite several expansions of the Eastside grid in the past two decades.

For details, see Attachment F-2 through F-4.

Sincerely,



Larry G. Johnson
Attorney at Law, WSBA #5682
Citizens for Sane Eastside Energy (CSEE)

cc: CENSE

³ To head up PSE's aggressive PR campaign, it went as far as Wisconsin to hire lawyer Mark Williamson to act as its chief consultant for getting the project through the approval processes. Williamson's website brags about his prowess in getting projects like Energize Eastside approved by treating them the same way as a political campaign: "Williamson has developed a strategic communications technique patterned on 'election campaigning' – polling, message development and communication – tools that he employs, and has for years, to get utility projects approved, sited, built and on-line. He is a hands-on utility executive that gets the job done from day one." http://prwcomm.com/now/?page_id=71. PSE's strategy is all about winning rather than fairly arguing the merits of the project or considering possible options that would better serve the public interest.

May 17, 2017

Attachment A - 1

Heidi Bedwell
City of Bellevue Development Services Department
450 110th Avenue NE
Bellevue, WA 98004

Re: Comment for Energize Eastside Phase 2 Draft EIS

Dear Ms. Bedwell:

I am writing to submit comments on the Energize Eastside Phase 2 Draft EIS.

These comments relate to the “need” for Energize Eastside

As I have mentioned in previous submissions, the need for Energize Eastside has never been established. I have provided significant documentation which supports the idea that it is not only not needed, but that PSE is attempting to push this project through using multiple baseless justifications.

The debate on need is rooted in a dispute about a proper load flow study. What keeps us from an open and honest discussion of the facts on which this entire project is based is PSE’s refusal to allow any kind of scrutiny into the assumptions used by Quanta in load flow studies which they conducted for PSE. These studies, along with the studies conducted by USE, are the centerpieces of the justification for Energize Eastside.

PSE continues to refuse to show the details of the Quanta load flow study despite multiple requests and despite the fact that the Federal Energy Regulatory Commission (FERC) says I have a legitimate need to see this information. Yet the EIS process continues to march forward, presumably to its completion, while multiple red flags exist concerning how Quanta did their load flow study. The EIS staff continues to sidestep any real resolution of these red flags.

A \$200-\$300 million project with devastating and irrevocable consequences cannot be subject of guess work. No permit for Energize Eastside should be issued until a truly transparent, scientific process has been completed.

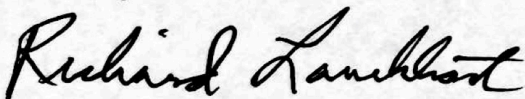
A new load flow study needs to be done in an open and transparent fashion with input from all stakeholders. That is what I asked FERC to require ColumbiaGrid to do. But FERC said that since PSE had not asked for Energize Eastside to be a part of the Regional Plan, then Energize Eastside is not subject to Order 1000. If PSE had asked for Energize Eastside to be part of the regional plan, this would have required ColumbiaGrid to do the studies in an open and transparent fashion with full stakeholder input. The ColumbiaGrid Regional Plan looks out over a ten-year planning horizon and identifies the transmission additions necessary to ensure that the parties to the ColumbiaGrid Planning and Expansion Functional Agreement can meet their commitments to serve regional load and meet firm transmission service commitments.

It appears there were many reasons that PSE chose not to ask for Energize Eastside to be a part of a Regional Plan. I believe this was a deliberate step on their part.

- If Energize Eastside were part of a regional plan, then FERC would say how much BPA would pay for Energize Eastside BPA would pay PSE. By doing that, PSE pays less out of its own pocket. And that would mean a smaller increase in the PSE ratebase. Which means smaller PSE investment that will be given the 9.8% return by the WUTC. Macquarie wants to invest more money in PSE new ratebase. It does not help if BPA pays a lot of that money because that reduces what Macquarie spends and therefore the amount of the return on the investment.
- If part of a Regional Plan, ColumbiaGrid would have been required to do the studies (not Quanta) and ColumbiaGrid studies would have to be done in an open and transparent fashion with stakeholder input, and
- If part of a Regional Plan, then stakeholders would also get to identify alternatives. Those alternatives would include, for example,
 - Meeting any identified needs with DSM
 - Simply increasing the capacity of the Talbot Hill transformer
 - Building a small peaker plant somewhere on the Eastside
 - Utilizing the SCL Transmission line option.

According to section 1.3 of the EIS, *“the lead agency is responsible for ensuring that a proposal that is the subject of environmental review is properly defined. The process of defining the proposal includes an **understanding of the need for the project**, to enable a thorough understanding of the project’s objectives.”* Without an open and transparent load flow study with stakeholder input, there can be no shared understanding of the need for the project. The EIS staff needs to ensure full accordance with this statement before the EIS is finalized.

Sincerely,



Richard Lauckhart
Energy Consultant
44475 Clubhouse Drive
Davis, California 95618
530-759-9390
lauckjr@hotmail.com

From: Strauch, Bradley R <bradley.strauch@pse.com>
Sent time: 03/25/2016 11:24:12 AM
To: Mark Johnson <MJohnson@esassoc.com>
Cc: records@energizeeastsideeis.org; Bedwell, Heidi; Claire Hoffman <CHoffman@esassoc.com>; Nedrud, Jens V <jens.nedrud@pse.com>
Subject: RE: E2- Questions for PSE regarding the Lauckhart-Schiffman report
Attachments: Lauckhart-Schiffman Draft responses_20160318 PSE Response.docx

Mark,

PSE is providing the following information in response the questions posed in the attachment. However, as we have already stated in PSEs Phase 1 DEIS comments, the Lauckhart and Schiffman document does not meet the minimum federally required planning standards necessary to provide or develop meaningful results; therefore, it has no relevance when evaluating PSEs thoroughly vetted project proposal.

If you have any additional questions, please let us know as we will be glad to assist.

Brad Strauch

Sr. Land Planner/Environmental Scientist

PUGET SOUND ENERGY

P.O. Box 97034, PSE-09N

Bellevue, WA 98009-9734

Office: 425-456-2556

Fax: 425-462-3233

Cell: 425-214-6250

From: Mark Johnson [mailto:MJohnson@esassoc.com]
Sent: Monday, March 21, 2016 6:25 PM
To: Strauch, Bradley R
Cc: Heidi Bedwell; Claire Hoffman; records@energizeeastsideeis.org
Subject: E2- Questions for PSE regarding the Lauckhart-Schiffman report

Brad

As we mentioned a couple weeks back, we have a few questions that arose from reading the Lauckhart Schiffman Report. We are trying to address issues raised by the report in the comment summary, the first draft of which is due very soon, so we ask for a quick turnaround on these. The attached is a draft section we have created to respond to the issues raised. Our intent here is to clarify facts that we believe PSE can best provide, and the questions are as close-ended as we could make them. Could you take a look and let us know how quickly you can turn this information around? If we could have answers by the end of the week, that would be great.

Mark S Johnson

Director

ESA | Northwest Community Development

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Seattle City Light

June 2, 2014

Mr. Nicholas Matz
Planning & Community Development Department
450 110th Avenue NE
P.O. Box 90012
Bellevue, WA 98009

Dear Mr. Matz:

Seattle City Light (SCL) has transmission facilities that run through the City of Bellevue and other jurisdictions on the east side of Lake Washington. The SCL transmission lines in Bellevue were installed in the early 1940's to transfer power from hydro-generation in the North Cascades to the west side of Lake Washington. Puget Sound Energy (PSE) has lines in the same general vicinity which primarily serve the PSE customer load east of Lake Washington.

SCL's double circuit 230kV transmission lines are used to meet current and future operating needs. Specifically, SCL needs the connectivity and capacity of these transmission lines to:

- Maintain a contiguous Point of Delivery for transmission service from BPA;
- Serve existing load growth and maintain reliability;
- Provide for future SCL growth;
- Support regional transmission flows; and
- Meet NERC reliability requirements.

SCL foresees current and future uses of these existing east side facilities and prefers not to utilize SCL's transmission lines for PSE's native load service needs.

Please contact me via email at uzma.siddiqi@seattle.gov if you have any questions.

Sincerely,

Uzma Siddiqi, PE
System Planning Engineer

cc: Phil West
Tuan Tran





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Attachment D

April 25, 2017

Mr. Larry Johnson
Attorney at Law
Citizens for Sane Eastside Energy (CSEE)
8505 129th AVE SE
NEWCASTLE, WA 98056

Re: PSE's Energize Eastside Project

Dear Mr. Johnson,

This letter responds to your letter dated March 20, 2017 to our General Manager, Larry Weis. We appreciate your interest in the regional energy issues and are aware of your concerns regarding Puget Sound Energy's ("PSE") Energize Eastside Project. As your letter mentions, although PSE and Seattle City Light have had limited discussions about PSE's Energize Eastside Project, PSE has never formally requested transmission service on Seattle City Light's Eastside transmission lines.

Obviously, if PSE would make a formal request for transmission service on Seattle City Light's Eastside lines, Seattle City Light would respond appropriately. Likewise, Seattle City Light remains willing to discuss options with PSE regarding the potential use of Seattle's Eastside lines. However, as PSE's project located entirely within its own service territory, PSE's project remains within PSE's discretion.

In addition, the Energize Eastside Project is not subject to the Order No. 1000 regional approval process because it is located completely within Puget Sound's service territory, it was included in Puget Sound's local transmission plan to meet Puget Sound's reliability needs, and neither Puget Sound, nor any other eligible party, requested to have the project selected in the regional transmission plan for purposes of cost allocation.

We trust that this resolves the concerns expressed in your March 20th letter with respect to Seattle City Light.

Sincerely,

Saphir Hamilton
Engineering and Technology Innovation Officer
Seattle City Light

cc: Larry Weis, General Manager, Seattle City Light

May 11, 2017

Heidi Bedwell
City of Bellevue Development Services Department
450 110th Avenue NE
Bellevue, WA 98004

Re: Comment for Energize Eastside Phase 2 Draft EIS

Dear Ms. Bedwell:

I am writing to submit comment on the Energize Eastside Phase 2 Draft EIS.

This comment relates to pages 2-52 of the Phase 2 Draft EIS. In particular section 2.2.1 "Seattle City Light Transmission Line" option.

In order to understand how this option works, one needs to be familiar with FERC's ProForma Open Access Transmission Tariff (OATT). The FERC ProForma Open Access Transmission Tariff can be found at:

<https://www.ferc.gov/industries/electric/indus-act/oatt-reform/order-890-B/pro-forma-open-access.pdf>

Section 6 of the OATT discusses "Reciprocity". If SCL uses the lines of one or more FERC directly regulated utilities, then SCL will have agreed to these terms when they use those lines. Meaning under reciprocity, SCL agrees to also deal with requests for use of their transmission grid under the FERC OATT approach.

Other sections of interest to this SCL Transmission Line option are:

Section 15. Service Availability

Section 16. Transmission Customer Responsibility

Section 17. Procedures for arranging for Firm Point to Point transmission service

*[This section is particularly relevant to how PSE needs to ask SCL for use of its line to serve a new 230/115 KV transformer at Lakeside. **There is a requirement to make a formal application in the format that is described in the OATT. PSE has never made such an application. An informal request does not meet the required format for making a request to use the SCL line. PSE needs to make this formal request to SCL.**]*

Section 19. Additional studies procedures for Firm Transmission

With an understanding of how FERC's OATT works, it is clear that just about every sentence in the discussion of the SCL option is incorrect, meaning these sentences are not consistent with the OATT.

First sentence:

"SCL has indicated to the City of Bellevue that they expect to need the corridor for their own purposes and are not interested in sharing the corridor with PSE (SCL, 2014)."

The EIS staff should already be aware that FERC does not allow a utility like SCL to "hoard" its transmission capability. Further, the FERC OATT requires a utility like SCL to increase the rating of its infrastructure (with needed construction) if that is what it takes to honor a request for transmission and the requesting utility agrees to pay what FERC requires them to pay. No one has performed a System Impact Study (as required by the OATT) to see what it would take to honor a PSE request to use the SCL line to serve a new 230/115 KV transformer at Lakeside.

Second sentence:

"The existing SCL line would have to be rebuilt to provide a feasible solution for the Energize Eastside project, because the current rating of the SCL line is insufficient to meet PSE's needs (Strauch, personal communication, 2015)."

If it can be shown that the existing SCL line would need to be rebuilt to provide a feasible solution for the Energize Eastside project, then that is what the FERC OATT would require be done as long as PSE agrees to pay what FERC would require them to pay for that construction. Until a study is done, one cannot tell for sure what the rebuild cost would be. But it certainly would be less than the cost of Energize Eastside. Further, it should be clear that the request to use the SCL line is only for purposes of serving a new 230/115 KV transformer at Lakeside. The study to determine what this cost must not include a requirement to deliver 1,500 MW to Canada unless BPA makes that request and BPA would pay the bulk of the needed cost if the SCL line is also being used to increase the ability of BPA to deliver power to Canada.

Third Sentence:

"PSE has estimated that rebuilding the SCL line would provide sufficient capacity for a period of less than 10 years, which does not comply with PSE's electrical criteria (as described in Section 2.2.1 of the Phase 1 Draft EIS) to meet performance criteria for 10 years or more after construction."

Under the FERC OATT rules that SCL needs to comply with, SCL does not get to stop serving Lakeside after ten years even if SCL has a legitimate need for more use of its SCL line at that time. The FERC OATT has clear rules on how a utility like PSE can assure its transmission service from SCL can be retained even after SCL decides it needs the line for its own use. The FERC OATT protects a utility like PSE from SCL stopping to provide them transmission service.

Fourth Sentence:

"Neither the City nor PSE can compel SCL to allow the use of this corridor; therefore, this option is not feasible and was not carried forward."

This statement is wrong. PSE can compel SCL to use its line to serve a new 230/115 KV transformer by making a FERC Order 888 request (under the FERC OATT) for such transmission service. If SCL refuses, FERC will compel them to do so. FERC uses its "reciprocity" ruling to compel SCL. If SCL refuses, FERC will refuse to let SCL use any transmission lines that are under direct FERC jurisdiction. SCL could not meaningfully its service obligations to its own customers without using the transmission lines of FERC directly jurisdictional utilities.

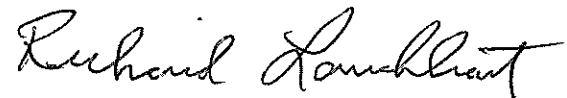
Fifth Sentence:

"Even if compelled use of the corridor were allowed, the negotiations would likely prove lengthy, and would likely preclude completion of the project within the required timeline to meet project objectives."

The FERC OATT has tight timelines for dealing with requests for transmission service. FERC intentionally put in these tight timelines to prohibit a utility like SCL from denying service by delaying service. Further, PSE currently is not saying when it thinks it needs a new 230/115 KV transformer to be in service at Lakeside. Any needed construction on the existing SCL line will take considerably less time than permitting and building EE. Further, according to the only reasonable load flow study done regarding serving the east side (the Lauckhart-Schiffman Load Flow study), there is plenty of time before any new 230/115 KV transformer is needed at Lakeside.

Thank you for the opportunity to clarify how this SCL Transmission Line option would work.

Sincerely,



Richard Lauckhart
Energy Consultant
Davis, California
530-759-9390
lauckjr@hotmail.com

Citizens for Sane Eastside Energy (CSEE)

May 8, 2017

Attachment F -1

The Washington Utilities and Transportation Commission
98504-7250, 1300 Evergreen Park Dr SW
Olympia, WA 98502

sent by email to the individual Commissioners

Dear Commissioners:

This letter is in response to comments made in an email by Mr. Jens Nedrud of PSE to you and others, dated May 4, 2017, regarding PSE's Energize Eastside project and a 3/16 IRPAG meeting.

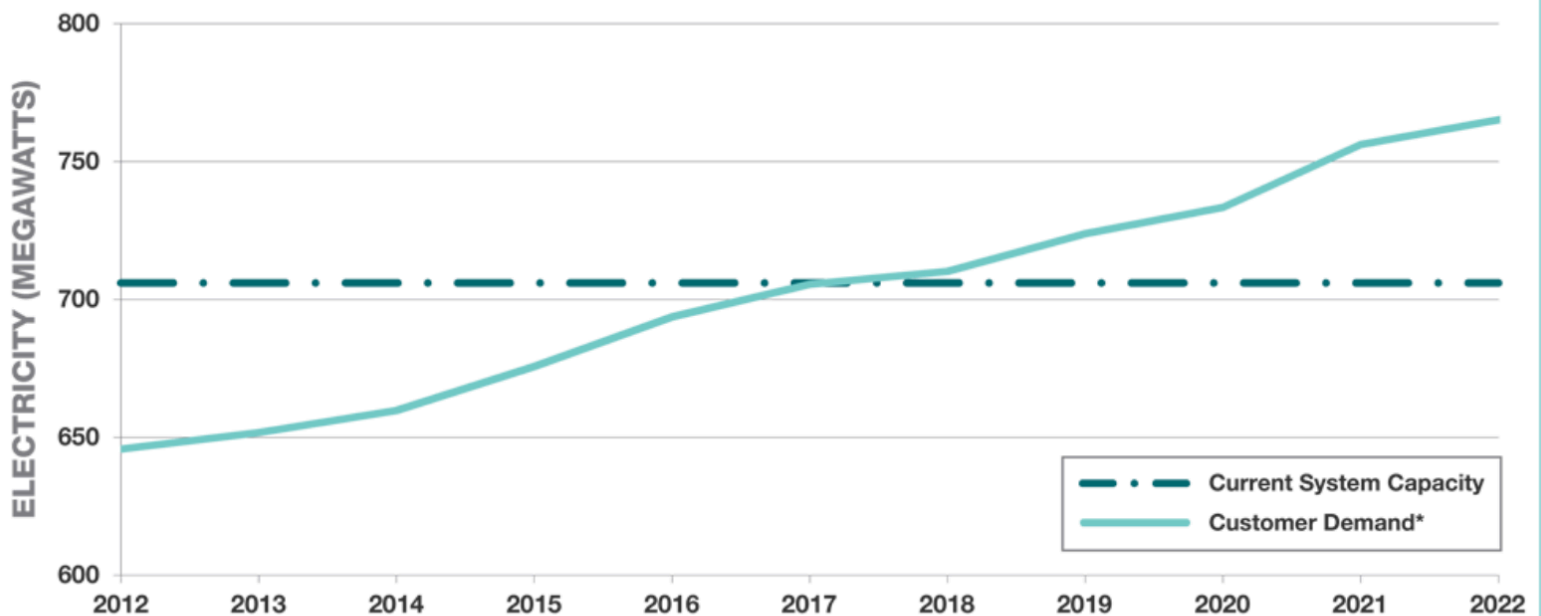
Mr. Nedrud's remarks are misleading and distort the facts, yet they are unfortunately consistent with PSE's determined hard-sell methods to get the \$200-\$300 million project built at all costs, regardless of the economic waste and the grave risk to lives and property if built as proposed, i.e. too close to two aging pipelines transporting highly flammable petroleum products under pressure.

The two chief mantras PSE keeps repeating in its PR efforts to sell Energize Eastside are: 1) There is so much economic and population growth on the Eastside, the project is needed to meet a generic "consumer demand;" and 2) Nothing has been done "since the 1960s" to upgrade the grid in the Eastside. The ads PSE has published in numerous media outlets repeatedly beat these "Consumer Demand" and "Need for Upgrade" drums. CSEE has collected over two dozen of them.

PSE's inflated consumer demand claims

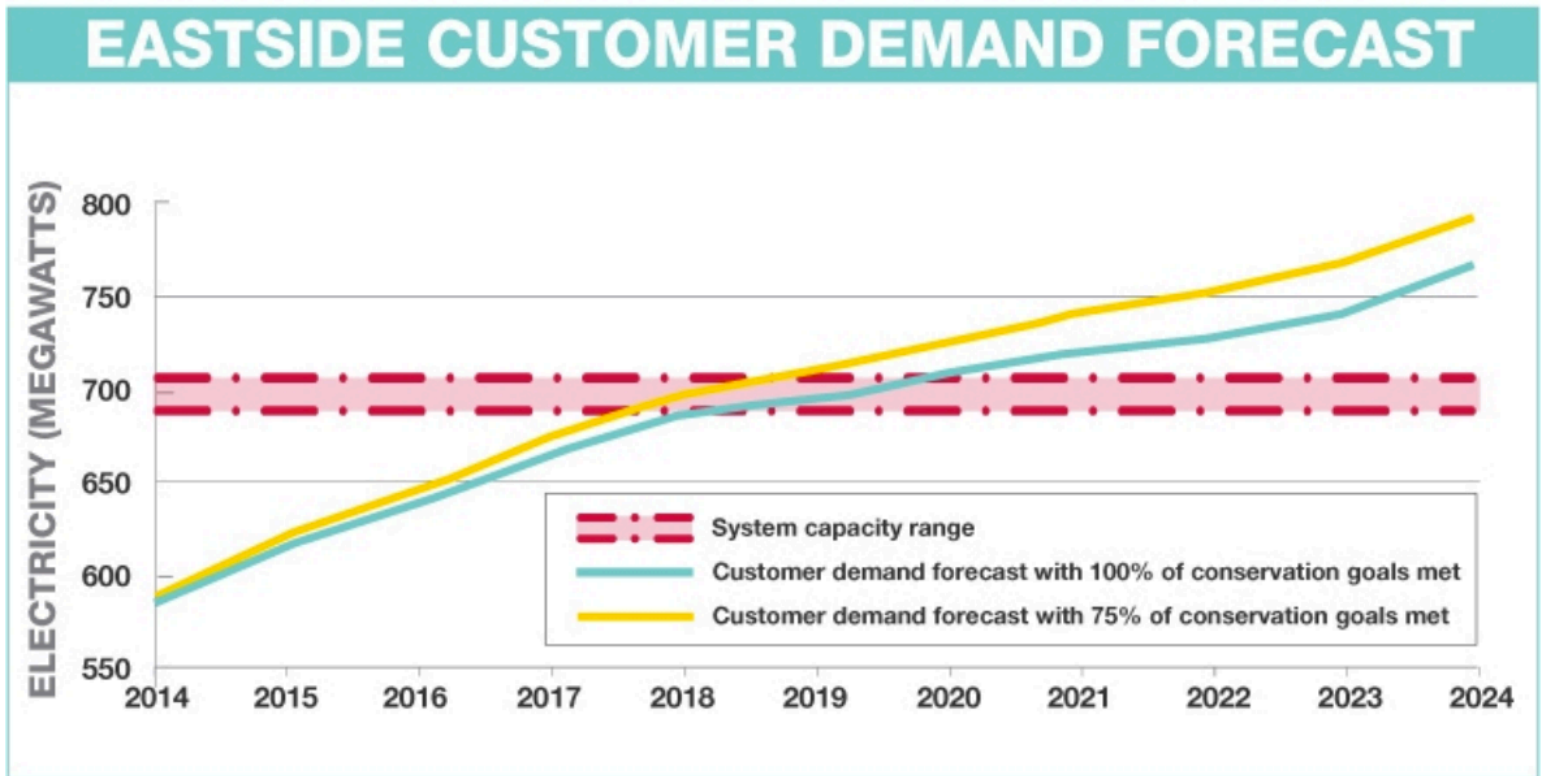
In December of 2013, PSE had on its website dedicated to the Energize Eastside project the following chart, which was its prime lead-in to justify the project. Words introducing the chart stated that "[g]rowth studies predict that demand for reliable power will exceed capacity as early as 2017:"

EASTSIDE CUSTOMER DEMAND FORECAST



*Customer Demand assumes 100% of conservation goals are met.

Two years later, in December 2015, that chart was replaced by this one:



This chart was accompanied with a warning: “Without substantial electric infrastructure upgrades, tens of thousands of residents and businesses will be at risk of more frequent and longer power outages.”

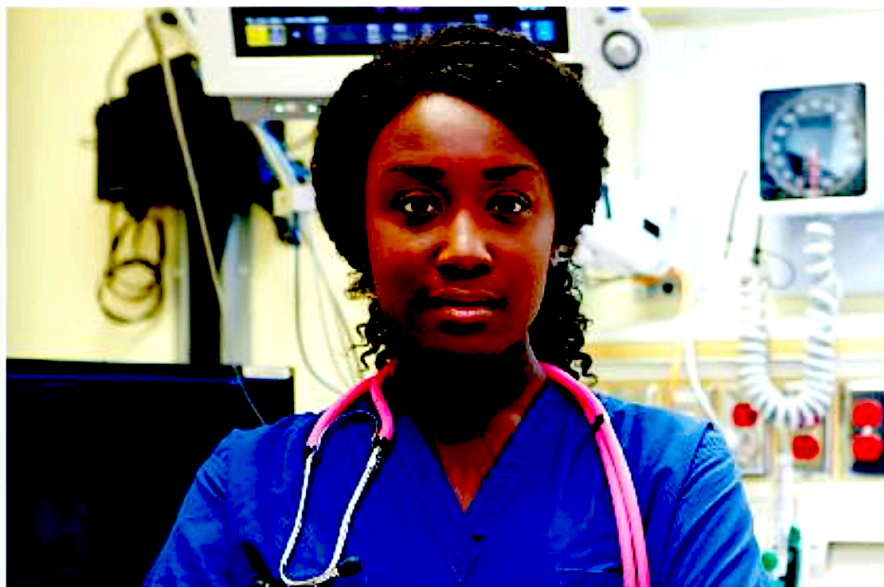
That is a gross and irresponsible exaggeration. From the graph above, it appears PSE anticipates a spectacular (and preposterous) Eastside demand growth rate of 4% in the next four years. That is ten times the future growth rate predicted for a wildly booming Seattle by Seattle City Light’s Sephir Hamilton, Engineering and Technology Innovation Officer, who in 2014 laid out these facts (<https://youtu.be/gZWM-yNxwZY>, starting at 0:52 into the video):

“In the last four years nationwide, per-customer energy use has declined by 2%, both residential and non-residential. Here in Seattle it’s declined 2.7% for non-residential, and it has declined 7.6% per customer for residential energy use. Even with all the growth that you see here in Seattle and south Lake Union, we’re projecting total load growth of less than a half of a percent over the next five years. This is a huge change in the entire makeup of energy use industry in the United States, and especially here in Seattle where we’re leading the way.”

I have asked Mr. Hamilton to update this data with what is known now in 2017, and I will update with that information when received. Meanwhile, PSE no longer has a chart on its Energize Eastside website with growth projections. But that does not deter it from making outlandish growth claims.

PSE’s false “no update since the 1960s” claims

Here is an example of one of several ads of like content that PSE has published in various media outlets:




We can't
protect the
Eastside's
future with
yesterday's
electric grid



The Eastside's electric grid was last upgraded in the 1960s — not for today's fast-growing communities and the 21st-century emergency services they must rely on. Without substantial upgrades soon, we risk more disruptive and longer power outages. To protect our future, PSE is working with Eastside communities on a safe, reliable solution. Learn more at pse.com/energizeeastside

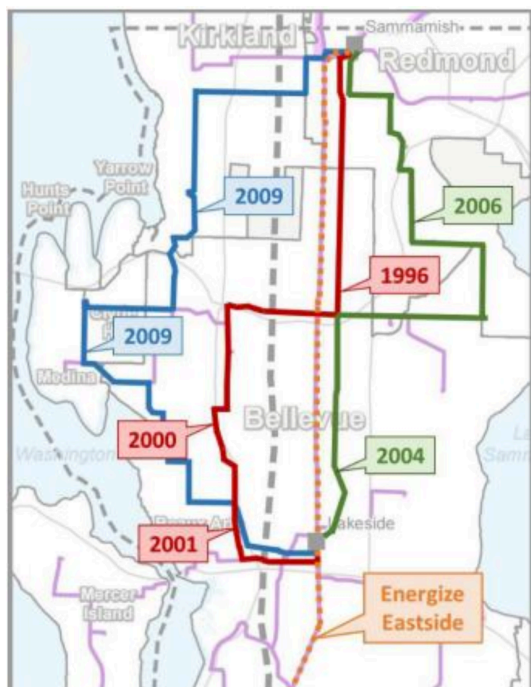
pse.com/energizeeastside

 PUGET SOUND ENERGY

Note the blatant falsehood contained in this ad: “The Eastside electric grid was last upgraded in the 1960s.” The ad also makes a false correlation between general daily electricity usage and power outages, when PSE knows full well the ostensible need for Energize Eastside is to meet very rare N-1-1 emergency events where federally mandated reliability is the only issue, not the general daily supply and demand for electricity.

As former Puget Power Vice President for Power Planning, Richard Lauckhart, has argued in documents he has sent you, there have been numerous upgrades and expansions made to the Eastside grid since the 1960s, as illustrated in this graphic for lines added and the years they were built:

New 115 KV lines built in the Eastside in recent years

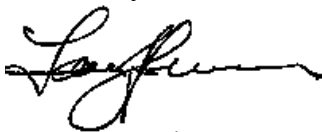


In conclusion, whether in terms of PSE's complying with your requirements for a proper and adequate IRP, or whether as evidence at some future rate hearing on Energize Eastside when you will need all the facts, it remains that PSE simply cannot be trusted to tell the truth when so much of its future profits are at stake. You will recall that the WUTC levied its greatest fine ever on a utility, \$1.25 million, for PSE's having intentionally falsified gas pipeline safety inspection records over a period of four years (see <https://sane-eastside-energy.org/2014/04/30/pse-fined-1-25-million-in-falsifying-gas-pipeline-safety-inspection-reports-for-4-years-running/>). It is thus not totally surprising that, while Mr. Nedrud finds flaws in the Lauckhart-Schiffman load flow studies, PSE has yet to release CEII-related data PSE submitted for the studies it relies on that would reveal what sorts of fundamental assumptions were used, even though FERC made it clear to PSE that Mr. Lauckhart and CENSE's Don Marsh have CEII clearances and should be given access to that CEII data.

PSE has stubbornly refused to provide that information. The WUTC should demand that they do.

I realize the power the WUTC has to regulate and influence PSE is woefully inadequate. But for a project with such great potential for irrevocable damage, I hope the WUTC can use its own resources to conduct fully unbiased and untainted flow studies, if need be, to determine for itself the need for Energize Eastside, or at least to establish the validity of such studies as have been done. This is, after all, your area of expertise and public trust. That would be a positive effort undertaken for the common good of all Washingtonians and for the future of our environment.

Sincerely,



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NW Energy Coalition
Sierra Club