

Citizens for Sane Eastside Energy (CSEE)

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June 1, 2017

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

sent by email to the individual Commissioners

Re: Puget Sound Energy's 2017 Integrated Resource Plan, Docket UE-160918

Dear Commissioners:

On May 8, 2017, I sent you a letter on behalf of Citizens for Sane Eastside Energy (CSEE) regarding PSE's false claims regarding Energize Eastside ("EE"). That letter also makes a brief reference to PSE's need to supplement its inadequate 2017 IRP. This letter is intended to amplify and expand on that statement.

EE is a proposed 18-mile \$200-\$300 million transmission project that would run through densely residential areas and over two aging Olympic Pipeline Co. petroleum pipelines transporting jet fuel and other flammable products under 500 psi. If allowed, that project would severely hamper PSE's ability to fulfill its already deficient 2017 IRP by misallocating resources to an unnecessary project, or by failing to pursue vastly safer, more proportionate and cheaper least-cost alternatives.

Not only would EE not add any new power generation, it would not even serve the purposes PSE claims it would. According to CSEE's and CENSE's independent expert and former Puget Power Vice President for Power Planning, Richard Lauckhart, "on a cold winter peak load day the existing eleven transmission lines crossing the Cascades from the mid-Columbia area into the Puget Sound area south of Talbot Hill provide just enough power to meet local demand; there would be virtually no power left to move to the Canadian border through a new transmission line (i.e. EE) on the Eastside -- certainly not 1500 MW." Yet those 1500 MW were included in the PSE/Quanta load flow studies as the key factor to justify the need for EE.¹ But besides other flawed assumptions in those studies, they have an additional Achilles' heel: they apparently assume there will be construction of at least one and probably two new cross-Cascades lines that neither BPA nor any other utility contemplates building.

Thus, if built, EE would be "a Bridge to Nowhere."

¹ Two years after those studies were done, PSE spokespersons Mark Williamson and Keri Kravitz have stated in emails that the inclusion of the 1500 MW to Canada in the Quanta studies was a mistake. But despite that fact, PSE has done nothing since then to reduce the size of EE or redo the load flow studies without the 1500 MW to determine whether EE is needed without that assumption. As noted further in this letter, Richard Lauckhart and Roger Schiffman did those studies and found no need for EE.

In Docket UE-160918, the WUTC issued Order 01, dated April 13, 2017, which includes the following language:

...

5 Following additional discussions with Staff and other stakeholders, PSE filed a revised Petition on April 7, 2017, which includes the following commitments:

...

(9) PSE's Chapter on System Planning, which includes a transmission and distribution planning discussion, will include an overview and explanation of the system planning process, including transmission that is not related to resources. This chapter will also identify geographic areas that may become capacity constrained in the future to guide future planning analyses. Additionally, for transmission projects that may affect the topology of PSE's transmission system, the System Planning Chapter will include the following information:

- o List of transmission projects completed since the 2015 IRP;
- o Future planned transmission projects, brief description of the project, and references where interested parties can find additional information that may include needs, alternatives, etc., depending on the magnitude of the project.

PSE thus agrees that a project of EE's magnitude must be scrutinized as part of PSE's IRP, including "needs, alternatives, etc." WUTC's insistence on getting all the relevant detailed facts from PSE may therefore be the only meaningful moment where the WUTC can and should impede this dangerous and wasteful project *before* it is built.²

On the issue of the lack of need for EE, please find attached CSEE's May 22, 2017, comments sent to the City of Bellevue regarding the current draft of the EIS for the project, incorporated by reference herein as if fully set out.

The more time, labor and money PSE pours into EE the less it has to devote to its 2017 IRP and future power responsibilities. The WUTC has a duty to thoroughly investigate the need and appropriate size of Energize Eastside, and to require PSE to make the Quanta load flow studies PSE has relied on to justify EE available to all stakeholders.

Such stakeholders include Richard Lauckhart. He and Roger Schiffman performed proper and transparent load flow studies relevant to EE, and they found no need for the project. The report on their studies is attached to the email that includes this letter. Attachment A to that report is a letter from FERC to Lauckhart granting him CEII clearance to examine the data inputs and

² Washington State, despite its often being perceived as a progressive, high-tech state, is inexplicably retrograde in its inability to prevent a disaster like Energize Eastside. Unlike most states that require a Certificate of Public Use and Necessity before a utility project is approved, apparently the WUTC can only stand idly by and do nothing until *after* a project is built to determine its need in the context of a rate-base hearing. Of course, by then it will be too late if there is no need for a project. Not surprisingly, the WUTC has never used even this limited power to disapprove an infrastructure project like EE. Please see "The Toothless Washington Utilities and Transportation Commission" at https://docs.wixstatic.com/ugd/740e62_f259798f5d1347349610fde60d34ec43.pdf, which urges the WUTC to at least issue non-binding advisory opinions to private utilities regarding the prudence of their proposed future projects. Why should the WUTC be silent if it sees folly unfolding before it? Non-binding advisory opinions could be implemented immediately without the need for new legislation.

basic assumptions PSE used in its load flow studies. Lauckhart is clearly entitled to see that data, yet PSE has stubbornly refused to grant him access to or copies of those studies.

You need to ask PSE: What are you trying to hide?

If the PSE/Quanta studies had been done by ColumbiaGrid in the manner required by FERC Order 1000, such studies would have been done openly and transparently, involving all stakeholders. But PSE as a member of ColumbiaGrid chose not to go that route, claiming Energize Eastside is a local load project only and thus outside ColumbiaGrid's jurisdiction. This, despite the fact that Energize Eastside is identical to the Sammamish-Lakeside-Talbot project that PSE submitted to ColumbiaGrid in 2011-2012 as a regional solution to perceived curtailment problems in the Northern Intertie.

PSE's 2017 IRP (or rather, lack thereof) affects all of Washington ratepayers, not just the Eastside. We are entitled to the whole truth about the supposed need for Energize Eastside. It is a boondoggle that would dramatically subtract from PSE's already depleted resources (e.g., reduced generation from Colstrip; Firm Commitment contracts PSE has allowed to expire).

We hope the WUTC will not act like a captive regulator but rather use all the tools at its disposal, including fines, to assure the public interest is fully served by a detailed, defensible and comprehensive 2017 IRP from PSE.

CSEE is engaged in efforts to replace PSE with a King County Public Utility District where we citizens can directly elect responsive commissioners, assert local control over power decisions, and monitor the PUD's operations through public records requests. We have none of that now with PSE and meanwhile must therefore rely on you to act on our behalf.

Sincerely,



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