



CITY MANAGER'S OFFICE
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April 21, 2021

Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Docket UE-200980 - Washington Utilities and Transportation Commission v. Puget Sound Energy

Dear Utilities and Transportation Commissioners,

The City of Mercer Island is writing to comment on the joint settlement for Docket UE – 200980 that impacts PSE's Green Direct program. The City was one of the first to subscribe to Phase 1 of Green Direct in December 2016 and joined the program in order to help meet our greenhouse gas emission reduction targets by using locally generated renewable energy.

On April 16, 2021, the City learned that the methodology used to calculate the Energy Charge Credit (ECC) for Green Direct is changing, pending approval of a settlement by the Utilities and Transportation Commission. This change, if approved, will have significant negative impacts on the financial performance of Green Direct for the City of Mercer Island and many other subscribers.

The City of Mercer Island held extensive discussions with PSE prior to committing to a 20-year purchase agreement and expected some moderate rate adjustments due to expected fluctuations in power prices. The City was comfortable with that risk but did not anticipate that the calculation method itself would be changed and lead to such a large increase in expenses. This comes at a particularly difficult time as cities are working hard to address COVID-19 and its economic impacts, while maintaining a focus on livability and sustainability issues.

We understand that the proceedings required a certain level of confidentiality, however the City is extremely frustrated that this settlement was made without the participation of any Green Direct customers, with no notice from PSE whatsoever, and without timely notice from the Utilities and Transportation Commission.

Mercer Island has partnered with Puget Sound Energy on many programs in the past and supports its ongoing transition to clean energy, as required by the state's Clean Energy Transition Act. Actions like this proposed settlement, however, severely test that relationship, and would appear to transfer a disproportionate amount of PSE's transition costs to the very customers that have helped support its clean energy expansion.

The City urges the Utilities and Transportation Commission to reject the proposed settlement. This will allow the City of Mercer Island and other Green Direct customers an opportunity to fully understand the changes and be afforded a proper and customary opportunity to provide input and identify equitable solutions.

Thank you for your time and consideration of this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "J Bon", is positioned above the typed name.

Jessi Bon
City Manager
City of Mercer Island