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From: kevinjonvash@gmail.com
To: Records Management (UTC)

Cc: "lohr"

Subject: Vashon Climate Action Group Concerns Regarding PSE"s first CEIP (Docket UE-210795)

Date: Saturday, February 26, 2022 2:32:04 AM

External Email

Amanda Maxwell, Executive Director and Secretary Washington Utilities and Transportation Commission P.O. Box 47250
Olympia, WA 98504-7250

February 21, 2022

RE: Vashon Climate Action Group Concerns Regarding PSE's first CEIP (Docket UE-210795)

Dear Ms. Maxwell:

We appreciate this opportunity to comment on Docket UE-210795, the 2021 Draft Clean Energy Implementation Plan pursuant to WAC 480-100-640. Members of the Vashon Climate Action Group (VCAG) leadership team have been involved with Puget Sound Energy (PSE) and the Integrated Resources Plan (IRP) process for a number of years, working to encourage our utility to become more resilient, greener, and better prepared for the future. Much of that process has been discouraging.

We were excited when the Clean Energy Transformation Act (CETA) passed in 2019, setting clear and ambitious targets to reduce greenhouse gas emissions permanently from the state's electricity sector.

Members of VCAG followed the writing of the rules for CETA and worked with PSE and the Washington Utilities and Transportation Commission (UTC) on the 2021 IRP and the now required Clean Energy Implementation Plan (CEIP), including following PSE's implementation of the new Equity Advisory Group (EAG). We hoped to help PSE move toward a clean energy future in the timely manner envisioned by the legislature and most of PSE's customers. While we have seen some progress in PSE's efforts in this regard, we do not believe they have met the expected or required standards.

In the past, PSE has been required to make vague 20-year plans (Integrated Resource Plans) for how they will move forward. We and many others have repeatedly submitted technical inputs to improve their plans. Getting improvements was frustrating, slow, and seemingly insignificant. For example, PSE used future predictions for most of their modeling of future gas prices and anticipated future usage by customers. For years PSE has insisted on using backward looking data for

weather, even though the evidence for climate change has been apparent for years. Many members of PSE's IRP advisory group have asked PSE to change this practice. The UTC has also asked them to begin using future models for weather. PSE has said they would, yet the most recent IRP did not include it. There was little the UTC could do about this, other than express frustration.

CETA now requires PSE to submit specific 4-year plans (CEIP) for which they are held accountable. PSE must not be allowed to use their old argument: "this is the first time we've done this, you can't expect us to get it right, we'll do better next time".

VCAG participates with the Washington Clean Energy Coalition (WCEC), which has alerted people to **two significant opportunities for PSE to improve its CEIP** to reduce emissions, improve reliability, and reduce costs:

1) PSE should move more rapidly to reduce demand and convert to clean energy by:

- a) reducing demand for electricity with more aggressive programs such as Demand Response and Time Varying Rates, and
- b) increasing acquisition of wind, solar, storage, and distributed energy resources.

More aggressive demand reduction would avoid the need to build additional capacity to cover peak loads (such as a new gas-powered peaker plant). PSE should cover much of its base load with renewable resources, and then use existing gas plants to serve occasional peak needs. Faster acquisition of renewable resources will help protect against potential price increases. Gas prices are volatile, have been rising recently, and are likely to remain high. Renewables are cheaper and less vulnerable to price swings than gas, which is affected by supply limitations and political instability.

2) The CEIP should include climate change in its projections.

- a) The forecasting models that PSE used to develop the CEIP do not account for climate change.
- b) PSE's models rely on temperature data going back 90 years. Recent decades have been significantly warmer. Consequently, PSE's CEIP would invest in energy resources designed to serve cooler winter and summer conditions than we will actually experience.
- c) While peak demand for electricity is likely to continue its decline during warmer winters, summer peak demand is likely to rise. PSE should accelerate acquisition of local solar generation and battery capacity, which could reduce stress on distribution lines during a heat dome event and thereby strengthen the resilience of the electric grid.

These are changes that WCEC recommends the UTC require in PSE's CEIP:

- Reduce peak demand by requiring PSE to expedite and expand their Demand Response and Time Varying Rates programs.
- 2) Reduce price volatility and greenhouse gas emissions by requiring PSE to accelerate acquisition of new renewable clean energy resources.

- 3) Increase the resiliency of the electric system by requiring PSE to increase programs that encourage local solar and battery installations.
- 4) Reflect future capacity needs more accurately by requiring PSE to revise temperature modeling to reflect the changing climate and then resubmit their CEIP.

VCAG would also like to draw your attention to a third issue which has been widely discussed and supported at WCEC meetings.

3) PSE must minimize their costs for compliance attributed to CEIP implementation.

- a) PSE appears to be charging costs not required by CETA in sections 4 and 5 of the law. For example, PSE appears to be charging \$2 million for running the Equity Advisory Group, which is not required by CETA in section 4 or 5 of the law.
- b) PSE knew that Colstrip 1 & 2 and Centralia were shutting down well before CETA was enacted and that they would need to replace those power sources. Clean energy now being acquired by PSE to replace them should not count as CETA costs.

We believe that PSE's first CEIP 4-year plan is inadequate. We are asking the UTC to acknowledge this and to tell PSE their CEIP does not meet the requirements of the legislation.

Thank-you for your consideration of the crucial issue for the future success of PSE, its customers, and other living beings.

Sincerely,

Vashon Climate Action Leadership Team

Kevin Jones, Board member Suzanne Greenberg, Board member Andy James, Board member Stephanie Barbee Rob Briggs Virginia Lohr Noah Roselander Maia Syfers