



February 3, 2016

Steven King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S Evergreen Park Dr. SW
Olympia, WA 98504-7250

Dockets UG-141169 and UE-141170

RE: Comments on Puget Sound Energy's Integrated Resource Plan

Dear Chairman Danner and Commission Members:

King County and the cities of Issaquah, Mercer Island, Redmond, Snoqualmie and Tukwila are commenting jointly on Puget Sound Energy's (PSE) Integrated Resource Plan (IRP) now before the Washington State Utilities and Transportation Commission (UTC). PSE's IRP details its plans for meeting the future energy needs of its customers. We are providing these comments as large direct customers of PSE, and also as elected officials representing more than 400,000 Washington residents, many of whom are PSE customers.

Confronting climate change and accelerating a transition to a clean energy economy is a top priority for our jurisdictions. Through the Growth Management Planning Council, 39 cities and King County have established shared, formal targets to reduce greenhouse gas emissions by at least 50 percent by 2030 and 80 percent by 2050. As members of the [King County-Cities Climate Collaboration](#) (K4C), we have charted out specific commitments needed to meet these targets, including phasing out coal-fired electricity sources by 2025 and increasing renewable electricity use by 20 percentage points above 2012 levels by 2030. To date, local governments representing more than 1.5 million residents have endorsed the K4C's Joint County-City Climate Commitments.

PSE has partnered with our jurisdictions and residents to expand energy efficiency, solar electricity production and other renewable energy generation. We look forward to continued and expanded partnerships with PSE as we work to support energy efficiency, green building, and renewable energy efforts, and reduce the environmental impacts of providing essential energy services to our residents.

The IRP addresses many issues and opportunities that are critical components of our regional and statewide work to address climate change and promote a clean energy economy. We support the IRP's continued focus on energy efficiency, expansion of demand response programs that support customer efforts to reduce or shift energy use during peak periods, and inclusion of several carbon pricing scenarios. We also support any efforts through the UTC that would enable PSE and other utilities to profit from meeting more aggressive efficiency targets in lieu of constructing new generation facilities.

While we recognize the significant work and analysis that went into the draft IRP, we believe it should be enhanced in the following ways:

Clear Path for Colstrip Retirement

We would like to see the IRP provide much greater specificity on plans for closure of the generating units at the Colstrip facility, and a commitment to replace the facility's power with clean, renewable resources.

The K4C joint commitments include goals to phase out coal-based electricity generation sources by 2025, limit new construction of natural gas plants, and achieve 90 percent renewable electricity use countywide by 2030. In 2014, approximately 35 percent of PSE's total electricity generation came from burning coal, with the majority of this coming from the Colstrip Generating Facility, which presents a significant obstacle for the K4C cities to achieve their deep carbon reduction goals.

In 2015, the UTC opened an investigation of PSE's coal-fired generating unit decommissioning and remediation costs, docket #151500. King County and the cities of Mercer Island, Kirkland, Issaquah, Redmond, Sammamish, Shoreline, and Snoqualmie [sent comments](#) supporting an investigation into the risks and costs of continued operation of Colstrip Units 1 and 2. The UTC response to these comments indicated that expanding the scope of the Colstrip investigation would be addressed in other proceedings, including the IRP. The IRP should map out the approach, timeline, risks, costs, and benefits from accelerating the retirement of Colstrip and replacing its capacity with clean, renewable energy. The risk and cost analysis should reflect the full cost and risks of continued reliance on coal as well as likely implications of the Federal Clean Power Plan for continued operation of Colstrip in Montana. The IRP should detail specific actions to minimize uncertainty and impacts to ratepayers associated with closure and remediation.

We recognize the some of these interests, including provisions creating a regulatory pathway for retirement of Colstrip Units 1 and 2, can be addressed in legislation now under consideration in the Legislature. We will continue to work with PSE to achieve a positive outcome for this legislation and look forward to continued engagement with UTC.

Reduced Reliance on New Natural Gas Generation Sources

The IRP presents new natural gas generation as the primary resource for meeting future electricity needs. The potential construction of new natural gas fired electricity offers significant long-term environmental, public health, and economic risks and the IRP should fully describe these risks and costs. Natural gas power generation is often presented as a greenhouse gas reduction opportunity compared to coal-based generation, an approach that is short sighted. Beyond the direct carbon impacts of generation at a power plant, research increasingly shows that natural gas delivery systems have methane leakage at all stages of production and distribution, which include drilling, extraction, storage, transportation, and end use combustion. Moreover, the significant environmental and public health consequences of the massive Porter Ranch underground natural gas storage methane leak incident in California highlights the need to consider the significant risks and social costs of natural gas as a fuel source. Such environmental and economic risks are in addition to the uncertainty over future carbon pricing and volatile price fluctuations of the natural gas commodity. Moreover, as the Northwest Power and Conservation Council's Seventh Plan (Seventh Plan) identifies, there is a low regional need for new natural gas generation in the coming decade.

We encourage PSE to explore alternatives to natural gas for peaking power needs, such as demand response, more flexible grid management, and better renewable energy forecasting in the short term, and energy storage in the long term. The need for additional assessment of available regional resources is noted in the IRP, and these solutions are consistent with the Seventh Plan vision of a more integrated electrical system that reduces redundancies, allows for greater sharing of resources, and creates greater system reliability and flexibility.

Greater Focus on Clean Energy Solutions

Looking at the potential need for new source of electricity generation, renewable sources should be given fuller consideration in the IRP. For example, solar and wind are largely considered only to the point of compliance with the state's renewable portfolio standard, and the IRP does not appear to reflect the rapid cost reductions of these technologies. We appreciate that PSE is exploring renewable energy applications, such as through its fall 2015 Request for Proposals for new renewable energy resources, and we would like to see significantly greater emphasis on that work in the IRP. In spring 2016, King County will issue its own Request for Proposals to commission analysis of what actions local governments can take in partnership with utilities to meet ambitious renewable energy goals, and we hope that this will be helpful information as well.

As major customers, employers, and local elected officials representing large areas of PSE's service area in King County, we urge the UTC and PSE to better integrate the full economics,

public health considerations, and climate impacts of fossil fuel and renewable alternatives for PSE's plan for future energy sources.

A long-term plan that continues to rely primarily on carbon-based electricity generation is too uncertain and risky for our ratepayers, health, and environment. The time is now to create a certain path for the closure of the Colstrip generating units, while meeting the replacement and other future electricity generating needs with fossil-free generation sources. King County has established strong relationships with its cities, businesses and the state that are helping move the region to a cleaner energy future. We hope that we can work with the UTC and PSE and other partners to help continue to make the region the most sustainable in the country, as our population continues to expand.

Sincerely,



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King County Executive



Bruce Bassett
Mayor, City of Mercer Island



Fred Butler
Mayor, City of Issaquah



Matthew Larson
Mayor, City of Snoqualmie



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cc: Jeremy Twitchell, UTC staff lead, Dockets UG-141169 and UE-141170