

May 2019 IRPAG listening session report

Overview

In May 2019, a listening session was held as part of an Integrated Resource Plan Advisory Group (IRPAG) meeting. Verbal comments were submitted during a public comment period, and written comments were received during and following the meeting. In total, 125 comments were submitted.

PSE heard several recurring themes through the comments received as part of the IRPAG listening session. These themes were sorted into sixteen topic categories, which are listed below and organized by frequency of comments. PSE wrote general responses to these topics below. All comments are included, organized by topic, in the appendices of this report. Specific technical topics related to future IRPs may be assessed and discussed in future IRP stakeholder processes. Full set of comments are included in the meeting minutes of the May 2019 IRPAG meeting and available at www.pse.com/irp.

Topic Number 1

Topic: Transition to renewable energy

Number of comments: 71

Summary

Requests for PSE change energy resource supply in a way which moves away from fossil fuel sources to renewable sources.

“PSE has to transition to 100% renewable energy immediately.”

“We need you to stop planning the extraction, shipping, pipelines, the refining, and the burning, of gas.”

PSE Response

PSE shares our customers’ values and the desire to transition to clean energy supply. We will be coal free by 2025 and our electric system will be carbon neutral by 2030. By 2045, PSE will be carbon-free. As the nation’s third largest utility owner of wind generation, we know the important role that natural gas plays in ensuring reliable, affordable energy to our customers when the wind isn’t blowing or the sun isn’t shining. We are also deeply concerned about the impact of methane emissions on our communities and our planet, and are investing in renewable natural gas (RNG), leak reduction and damage prevention.

PSE will continue to use the IRP process to demonstrate its plans to eliminate all coal-fired electricity from its generation portfolio by 2025, meet 80% of the delivered load with renewable and non-emitting resources by 2030, and be carbon-free by 2045.

Topic Number 2

Topic: Tacoma LNG

Number of comments: 48

Summary

References to PSE's Tacoma Liquefied Natural Gas (LNG) project. Most comments received which fall in this category include requests to end construction of the project, and/or express opinions against the construction of the project.

"LNG is not a renewable resource but a very dangerous source of greenhouse gases and very destructive to our climate."

"Regarding Tacoma LNG, it was clear from the symposium that the marine fuel of the future is not LNG, but renewably produced ammonia or other renewably produced energy carriers."

PSE Response

PSE acknowledges the concerns of many of our customers concerning the Tacoma LNG project. Since the listening session in May 2019, PSE has obtained all the necessary permits concerning construction completion and operation. On December 10, 2019, the Puget Sound Clean Air Agency (PSCAA) approved of the Notice of Construction permit. PSCAA concluded in an environmental review that the Tacoma LNG facility will result in a net reduction in greenhouse gas emissions (GHG). PSCAA's decision noted that replacing diesel fuel with LNG reduces sulphur dioxide emissions by over 98 percent, harmful particulate matter produced by ships by more than 85 percent, nitric oxide and nitrogen dioxide emissions by nearly 85 percent and GHG by nearly 15 percent.

A broad Environmental Impact Statement and safety studies were completed by the City of Tacoma in 2015, while the Washington Utilities and Transportation approved of the project in late 2016.

PSE has made it a priority to bring this project to completion to allow us to ensure that our customers' homes stay warm on the coldest days of the year and provide cleaner fuel for maritime vessels traveling between Washington and Alaska.

Additional information can be found here:

City of Tacoma [Final Environmental Impact Statement](#)

Project information Tacoma LNG website [Tacoma LNG website](#)

Information related to [PSCAA review and approval](#)

Topic Number 3

Topic: PSE fuel mix/portfolio

Number of comments: 44

Summary

Comments and requests connected to the set of resources currently used to provide energy to customers, particularly comparing the percentage of energy sourced from fossil fuels to the percentage sourced from renewables.

“One simple 30% change in their energy mixture would simply be changing from the coal plants in Montana.”

“My biggest concern is the concept of fracked gas as a bridge fuel.... We can’t go on using dirty fuel as a bridge.”

PSE Response

PSE has a diverse portfolio of energy and capacity to provide safe, reliable and cost-effective electricity to our customers. PSE’s service territory covers more than 6,000 square miles, stretching from south Puget Sound to the Canadian border and from central Washington’s Kittitas Valley west to the Kitsap Peninsula. We serve more than 1.1 million customers and more than 800,000 natural gas customers. We strive to provide the best service to our residential and industrial customers. While some customers may value environmental aspects first, other customers may value price and reliability first. PSE provides customer choice concerning green energy options and energy efficiency.

PSE acknowledges that many of our customers desire our portfolio to have more renewable generation and less hydrocarbon-based fuels. The passing of the Clean Energy Transformation Act enables PSE by providing regulatory guidance to meet targets of carbon neutral electricity supply by 2030 and a carbon-free electricity supply by 2045. PSE acknowledges that some customers desire change more rapidly. PSE is required to comply with all regulations and will proceed using a planned approach to ensure that reliability and cost are balanced along with environmental values.

PSE commits to complying with CETA and the elimination of coal-fired electricity by 2025. PSE will retire Colstrip units 1 and 2 in January 2020. Further, on December 10, 2019, PSE announced plans to sell Colstrip unit 3. The agreement concerning the sale of Colstrip unit 3 still needs to be approved by the Washington Utilities and Transportation Commission. When approved, PSE will eliminate nearly 50% of coal from its portfolio years ahead of schedule.

Topic Number 4

Topic: Greenhouse gases

Number of comments: 41

Summary

References to carbon dioxide, methane and other gas outputs from resources used by PSE to provide energy to customers. Most references were related to concerns regarding accelerating climate change.

“We know that methane emissions from fracked gas is 86 times more potent over 20 years than carbon emissions.”

“Given the critical nature of timely atmospheric carbon reduction, will PSE commit to not replace coal-based electricity with some other fossil-fuel-based electricity?”

PSE Response

PSE is committed to reducing greenhouse gas emissions from its energy supply portfolio. As has already been discussed, the Clean Energy Transformation Act enables PSE to plan to incorporate new renewable and non-emitting resources to meet the needs of our customers. Future IRPs and Clean Energy Implementation Plans will likely highlight the reductions in greenhouse gas emissions as new non-emitting generation is included in the generation portfolio.

Topic Number 5

Topic: Future generational impacts

Number of comments: 30

Summary

Concerns expressed for future generations related to climate change and pollution. Frequently coupled with requests to transition to use of renewable energy (see Topic Number 1 above).

“My 6th generation granddaughter will likely continue to make her home here on a changed planet, long after I'm gone.”

“I am here as a ratepayer and someone who is concerned about the climate legacy we are leaving for young people.”

PSE Response

PSE staff and leadership share the public's concern about future generations related to climate change and pollution. PSE is excited to limit the impacts of climate change through the implementation of CETA. PSE is also committed to complying with all applicable environmental regulations administered by the EPA and other applicable state, regional and federal laws.

Topic Number 6

Topic: Financial cost

Number of comments: 28

Summary

Comments related to the cost to ratepayers or society of resource planning decisions, climate change, or the transition to renewable energy.

“PSE and the Colstrip owners are spending \$175 million in new capital expenses (CapEx) on Colstrip now through 2022.”

“Shockingly, ratepayers will pay 43% of the costs for 2% use of the facility, using public dollars for private gain.”

PSE Response

PSE staff and leadership are also concerned about energy cost to ratepayers, climate change and the transition to clean energy. PSE is a regulated utility by the Washington Utilities and Transportation Commission. PSE is committed to providing reliable power and equitable distribution of benefits as we transition to a clean energy supply without unduly passing cost to our ratepayers.

Topic Number 7

Topic: Health

Number of comments: 27

Summary

Concerns regarding the health of individuals and communities in connection to resource planning decisions. Frequently related to climate change and pollution health concerns, specifically.

“Furthermore the serious health risks posed to surrounding communities by fracking operations need to be considered.”

“Climate change is a public health crisis. I’ll provide you with handouts from the American Public Health Association about how it affects your health.”

PSE Response

PSE staff and leadership are also concerned about health of individuals and communities in regards to resource planning decisions as well. PSE is committed to complying with all applicable environmental regulations administered by the EPA and other applicable state, regional and federal laws. PSE is obligated to make prudent resource acquisition decisions and welcomes additional regulatory guidance to address health concerns.

Topic Number 8

Topic: Outreach and coordination (tribes)

Number of comments: 25

Summary

Comments connected to the level of outreach and coordination conducted with tribes when planning and constructing resources. Typically connected to outreach and coordination conducted with the Puyallup Tribe for the Tacoma LNG project.

“Trust is an issue when PSE distorts pollution numbers using 2007 data instead of 2014 data, when PSE ignores treaties, ignores permits, and ignores the hazards of a LNG plant on a fault in tide flats.”

“I wanted to bring up that by federal treaty, the Puyallup tribe is entitled to have consultation. Without consultation, PSE is in violation federally with that.”

PSE Response

PSE has a long history with working with various tribes concerning fish passage at the Baker River Hydroelectric Project and regularly consults with tribes on various topics. In June 2018, PSE conducted outreach to 31 Washington tribes inviting tribal participation in the 2019 IRP process. The invitations were extended to Tribal directors of economic development and Tribal Council Chairs. Of the 31 tribes invited, the Tulalip Tribe responded and was added to the 2019 IRP Technical Advisory Group. PSE is committed to conducting tribal outreach for the 2021 IRP.

The FEIS for the Tacoma LNG documented consultation with the Puyallup Indian tribe.

Topic Number 9

Topic: Legal compliance or policy process

Number of comments: 25

Summary

Requests for PSE to comply with legal processes, and/or comments on the implementation of existing policy processes or the development of new policy processes. Frequently connected to the implementation of the Clean Energy Transformation Act or compliance with permitting processes for the Tacoma LNG project.

“We are pleased that you plan to comply with state law and not charge rate payers for coal generated electricity after 2025 but your stated plans for the Colstrip plant seem quite nebulous.”

“I am here to talk about the proposed LNG facility. The facility must be stopped because it lacks required permits, blatantly disregarding public process.”

PSE Response

PSE acknowledges the commitments above and related comments and we strive to better communicate and demonstrate legal and policy compliance in the IRP and other public processes.

Topic Number 10

Topic: Clean Energy Transformation Act (CETA) **Number of comments:** 24

Summary

Comments specifically mentioning the recently passed CETA and its implementation. Frequently connected to comments on policy process and climate change.

"I am excited about the new Energy Transformation bill that passed in the WA State Legislature (as well as others). I'm pleased to hear PSE worked to help make it happen."

"Do not manipulate compliance with the new 100% Clean Electricity legislation (SB 5116)."

PSE Response

PSE is committed to implementing CETA and looks forward to the rulemaking processes at the Washington Utilities and Transportation Commission and the Department of Commerce for further guidance.

Topic Number 11

Topic: Outreach and coordination (non-tribes) **Number of comments:** 21

Summary

Requests and comments related to PSE's outreach and coordination with the public on resource planning decisions, excluding coordination with tribes. Often related to requests for increased transparency and greater public participation.

"Please listen to the people who live in this community and not the corporate powers overseas."

"Listening and providing an answer is not two-way communication and it is not transparency."

PSE Response

PSE acknowledges that improvements in our public outreach and coordination may be needed and is working on implementing an improved public participation process for the 2021 IRP.

Topic Number 12

Topic: Safety

Number of comments: 20

Summary

Concerns regarding public safety in relation to resource planning decisions. Frequently connected with hazards related to climate change or concerns with the Tacoma LNG project.

“We must say NO to new natural gas projects. Maintaining existing projects for current capacity, for safety purposes and repairing leak potentials, is necessary but we cannot build for new capacity.”

“As mentioned earlier, it’s being built on tide flats, it’s in a dangerous place, and near humans who live and work there.”

PSE Response

Safety is PSE’s core value and a top priority. PSE agrees that there is nothing more important than the safety our employees, customers and the public. We are committed to meeting all safety rules, regulations and laws and continuing to make safety our top priority.

Topic Number 13

Topic: Analysis or technical questions

Number of comments: 18

Summary

Comments providing feedback on PSE’s analysis used in the IRP, or questions and request related to data and analyses used to develop the IRP.

“I believe the peak shaving need is fictional and the illusion is maintained in order to get the public to pay for a large part of the LNG project.”

“I and other TAG members urge PSE to use the most current and relevant input variables available for capital expansion and production cost modeling in this IRP process.”

PSE Response

PSE understands that stakeholders do not always agree with PSE’s decisions related to the model inputs, assumptions, and modeling methods. The IRP is PSE’s long-term resource plan and PSE is ultimately responsible for the IRP filing with the WUTC. Stakeholders have provided valuable input during the 2019 IRP process. Unfortunately, the 2019 IRP was not filed with the WUTC. PSE is looking forward to implementing an improved public participation process in the 2021 IRP. Stakeholders will have an opportunity to revisit many of the technical topics discussed during the 2019 IRP process.

Topic Number 14

Topic: Equity

Number of comments: 10

Summary

Comments and concerns connected to the equity of resource planning decisions. Frequently related to environmental justice and the location of fossil fuel resources and projects.

“This project would have rate payers pay to put Native Americans at risk for the sake of corporate profit.”

“Sadly, the greatest burden of fossil fuel pollution falls on the most socioeconomically disadvantaged of our society.”

PSE Response

PSE shares stakeholder’s concerns regarding equitable allocation of benefit for all of our customers. There are various rulemaking processes currently underway at the Washington Utilities and Transportation Commission, the Department of Commerce and Department of Health that will address equity and PSE is looking for further guidance to ensure that our customers who may be financially or environmentally disadvantaged are protected.

Topic Number 15

Topic: Colstrip

Number of comments: 9

Summary

Comments specifically mentioning the Colstrip coal plants in Montana. Frequently connected to comments related to CETA compliance and transitioning to renewable energy.

“PSE and the Colstrip owners are spending \$175 million in new capital expenses (CapEx) on Colstrip now through 2022.”

“We want to accelerate the transition, make sure it is equitable, and that the costs of closing Colstrip are not unduly passed to ratepayers.”

PSE Response

PSE commits to complying with CETA and the elimination of coal-fired electricity from its generating portfolio by 2025. PSE already retired Colstrip units 1 and 2. Further, on December 10, 2019, PSE announced plans to sell Colstrip unit 3. The agreement concerning the sale of Colstrip unit 3 still needs to be approved by the Washington Utilities and Transportation Commission. When approved, PSE will eliminate nearly 50% of coal from its portfolio years ahead of schedule. PSE is committed to transitioning to a cleaner energy supply portfolio.

Topic Number 16

Topic: Energize Eastside

Number of comments: 5

Summary

Comments regarding the planned Energize Eastside transmission line project. These comments are typically connected to requests to not build the project.

“PSE’s planned infrastructure developments, including Energize Eastside, seem to be geared toward centralized power generation inherent in the old model of burning fossil fuels rather than the new model of distributed generation and clean energy.

“Energize Eastside has been justified and based on a demand forecast that was optimistic and outdated.”

PSE Response

PSE has conducted extensive customer outreach as part of the regional permitting process for Energize Eastside project. Members of the opposition groups to Energize Eastside participated on the 2019 IRP Technical Advisory Group and the participation is well documented in the meeting record and communication archive available at www.pse.com/irp. PSE acknowledges that certain customers do not support the project. PSE does not make project specific decisions in the IRP process and the Energize Eastside project is outside of the scope of the IRP.

On September 26, 2019, WUTC’s Executive Director and Secretary, Mark Johnson, sent Mr. Marsh and other individual TAG members a letter concerning the 2019 IRP process and the Energize Eastside Project.

Relevant excerpts from the above referenced letter from the WUTC: “Utilities are required to develop IRPs for the purpose of evaluating and planning for future resource needs. IRPs consider generic alternatives on a planning basis to produce a thorough study of options. Specific resources are not chosen during the IRP process. Nor are IRPs used to update construction costs estimates and evaluate whether to continue with the acquisition of a project or resource. Rather, the Commission will evaluate after project completion whether a company has met its responsibility to perform continued evaluations of its acquisition and the reasonable costs of the project. During a general rate proceeding, the Commission determines whether a company’s project expenditures were prudent, as well as how much of those expenditures should be included in rates.

IRPs are intended to model a sufficiently broad range of costs for a generic resource type in order to provide a company an established means for comparing alternatives during its resource decision-making and its ongoing internal evaluation of whether to continue its acquisition. The Commission’s 2017 letter acknowledging PSE’s IRP did not find any deficiency in the cost range for the Energize Eastside Project that PSE used for developing its alternative resource options. Additionally, PSE is not obligated by WAC 480-100-238 to share with the public its evaluation of whether to continue its resource development once the acquisition has begun. We decline, therefore, to require PSE to provide that information publicly.

In addition to the public process required by rule, the IRP also affords an early opportunity for a company to establish facts and supporting analysis for a future prudency determination. Considering the substantial near-term issues facing utilities in the wake of the passage of CETA, it is premature to determine whether there is a need for PSE to explore this question in

its 2019 IRP. When PSE files its 2019 IRP, the Commission will evaluate this issue in light of the Company's actual statements.

PSE states in its August 22, 2019, response that it believes additional transmission resources will be required. However, Commission rules do not require, and the Commission declines to otherwise compel, PSE to support its statement at this time."