

From: IRP -- mail -- <IRP@pse.com>

Sent: Friday, October 11, 2019 3:04 PM

To: Don Marsh <don.m.marsh@hotmail.com>; Netik, Irena <irena.netik@pse.com>; Popoff, Phillip <phillip.popoff@pse.com>; Hossner, Elizabeth <elizabeth.hossner@pse.com>

Cc: Elise Johnson (ejohnson@enviroissues.com) <ejohnson@enviroissues.com>; Diane Adams (dadams@enviroissues.com) <dadams@enviroissues.com>; Allan Vann (avann@enviroissues.com) <avann@enviroissues.com>; Angie Thomson (athomson@enviroissues.com) <athomson@enviroissues.com>

Subject: Don Marsh comments and PSE's reply : PSE 2019 IRP TAG #8 follow-up: Draft meeting notes distribution

Don,

Thank you for your feedback about the meeting notes. We'll update them accordingly.

PSE is focused on moving toward carbon neutrality in 2030, in accordance with the Clean Energy Transformation Act. At this time, we don't have resources to divert from this critical work. It's unclear what data you presented in your first graph since that is not from FERC Form 1. PSE presented the load forecast at the January 9, TAG meeting #4, and at this time the load forecast for the IRP has been finalized. Differences between PSE and SCL service territory are outside the scope of the IRP. Economic, demographic, building stock, and development plans of the two geographic areas are clearly different. It is complicated work to understand the differences between the two service territories.

Concerning the \$15/ton carbon tax related question below, we briefly discussed this when I called you on Friday, October 4. And as we discussed, PSE will clarify in the final meeting notes: On the gas side, PSE is modeling the \$74/ton SCC in the base, low and high scenarios (converted to \$/MMBtu). There is a sensitivity to test an additional \$15/ton on top of the \$74/ton.

Thank you for participating in our stakeholder process, we value your participation. Achieving carbon neutrality by 2030, in accordance with CETA, will be a challenge. I look forward to your continued participation as we transition to the new era.

This message will be shared with the TAG as an attachment to the September 19, TAG meeting #9 final meeting notes, and also uploaded on www.pse.com/irp, along with the handout you provided at TAG #9.

Thank you again and wishing you a good weekend!

Sent on behalf of Resource Planning & Analysis,

Michele Kvam

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From: Don Marsh <don.m.marsh@hotmail.com>

Sent: Thursday, October 3, 2019 4:30 PM

To: Kvam, Michele <michele.kvam@pse.com>; Netik, Irena <irena.netik@pse.com>; Popoff, Phillip <phillip.popoff@pse.com>; Hossner, Elizabeth <elizabeth.hossner@pse.com>

Cc: Elise Johnson (<ejohnson@enviroissues.com> <ejohnson@enviroissues.com>); Diane Adams (<dadams@enviroissues.com> <dadams@enviroissues.com>); Allan Vann (<avann@enviroissues.com> <avann@enviroissues.com>); Angie Thomson (<athomson@enviroissues.com> <athomson@enviroissues.com>)

Subject: RE: PSE 2019 IRP TAG #8 follow-up: Draft meeting notes distribution

Michele,

I have reviewed the meeting notes and find them to be pretty good. I am satisfied with the summary of my question about peak demand and the letters to the UTC.

However, there is one ominous sentence: "PSE elects not to answer questions related to Energize Eastside in the IRP process." Given the close proximity of this sentence to the discussion about the two graphs I provided, does this mean that PSE will not answer questions about the graphs? It's possible these questions may relate to the peak demand scenario that PSE is trying to address with Energize Eastside. But the question of peak demand growth has much greater implications and applications than just that project.

I request that PSE clarify how and when it will answer these peak demand trend questions and the accuracy of these graphs. I would like assurances that PSE will be transparent about this and include correct graphs of these peak demand trends in the 2019 IRP. I note that PSE has not updated me on whether it will correct the graphs or issue an apology. I will inquire about this status during our next TAG meeting.

Also, I looked for a summary of my questions for Gurvinder about the social costs of natural gas, but I couldn't find it. As I remember the interaction, I asked Gurvinder whether the following interpretation of the SCC graph was correct: "If I burn \$50 of natural gas in a given month, is it true that I have caused \$100 worth of damage to society and the environment as a result of my energy consumption?" I believe Gurvinder replied, "I suppose you could look at it like that." A little while later, Phillip clarified that my \$50 bill would not be the actual cost of the gas, because about half of the amount would pay for transportation and infrastructure. In any case, the cost of the damage would still be \$100, and no one is directly paying for that damage at this time (at least neither the customers nor the company are paying).

Can you add that detail to the meeting notes? If you prefer to take it from your notes rather than my recollection, that would be fine.

Finally, I'm confused by the \$15/ton carbon tax referenced in the "Scenarios and sensitivities" section on page 5. Isn't the WUTC requiring PSE to incorporate costs of \$74/ton? Help me understand the discrepancy.

Thanks,
Don

From: Kvam, Michele <michele.kvam@pse.com>

Sent: Thursday, October 03, 2019 3:45 PM

To: Netik, Irena <irena.netik@pse.com>; Popoff, Phillip <phillip.popoff@pse.com>; Hossner, Elizabeth <elizabeth.hossner@pse.com>

Cc: Elise Johnson (<ejohnson@enviroissues.com> <ejohnson@enviroissues.com>); Diane Adams (<dadams@enviroissues.com> <dadams@enviroissues.com>); Allan Vann (<avann@enviroissues.com> <avann@enviroissues.com>); Angie Thomson (<athomson@enviroissues.com> <athomson@enviroissues.com>)

Subject: PSE 2019 IRP TAG #8 follow-up: Draft meeting notes distribution

To PSE's TAG Members,

Thank you to all who attended the TAG meeting on September 19, 2019.

I have attached the draft meeting summary for your review. Please provide any feedback on the notes to me on or before **October 10**. Final meeting notes will be published on **October 17**.

Key communications between PSE and TAG members related to this meeting have been included in the appendix to the notes, as well as posted under "action items and key communications" at www.pse.com/irp.

On September 26, 2019, Mark L. Johnson, Executive Director and Secretary of the WUTC sent a letter to certain TAG members concerning the 2019 IRP and Energize Eastside. I have attached it to this email.

Sent on behalf of PSE Resource Planning and Analysis,

Michele

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