

Jan. 4, 2018

Dear Eastside resident,

You have an opportunity to submit comments to the Washington Utilities and Transportation Commission (UTC) regarding PSE's Integrated Resource Plan. **The deadline is January 19.**

The Resource Plan contains 24 pages defending Energize Eastside, an expensive and destructive transmission line that will destroy thousands of trees and create an enduring 18-mile scar through four Eastside cities. Your comments will help the Commission understand that there are better alternatives. The Commission has shown that it listens to citizens during recent hearings that accelerated the closure of PSE's dirty coal plants.

How to comment

Comments may be submitted before close of business on **January 19** via the Commission's Web portal at www.utc.wa.gov/e-filing or by electronic mail to the Commission's Records Center at records@utc.wa.gov. Please include:

- The docket numbers of this proceeding (UE-160918 and UG-160919).
- The commenting party's name.
- The title and date of the comment or comments.

What should you comment on?

We are specifically commenting on [Chapter 8](#) of PSE's Integrated Resource Plan, titled "Delivery Infrastructure Planning." The Energize Eastside project is discussed in pages 8-30 to 8-53. Following are some topics you could mention in your comment. (We aren't providing a form letter, because these tend not to be effective with state agencies. Your own words are the best.)

Batteries

The biggest news is the rapidly advancing capacity and declining price of battery storage. The world has changed since PSE proposed Energize Eastside more than four years ago. It has even changed since PSE conducted a battery study three years ago (available [here](#)). Since then, Tesla has installed large batteries in southern California (<https://www.utilitydive.com/news/teslas-80-mwh-battery-storage-facility-starts-operations-for-socal-edison/435171/>) and Australia (<https://www.utilitydive.com/news/report-teslas-australian-battery-project-steps-in-after-coal-units-fail/513870/>).

PSE's study greatly exaggerates the size of a battery needed to serve the Eastside. Using flawed data, PSE concludes that battery storage is not feasible. To correctly assess the feasibility of battery storage, a new study is needed using state-of-the-art data on battery sizing and more realistic assumptions about energy demand.

We believe that a battery of about the same size as Australia's battery would provide enhanced reliability for the Eastside for about \$50 million, one-sixth the cost of PSE's transmission line. Both of Tesla's installations were completed in less than 90 days, while Energize Eastside would take years to build.

Batteries would preserve thousands of trees that PSE would cut down to install the transmission line. Batteries can also help cut carbon emissions by storing off-peak wind and solar power. The energy can be withdrawn during peak hours instead of burning fossil fuels in a coal or gas-fired plant.

Batteries are safer, too. A local battery manufacturer, UniEnergy Technologies in Mukilteo, makes a flow battery that is completely non-flammable and long-lasting. Energize Eastside, on the other hand, would place 230,000-volt transmission lines within feet of two half-century-old pipelines that carry 13 million gallons of jet fuel and gasoline through our neighborhoods each day. The transmission lines and pipelines are located within 600 feet of schools and daycare centers attended by 13,000 kids. To put that in perspective, California state code will not allow a school to be located within 1,500 feet of hazardous liquid pipelines.

PSE has determined that non-flammable flow batteries are even more economical than the lithium ion batteries used by Tesla. This is interesting because the UTC is responsible for setting electricity rates that are fair for customers and provide reasonable revenues for PSE. To achieve that, the UTC wants to make sure PSE's infrastructure investments are prudent and cost effective. There is a big opening for batteries in this cost analysis.

Demand trends

Demand for electricity has changed a lot since 2013. For example, the chart below shows how forecasts for Seattle City Light have evolved over the years as electricity consumption has declined. The actual sales in 2016 were 7% lower than Seattle predicted five years earlier. The chart appeared in the November 2017 issue of Seattle Business Magazine.



PSE has not publicly released data on actual Eastside demand. However, PSE's forecasts appear to be exaggerated compared to those of Seattle City Light. PSE's most recent forecast shows growth at a rate four times higher than Seattle's most aggressive forecast in 2011. PSE removed that forecast from the Energize Eastside website over a year ago, and the company hasn't published an update. Lacking this important data, it would be tragic if PSE charged customers hundreds of millions of dollars for a project that is no longer needed.

Safety

What happens when a transmission line falls on top of an aging pipeline? We found out in May 2006 in South Bellevue. A fallen 115,000-volt line started arcing through the ground and into the buried pipeline. Although the casing was not breached, the damage was severe enough that the pipeline operator shutdown the 400-mile pipeline to replace the compromised pipe.

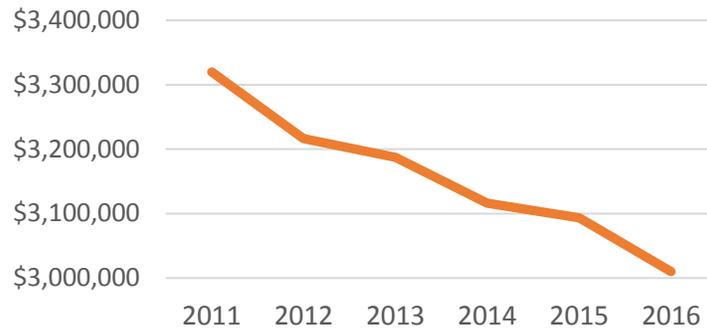


What would happen if a line with double the voltage and higher current fell near the pipeline? We don't know, but it's possible that a powerful electric arc could pierce the pipeline casing in a relatively short time, unleashing a "catastrophe" (in the words of the Bellevue Fire Department) that could not be extinguished by local firefighters using normal equipment.

Why is PSE doing this?

PSE was purchased by a consortium of Australian and Canadian investors in 2009. The new owners may not be pleased that PSE's revenues have been declining ever since, due to falling consumption of electricity and historically low natural gas prices. The chart below shows PSE's revenues as reported in 10-K statements filed with the Securities and Exchange Commission.

PSE Operating Revenue



PSE can collect a 10% return on investment for infrastructure projects like Energize Eastside every year for decades. Those revenues come PSE's customers in the form of higher electricity bills. The cost of Energize Eastside for consumers will exceed one BILLION dollars over the lifetime of this asset.

Is a transmission line the only solution that can serve population and economic growth? The Northwest's regional power authority, Bonneville Power Administration, recently chose a better solution. The agency canceled a giant transmission line project in southwestern Washington last May. The administrator explained that lower demand, smart technology and batteries enabled better alternatives that would save customers hundreds of millions of dollars:

http://www.oregonlive.com/business/index.ssf/2017/05/bpa_nixes_costly_and_controver.html

The future

The electric utility industry is experiencing a technology revolution driven by inexpensive renewable energy and battery storage. It is becoming obvious that a transmission line is a bad choice for the Eastside's energy future, both economically and environmentally. If you want a glimpse of that future, please watch [this video](#) by Stanford educator Tony Seba. You can mention these trends in your comments to the UTC.

The Commission needs to encourage PSE to choose a better path for the future of our children and our planet.

Questions?

If you have any questions about how to submit comments or what you should say, please send an email to info@cense.org. If you provide a phone number, a CENSE member will contact you to discuss your questions.

cense

**Supporting safe, sensible, sustainable
energy solutions for Eastside communities**