



Washington State Legislature

10/07/2020

Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Transmitted by email to: dave.danner@utc.wa.gov, ann.rendahl@utc.wa.gov,
iay.balasbas@utc.wa.gov, records@utc.wa.gov for Docket #200115

Dear Chair Danner and Commissioners Rendahl and Balasbas:

We are writing to express our opposition to Puget Sound Energy's (PSE) proposed sale of Colstrip Unit 4 to NorthWestern Energy in Montana and Talen Montana and the associated Colstrip transmission capacity (UTC Docket #200115) in the absence of a plan for the closure of both Units 3 and 4. We are concerned about the greenhouse gas emissions from the operation of both units, particularly the possible long-term operation of Unit 4, and about the possible ratepayer impacts on PSE ratepayers associated with remediation costs at Unit 4 accrued after coal power must be excluded from Washington rates pursuant to RCW 19.405, the Clean Energy Transformation Act (CETA/SB 5116).

We also want to thank the Commissioners and UTC staff for your work in drafting the rules to implement RCW 19.405. The first sentence of the law states, "The legislature finds that Washington must address the impacts of climate change by leading the transition to a clean energy economy." RCW 19.405.030 requires that "[o]n or before December 31, 2025, each electric utility must eliminate coal-fired resources from its allocation of electricity." It is our hope that these provisions in the law will facilitate the retirement of Colstrip by the end of 2025.

More recently, we passed HB 2311 to update Washington's greenhouse gas emission limits. In the findings of this new law, we stated our intent that these limits need to be achieved in a way that "...avoids leakage of emissions to other jurisdictions." If PSE's sale of Colstrip enables the long-term operation of Colstrip unit 4, it is in opposition to the intent of our new climate goals. The recent severe fires and consequential hazardous air quality add urgency to our goal of reducing emissions as fast as possible. Retirement of Colstrip units 3 and 4 as quickly as possible is necessary for our achievement of these enhanced targets. We urge the commission to require PSE to move as quickly as possible to present a plan for the closure of unit 3 and 4, and to reject all proposals to include decommissioning and remediation costs accrued at unit 4 after 2025 in Washington rates.

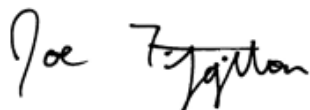
We also are concerned about the sale of PSE's Colstrip transmission assets. Transmission from Montana is likely to need to be expanded to accommodate the volume of wind energy requisite to meet CETA's

goals. During the CETA debate, a utility-sponsored study by E3 showed that PSE and other utilities would have to expand their acquisition of renewable energy to meet CETA and that this would require a significant expansion of transmission capacity. The Colstrip transmission line is surrounded by some of the best wind resources in the country. Rosebud County, where Colstrip is located, is an excellent location for development of future wind electricity generation, and the ownership of the transmission necessary to move renewable energy from Montana to load centers in Washington would be helpful in achieving the requirements of CETA. We urge the commission to take into account the need for transmission from Montana to meet CETA's requirements in evaluating this transaction.


We also urge the commission to closely scrutinize other aspects of the proposed sale, including power buy back provisions, liability for cleanup costs, and other issues that are pertinent to the meeting of Washington's carbon goals, compliance with CETA, and protecting Washington consumers. We are concerned with the provision of the sale allowing NorthWestern to charge the higher of dirty Colstrip power or market-based power. This condition is contrary to the "least cost" resource requirement. We are also concerned with the provision keeping PSE customers liable for cleanup costs after the sale even though additional pollution will come from usage by NorthWestern's customers, not PSE's. PSE has set aside \$350 million for cleanup of Colstrip's coal ash waste ponds. When NorthWestern keeps adding additional pollution after the sale, PSE customers still have to pay. PSE customers should not be on the hook for cleanup of pollution caused by NorthWestern.

A molecule of CO2 has the same impact on Washington's wildfire risk whether it is emitted in Washington or Montana. Our goal in passing CETA was to reduce greenhouse gas emissions wherever Washington's energy use is exacerbating them. We urge the UTC to use the authority available to you to accelerate the full closure of Colstrip as quickly as possible.

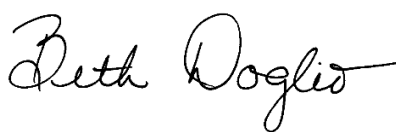
Sincerely,



Rep. Joe Fitzgibbon, Chair, House Environment and Energy Committee



Rep. Timm Ormsby, 3rd LD, Pos. 2



Rep. Beth Doglio, 22nd LD, Pos. 2



Senator Christine Rolfes, 23rd LD



Rep. Steve Tharinger, 24th LD, Pos. 2



Rep. Christine Kilduff, 28th LD, Pos. 2



Senator Joe Nguyen, 34th LD



Rep. Eileen Cody, 34th LD, Pos. 1



Senator Rebecca Saldaña, 37th LD



Senator Liz Lovelett, 40th LD



Rep. Alex Ramel, 40th LD, Pos. 2



Senator Jamie Pedersen, 43rd LD



Rep. Nicole Macri, 43rd LD, Pos. 1



Senator Manka Dhingra, 45th LD



Rep. Roger Goodman, 45th LD, Pos. 1



Rep. Gerry Pollet, 46th LD, Pos. 1



Senator Mona Das, 47th LD



Senator Patty Kuderer, 48th LD



Rep. Vandana Slatter, 48th LD, Pos. 1



Senator Annette Cleveland, 49th LD



Rep. Sharon Wylie, 49th LD, Pos. 1