



## BELLINGHAM CITY COUNCIL

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August 4, 2014

Kimberly Harris, President  
Puget Sound Energy  
10885 N.E. 4th Street  
Bellevue, WA 98004

Re: **Re-thinking PSE's Continued Investment in Coal Power**

Dear Ms. Harris:

Puget Sound Energy has earned our respect for its support of energy conservation, cleaner energy, and renewable sources of energy – showing that it is more than just a typical provider of electricity for Bellingham. Among its many accomplishments, PSE is recognized as a nationwide leader in wind energy who has sponsored Green Power initiatives, and has chosen to meet increased regional demand by helping to lower consumption by its business and residential customers.

It is in this positive context that the Bellingham City Council now writes to urge PSE to take the next big step towards a better energy future for our community and the Pacific Northwest region.

Specifically, the City of Bellingham urges PSE to start today to disinvest in coal power and simultaneously to increase investment in cleaner, more sustainable energy while pursuing more innovative ways to meet present and future energy demand. Further, we join the Washington State Utilities and Transportation Commission in asking PSE to re-examine its dependence on the outmoded Colstrip power plant in eastern Montana.

Given the history and values of PSE, we have reason to believe our request will find a sympathetic hearing.

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## Investing In A Better Future

PSE currently generates one third of its electrical power from a single out-of-state coal-powered plant located in Colstrip, Montana, which is one of the region's largest sources of greenhouse gas emissions and other pollutants. At a time when the Boardman and TransAlta plants are being retired, now is also the time for PSE to re-think the future of coal power from Colstrip.

Washington State and PSE are at an energy crossroads. Many utilities in the United States are moving away from dirty and dangerous coal power. The growing costs of pollution controls and environmental clean-up, to say nothing of the escalating costs for maintaining and rebuilding aging power plants, suggest that coal is bad business. The Colstrip plant is also the subject of several ongoing lawsuits regarding toxic damage to the environment.

Given these rising costs and the regulatory climate, the Washington UTC has stated that it is unrealistic to assume coal is a low-cost energy alternative. In fact, the UTC has said that, "to embark on investments with so much uncertainty could be harmful to PSE, its ratepayers, and the broader public interest." Coal is not so cheap after all. The Commissioners continue: "Based on the information contained in the Colstrip study (2013 IRP), we are unable to conclude that continued operation of Colstrip Units 1 and 2 should or should not be a component of the Selected Resource Plan." In other words, PSE should not have assumed that coal power production would see no increases in cost over the next twenty years.

Given this unrealistic assumption, the UTC has suggested that PSE begin a special proceeding to re-examine its future commitment to coal power as part of its future business. The City of Bellingham joins in urging PSE to undertake this re-examination immediately. Without a realistic re-examination of the true costs and problems with coal and coal power, PSE's Integrated Resource Plan ("IRP") will not past regulatory muster.

Just as importantly, an IRP based on continued reliance on dirty coal will miss opportunities for continued innovation in cleaner power. Renewable energy is an expanding field, creating jobs for the 21<sup>st</sup> century. Already, the solar power sector employs more people nationwide than does coal. The state Dept. of Ecology has documented over 47,000 jobs in the Washington green energy sector already. Thousands more well-paying jobs will come from the transition from dirty coal to cleaner energy. Our future lies in this direction.

We don't need coal. The potential for electrical production for wind, solar, and other technologies is enormous. The Northwest Power and Conservation Council has documented an abundance of energy efficiency and renewable energy opportunities.

## Cleaner Energy Is A Public Priority

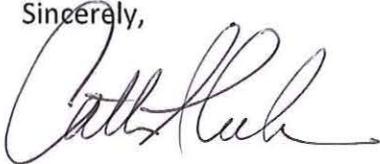
As public officials, the Bellingham City Council has a responsibility to people not only of today, but also to our children's children who will inherit this world tomorrow. Our families need clean air, clear water, and a stable climate every bit as much as reliable and affordable energy. We cannot sacrifice the former for the latter.

In 2007, the City of Bellingham committed to a Climate Action Plan to reduce local contributions to greenhouse gas emissions, and we have made significant progress towards our goals. More recently, the City of Bellingham has put itself forward to participate in the Georgetown University Energy Prize, with PSE as one of our cooperating partners, to further reduce local energy consumption. Governor Inslee has also laid out a climate action plan for Washington, in which transitioning away from coal is a top priority. The Governor's executive order specifically identifies out-of-state coal power for immediate attention. We also take note that Governor Inslee has also asked you to join his Carbon Emissions Reduction Taskforce (CERT), to help move forward on statewide carbon pollution programs.

As we see it, moving away from coal and investing in better energy alternatives will, in the long run, create new jobs, promote innovation, lower electricity bills and protect the health of our families.

PSE has been a forward thinking company, and we ask that it continue along this path. We respectfully urge PSE to re-think its investment in coal. A coal-free PSE will be better for the people of Bellingham, and the rest of the world.

Sincerely,



Cathy Lehman

President, Bellingham City Council

CC: Paul Wiegand, VP for Generation, PSE  
Matt Steuerwalt, Policy Director, Office of the Governor  
Dom Amor, Local Government & Community Engagement, PSE  
Keith Phillips, Special Assistant on Climate and Energy, Office of the Governor  
David Danner, Chair, Washington State Utilities and Transportation Commission