

Bedwell, Heidi

From: Rick Aramburu <rick@aramburu-eustis.com>
Sent: Tuesday, February 06, 2018 7:15 AM
To: Bedwell, Heidi
Cc: 'Carol at Aramburu-Eustis'
Subject: FW: CENSE - Bellevue EPF Letter
Attachments: 2018-1-12 Interpretation Request.pdf

Importance: High

Heidi:

Does this work better?

Rick

J. Richard Aramburu
ARAMBURU & EUSTIS, LLP
720 Third Avenue
Pacific Building Suite 2000
Seattle, WA 98104-1860
Telephone (206) 625-9515
Facsimile (206) 682-1376

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

From: HBedwell@bellevuewa.gov [mailto:HBedwell@bellevuewa.gov]
Sent: Monday, February 05, 2018 3:36 PM
To: Rick@Aramburu-Eustis.com
Cc: carol@aramburu-eustis.com
Subject: FW: CENSE - Bellevue EPF Letter
Importance: High

Hi Rick,

I realized I hadn't reached back out to you regarding email delivery to me. Our IT staff investigated the issue and determined that it wasn't an issue on our end. They surmised that because you had a space at the end of my email address the email might not be delivered. I'm wondering if you might want to try to send me a separate test email with this space removed. Hoping that does the trick.

Heidi Bedwell

From: Helland, Carol
Sent: Monday, February 05, 2018 2:57 PM
To: McFarland, Matthew <MMcfarland@bellevuewa.gov>
Cc: Bedwell, Heidi <HBedwell@bellevuewa.gov>; Stead, Elizabeth <estead@bellevuewa.gov>

Subject: FW: CENSE - Bellevue EPF Letter

Importance: High

FYI

From: Rick Aramburu [<mailto:rick@aramburu-eustis.com>]

Sent: Monday, February 05, 2018 2:21 PM

To: Helland, Carol <CHelland@bellevuewa.gov>; 'HBedwell@bellevuewa.gov '; Riordan, Lori <LRiordan@bellevuewa.gov>

Subject: : CENSE - Bellevue EPF Letter

All:

On January 12, 2018, we sent you the attached letter requesting that the City issue a land use interpretation as to whether the PSE's proposed 230kV transmission line should be considered an "essential public facility" under Bellevue ordinances and state law. As you know from our previous correspondence, we believe the project in question is not an essential public facility. Please provide us with the courtesy of a response to our letter.

If you have any questions, please let me know.

J. Richard Aramburu
ARAMBURU & EUSTIS, LLP
720 Third Avenue
Pacific Building Suite 2000
Seattle, WA 98104-1860
Telephone (206) 625-9515
Facsimile (206) 682-1376

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

From: Carol at Aramburu-Eustis [<mailto:carol@aramburu-eustis.com>]

Sent: Monday, February 05, 2018 1:54 PM

To: Rick Aramburu

Subject: CENSE - Bellevue EPF Letter

--

Carol Cohoe
Secretary / Legal Assistant
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

January 12, 2018

Carol Helland
Development Services Land Use Director
City of Bellevue
P.O. Box 90012
Bellevue 98009

Via Email:
CHelland@BellevueWA.gov

Heidi Bedwell
Energize Eastside EIS Program Manager
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

Via Email:
HBedwell@bellevuewa.gov
info@EnergizeEastsideEIS.org

Lori Riordan
Bellevue City Attorney
P.O. Box 90012
Bellevue, WA 98009

Via Email:
LRiordan@bellevuewa.gov

Re: Energize Eastside Code Interpretation request: Is the PSE proposal for Talbot to Sammamish 230 kV Transmission line an "Essential Public Facility."

Dear Mmes. Helland, Bedwell and Riordan:

As you know, this office represents the Coalition of Eastside Neighbors for Sensible Energy (CENSE). CENSE has continuously participated in the public process concerning the proposal to construct eighteen miles of 230 kV transmission lines through Renton, Newcastle, Bellevue and Redmond.

Over the past two years, we have corresponded concerning the issue of whether PSE's proposal is an "essential public facility" (EPF) under the Growth Management Act, RCW 36.70A.200 and BMC 20.20.350. My letter to you of June 9, 2016, is attached and contains legal analysis on this question. Though no response to that letter was received, we wrote again on April 18, 2017, concerning this subject. In that letter (also attached), we requested that the City issue a land use interpretation on the question of

January 12, 2018
Page 2

whether this PSE transmission project is an EPF. You responded to our April 18 letter on May 26, 2017, declining to issue an interpretation and stating that "Application of the EPF" code provisions "will be undertaken when an application has been filed." Your letter also stated: "The final decision regarding the status of a project proposal cannot, however, be made absent an application." This is consistent with the statement in the DEIS (page 10-6) that potential application of the EPF rules "would be made by the permitting agency at the time of permit preparation or submittal."

As you are aware, PSE has now submitted its application for the "South Phase" of the proposal in Bellevue. The City is now receiving comments on this application. Indeed, recently Ms. Bedwell, the City's Energize Eastside EIS Project Manager, in responding to our inquiry regarding the timing of FEIS issuance, said "it is best to direct comments and review at this time to the permit application materials."

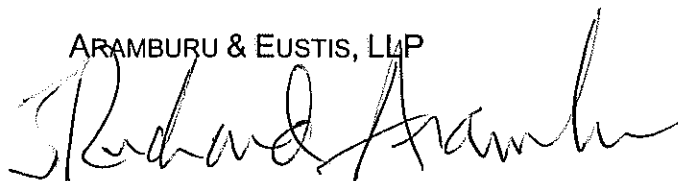
Based on the foregoing, we again ask that the City issue a land use interpretation as requested in our attached April 18, 2017 letter. Because this matter has been extensively discussed and reviewed, it would appear this interpretation could be issued in short order and any review thereof be promptly undertaken. As you know from our submissions, CENSE believes the proposal is not an EPF based on the applicable statutes and caselaw.

As we have previously stated, it will be important for persons commenting on the current application to know whether the proposal is considered to be an EPF or not. A prompt land use interpretation will allow clarification of the issue as the proposal proceeds through further agency review.

Should you have any questions concerning this matter, please contact the undersigned.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc
cc: CENSE

DSD 004914

Bedwell, Heidi

From: barry alavi <barryalavi@gmail.com>
Sent: Thursday, February 08, 2018 1:26 PM
To: Bedwell, Heidi
Cc: Council; Brennan, Mike; Stead, Elizabeth
Subject: Re: FW: Council FW: PSE sub-station at SE-26th, Bellevue: Expansion plans

Dear Heidi,

Thanks for taking the time to respond to my concerns. You should also consider BP (Olympic pipelines) issues as well. Although PSE is the lead agency during permitting process, BP has very important role. So far they have been absent from all of the meetings that I have had with the school and PSE. Simply ignoring the concerns or claiming the information that I have requested is "company confidential", well a lot of pipeline accidents happen because somebody feels what the pipeline organization is doing is enough and their work is confidential. In this particular case I encourage you and the City council members to force BP to be more responsive and provide information that assures all that they are sensitive about being 300' from a school soccer field. Simply paying a franchise fee to exist and operate in our City is not enough! Again to this date I have not sen a single correspondence from BP. I know from experience that when something goes wrong (like a fire or explosion/spill) all involved parties will start pointing fingers at the other. And eventually someone has enough insurance to pay for the lives and damaged structures and life goes on (I have many examples to share with you if you like). It is very unfortunate, but that is the reality.

I would like you to ask to PSE to provide alternatives such as use of batteries to mitigate their shortages, that is a much safer method (on the environment, staff and the public) that building \$700M worth of facilities and increase the rates.

Please keep me posted on your progress. Thx

Regards,

Barry Alavi, PE, PMP
C: 425-501-9999

On Thu, Feb 8, 2018 at 11:47 AM, <HBedwell@bellevuewa.gov> wrote:

Mr. Alavi,

Thank you for your interest in the Energize Eastside project. Your comments have been provided to me as I am the project manager for the review of the permit application submitted by PSE for their first phase of construction in south Bellevue.

Your specific comments will be considered as the city reviews PSE's Conditional Use permit application and will be included in the staff recommendation to the hearing examiner on the proposed project. Because you provided comments to the city regarding this application, you will be notified of the public hearing when it is scheduled.

Some of the issues you have identified have been discussed through the EIS process. I would encourage you to review the Phase 2 DEIS available on the project webpage <http://www.energizeeastsideeis.org/> A final EIS is expected to be available in March. Both documents describe anticipated environmental impacts associated with the proposal and outlines potential mitigation measures decision makers may consider when reviewing permit applications.

Additionally, I would encourage you to subscribe to updates to the permit project page found [here](#) More detailed project level permit submittal documents can be found on this page. Information about public meetings, hearings, and project status will be posted when new information is available.

The city is engaging with PSE on the Energize Eastside project and will work towards ensuring that the public's questions and concerns are addressed as the project proceeds to the building phase. As the permitting authority, Bellevue will work with PSE to mitigate impacts of the project on residents and neighborhoods.

Again, thank you for taking the time to express your interest in the project.



Heidi M. Bedwell

Energize Eastside EIS Project Manager

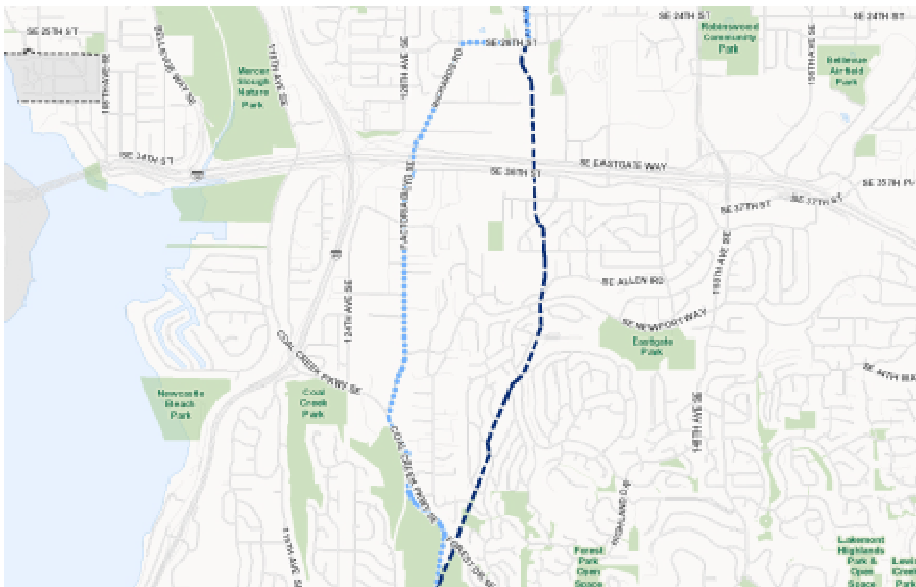
Environmental Planning Manager, Land Use Division

Development Services Department

[425-452-4862](tel:425-452-4862)

www.bellevuewa.gov and www.mybuildingpermit.com

Note: The second 20" OPL pipeline does not go through the substation site but rather splits off and travels west along SE 26th, continues south along Richards Rd, finally rejoining the PSE corridor and the 16" pipeline along Coal Creek Parkway just south of Forest Drive. Here is a generalized map showing their routes (blue dashed lines).



From: barry alavi [<mailto:barryalavi@gmail.com>]

Sent: Thursday, January 25, 2018 11:20

To: Council <Council@bellevuewa.gov>; Rita.Sanders@bellevue.net

Subject: Fwd: PSE sub-station at SE-26th, Bellevue: Expansion plans

Dear City Council members,

My name is Barry Alavi, I am a Professional Engineer (PE) and Project Management Professional (PMP). I was an adjust professor on risk management at University of Washington for more than 5 years. I have more than 35 years of experience in building large infrastructure projects for the energy, aviation and transportation industries globally, USA and Canada. I am also father of Darian Alavi who attends the Chestnut Hill Academy (CHA) located at [13633 SE 26th St](#) in Bellevue, Washington. CHA is within 150' of the fence line of the existing PSE substation and will be proximate to the future proposed sub-station to the south of the CHA campus. My wife and I are concerned about the expansion of the substation, the increase in power lines voltages (115KV_a to 230KV_a) and the risks and exposures associated with such an expansion to the public, CHA staff and students. The Olympic pipeline (jet fuel, diesel and gasoline, owned and operated by BP, British Petroleum) 16" pipeline lateral shares a right of way with PSE power lines. There are several issues that I have brought up in various meetings with PSE and BP. The issues are :

BP Pipeline:

- 1) What are the impacts of the voltage increase on the existing Cathodic protection system? AC currents leaking into the pipeline from power lines above 15 Volts causes surface corrosion (that leads to eventual crack and leakage), what measure are being taken to ensure that limit is not exceeded? What are the current measurements?
- 2) The pipeline pressure fluctuations or cyclic pressure swings are a concern, what is BP doing to ensure a uniform operating pressure? The fluctuations contribute to micro cracks that could lead to a pipeline leak or explosion.
- 3) What measures are PSE and BP taking to minimize impact to the pipeline during construction? This relates to installation of tall power poles proximate to the buried pipelines. Induced vibration due to construction activity is a concern. The pipe in a 1955 vintage steel pipe coated with tar and asbestos,
- 4) The new sub-station south of CHA will have a permanent access road over the pipeline, what are measures taken during Design and Construction to minimize impact on pipeline ? What outages are scheduled for the pipeline during construction?
- 5) On SE 26th there is a valve station that is above ground , BP shall install bollards in front of the pipe and valve assembly to prevent vehicle intrusion and accidents that can occur if a car veered off the main road onto the assembly. The design shall be submitted to CHA for review and approval.

PSE

1) There are several poles that are within 30 feet of CHA fence line on the west property line , these will create excessive EMF, would PSE consider under-grounding these lines (buried power lines) ?

2) The plans show only the 16" pipeline at the new sub station, but there are two pipelines, Can PSE show the location of the 20" buried pipeline ?

3) What are the projected EMF levels after upgrade to 230kv ?

4) What type of foundations are being installed for the new poles , how is the induced vibration onto the pipeline is mitigated ?

5) What are the existing AC levels of voltage at the pipeline ? Is the existing cathodic protection adequate for the future increase voltage ?

We have not received any responses from BP on the pipeline issues as they advised that information is company confidential. As a reference I would like to note that due to blast zone concerns in state of California, the state does not allow any public facility within 1500 feet of an operating pipeline (<https://www.cde.ca.gov/ls/fa/sf/title5regs.asp>). Although the probability of a pipeline explosion is low, the consequences of the event to the CHA (over 200 students and staff which is located within a few hundred feet of the pipeline and substations) is not acceptable (not tolerable).

We believe the project is not necessary and will create substantial impacts to the environment and the public. Please contact me if you like to have a conversation on these issues. Thank you!

Sincerely,

Barry Alavi, PE, PMP

C: [425-501-9999](tel:425-501-9999)

Bedwell, Heidi

From: Larry Johnson <larry.ede@gmail.com>
Sent: Thursday, January 18, 2018 12:10 PM
To: records@utc.wa.gov
Cc: robw@newcastlewa.gov; steveo@newcastlewa.gov; lindan@newcastlewa.gov; carols@newcastlewa.gov; allend@newcastlewa.gov; gordonb@newcastlewa.gov; davem@newcastlewa.gov; tamrak@newcastlewa.gov; tomm@newcastlewa.gov; dawnr@newcastlewa.gov; Sue Stronk; Lynne Prevette; Brian & Lori Elworth; Keith Hargis; Bruce Williams; Ron Chatterton; Carin; Linda Young; Philipp Schmidt-Pathmann; Don Marsh; russell borgmann; Richard Lauckhart; CENSE Board; Loretta Lopez; Thara Johnson; sbrown@utc.wa.gov; lisa.gafken@atg.wa.gov; DBarnett@perkinscoie.com; ken.s.johnson@pse.com; BShearer@utc.wa.gov; BDeMarco@utc.wa.gov; Krista Gross; EBCC; Council; Bedwell, Heidi; council@rentonwa.gov
Subject: Larry Johnson #2 CSEE submission re PSE IRP, Docket UE-160918
Attachments: CSEE re PSE IRP - 1-18-2018.pdf; ATT00001.txt; IRP Comments posted to the WUTC website.pdf; ATT00002.txt; Bellevue's energy dilemma Letter Bellevue Reporter.pdf; ATT00003.txt; 2017_03_Reprint_ToothlessWUTC.pdf

To: The WUTC, Docket UE-160918

Please include for the record in this docket the attached four documents in PDF format, consisting of my letter of today's date and three other documents referenced in my letter.

Thank you for your assistance.

Larry G. Johnson
Attorney at Law, WSBA #5682
Citizens for Sane Eastside Energy (CSEE), www.sane-eastside-energy.com
8505 129th Ave. SE
Newcastle, WA 98056
tel.: 425 227-3352

Citizens for Sane Eastside Energy (CSEE)

8505 129th Ave. SE
Newcastle, WA 98056
tel.: 425 227-3352
www.sane-eastside-energy.org

January 18, 2018

To: The Washington Utilities and Transportation Commission

Docket UE-160918

[submitted by email to records@utc.wa.gov](mailto:records@utc.wa.gov)

Re: Inadequacies in PSE's IRP include its failure to address the need for or better alternatives to Energize Eastside

Dear Honorable Commissioners:

Citizens for Sane Eastside Energy (CSEE) is an Eastside citizens action group. This letter supplements my earlier letter to you of August 14, 2017, and addresses the following issues of continuing concern regarding PSE's insufficient and inadequate IRP and the UTC's response to it:

A. PSE's IRP clings to outmoded forms of energy production and distribution.

PSE stubbornly ignores your admonition to produce an IRP consistent with new technologies, clean energy, and a holistic approach to energy. It has consistently resisted adequate measures to reduce the carbon emissions and toxic chemicals spewing out of the Colstrip plant in Montana. Further, PSE compounds its backward-looking vision by promoting Energize Eastside ("EE"), a \$300 million dinosaur of a transmission project that would replace older wooden poles with even bigger steel towers to transmit four times the existing power — towers placed dangerously close to two aging pipelines pumping jet fuel under pressure through the Olympic Pipelines from Bellingham to SeaTac and beyond.

EE is an environmental and public safety disaster waiting to happen. Yet PSE fights all public opposition tooth and nail because this project was incentivized by a nearly 10% state-guaranteed return on infrastructure investment. Maximizing corporate profit, promoted by our laws, drives this project. To date PSE has reportedly spent up to \$50 million in PR and legal fees to sell EE to the public with phony "load flow studies" (hiding key data from the public) and an onslaught of false advertising.¹ Consistent with such practices, PSE plays the same hide-the-ball tactics in its efforts to sell a half-baked IRP to the UTC.

¹ See, e.g., <https://sane-eastside-energy.org/2017/05/21/four-big-lies-in-ps-es-hard-sell-of-energize-eastside-project/>, <https://sane-eastside-energy.org/2017/06/30/ps-es-energize-eastside-a-continuing-fraud/>, and <https://sane-eastside-energy.org/2016/06/29/ps-es-calling-energize-eastside-a-system-upgrade-is-another-big-lie/>.

B. Energize Eastside is not needed and thus not a “resource” PSE can legitimately designate in its IRP.

Richard Lauckhart is a former Vice President for Power Planning for what was then Puget Power. He has retained an abiding interest in assuring that the ratepayers he served for so many years not be called upon to suffer and pay for a needless, dangerous, and environmentally harmful project. On January 8, 2018, Mr. Lauckhart submitted to you his detailed analyses about PSE’s false project assumptions and rigged load flow studies undertaken to sell EE to city councils and the public. Mr. Lauckhart’s white paper is supported by a host of detailed technical facts. CSEE endorses Mr. Lauckhart’s analyses and conclusions which are attached to the email transmitting this letter. At a minimum, PSE needs to explain to the UTC and fully document much of the sought-after information it has withheld from CSEE, CENSE and Mr. Lauckhart, even after FERC told PSE that Mr. Lauckhart was CEII-cleared and deserved to have the complete data from the PSE-sponsored load flow studies. Among other things, the UTC should order PSE that the load flow data that Mr. Lauckhart, CSEE, and CENSE have been requesting for over the past three years be given to him.

Additionally, another authoritative voice spoke out recently against EE for reasons such as those given by Mr. Lauckhart. Mr. Steve Funk, a former Chairman of the Bellevue Planning Commission, last week wrote in a *Bellevue Reporter* op-ed:

“As a commissioner I thought of the city as a machine in which every part works together for the benefit of neighborhoods and the city as a whole. Energize Eastside appears to place burdens on residents and neighborhoods to facilitate rapid development in downtown Bellevue and the new Spring District. However, the premise of the project has been thrown into doubt by new technology and declining consumption of electricity.

“PSE is repeating the same mistake Seattle City Light made in recent years. Both utilities anticipated increasing demand for electricity due to population growth. However, demand has been falling in Seattle and the Eastside despite the growing population and economy. These trends are occurring across the country due to climate change, conservation, renewable energy, and more efficient lighting, computers and appliances. PSE’s revenues have been declining for years, providing the company with an economic incentive to promote a transmission line. The \$300 million project will increase PSE’s revenues and utility bills for customers for decades.

“Other cities are installing safer, less expensive alternatives, such as large batteries manufactured by Tesla and other companies. Batteries can be installed in less than three months and provide better reliability than a new transmission line for a fraction of the cost. Batteries also reduce carbon emissions by storing cheap solar and wind energy during periods of low need. When demand peaks around dinner time, electricity can be withdrawn from the batteries instead of burning fossil fuels in a coal or gas-fired plant. Additional batteries can be in-

stalled to exactly match our need instead of building an expensive transmission line with more capacity than we may ever need.”²

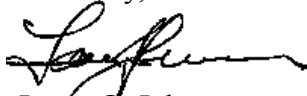
C. The UTC needs to use the woefully limited power it has to signal to PSE and its investor owners that Energize Eastside is imprudent and unworthy of reimbursement.

The King County Bar Association’s publication, *Bar Bulletin*, published my article, “The Toothless Washington Utilities and Transportation Commission,” in March 2017.³ I argue in the article that the UTC is virtually unique among all other such state utility commissions in not having the power to stop an ill-considered project before it is built. The UTC can only deny reimbursement for a project *after* such a project is built, after all the harm has been done. Not surprisingly, the UTC has never exercised even this somewhat futile option, leaving open the question of what, beyond rates, the UTC can effectively regulate.

Nothing in Washington law prevents the UTC from issuing a non-binding written opinion stating that building Energize Eastside would be imprudent, based on the existing evidence and subject to a responsive rebuttal from PSE. Your opinion could be provisional and subject to change if the evidence warranted it. But, with due process fully preserved for PSE, why does the UTC have to remain silent *now*? Not only would your provisional opinion be a fair and responsible thing to do to protect the public, but it would also serve as a fair warning to PSE’s foreign investor owners.

PSE’s continuing passive-aggressive approach to formulating a proper IRP presents an opportunity for the UTC to act proactively not only on Colstrip, but on Energize Eastside as well. Further, if in the extreme case PSE chooses to continue to ignore and game the UTC and the public regarding its IRP and boondoggle projects, then I submit the UTC has the inherent power to disenfranchise PSE and invite another entity to take its place. PSE was not given a permanent and perpetual monopoly, unaccountable to those who granted that monopoly.

Sincerely,



Larry O. Johnson

Attorney at Law, WSBA #5682

Citizens for Sane Eastside Energy (CSEE), www.sane-eastside-energy.com

8505 129th Ave. SE

Newcastle, WA 98056

tel.: 425 227-3352

larry.ede@gmail.com

cc: IRP Advisory Group members; CENSE; City Councils of Bellevue, Newcastle and Renton

² The entire January 14, 2018, article is attached to the email transmitting this letter.

³ A reprint of the article is attached to the email transmitting this letter.

Richard Lauckhart written comments to the WUTC on PSE's IRP dated Nov 14, 2017
(including list of Supporting Documents on this record)

Docket No. UE-160918

Comments Submitted January 8, 2018

My name is Richard Lauckhart. I am an energy consultant and former VP at Puget. My resume' is included in Supporting Document 1 at its Appendix H.

The IRP Rule WAC 480-100-238 on Integrated Resource Planning indicates that an Integrated Resource Plan needs to provide an assessment of transmission needs. It also states as follows:

(6) The commission will consider the information reported in the integrated resource plan when it evaluates the performance of the utility in rate and other proceedings.

It has been long WUTC policy that a prudent decision is one which a reasonable board of directors and company management would make given the facts they know, or reasonably should know, **at the time they make the decision**, without the benefit of hindsight.

On November 14, 2017 PSE submitted its Integrated Resource Plan to the WUTC for the record and for WUTC review in Docket No. UE-160918. Now is the time that PSE is making decisions on whether or not to build (a) the Energize Eastside project and (b) the Lake Hills-Phantom Lake 115 KV transmission line.

I. On the matter of the Energize Eastside project: As required by the IRP Rule, PSE has a chapter (Chapter 8) that discusses "Delivery Infrastructure Planning" including PSE's analysis of the need for Energize Eastside. Chapter 8 is completely inadequate to demonstrate that a decision to build Energize Eastside would be a prudent decision. Table 8-6 in the IRP states that PSE uses a Power Flow model (Power World Simulator) to evaluate its transmission system infrastructure needs. On page 8-34 of the IRP PSE points to its studies that it claims provides the "proof" of the need for Energize Eastside. This "proof" includes Power Flow studies performed by Quanta Services. But as I describe below, these Power Flow studies contain fatal flaw input assumptions.

In a nutshell, the Power Flow (aka Load Flow) modeling performed by PSE/Quanta is flawed. As indicated in Supporting Document 12, the primary problem with their Load Flow modeling is that:

(a) They erroneously assumed that the proposed Energize Eastside project must increase the ability of BPA to move large amounts of power to and from Canada during extremely cold temperatures in the Puget Sound region, and

(b) They erroneously assumed that essentially all of their owned/controlled power plants located in the Puget Sound region would not be operating during this extremely cold event.

Neither one of these assumptions is legitimate.

First, there is no firm requirement for PSE or BPA or anyone else to move large amounts of power to and from Canada. *See Supporting Documents 3, 4, 8, 13 and 16.* Second, it would make no sense for PSE to fail to run its Puget Sound Area generation in an extremely cold event. PSE could not meet its total System Peak load in such an event if they did not run their Puget Sound Area generation. *See Supporting Document 5, at pages 22-26. See also Supporting Document 7.*

If these inappropriate input assumptions are fixed, a Power Flow study demonstrates that Energize Eastside is not needed now or any time soon. **The Lauckhart-Schiffman Load Flow study is the only one on the record in Docket No. UE-160918 that uses the load forecast PSE gave to the Western Electricity Coordinating Council, correct inter-regional flows, and appropriate generation dispatch. That study concludes that Energize Eastside is not needed now or any time soon.** [See Supporting Document 1]

Since May of 2015 I have spent considerable time and energy investigating PSE's proposed Energize Eastside project. I have placed 17 documents on the record in Docket No. UE-160918 that lead to the conclusion that Energize Eastside is not needed now or any time soon. Yet PSE completely ignored these 17 documents when it wrote its IRP. It is as if my documents did not exist.

Attached is a list of the 17 Supporting Documents that I placed on the record that PSE has completely ignored. Some of the key items in this list and the date they were filed in this Docket UE-160918 are:

- August 21, 2017 Document describing the "fatal flaws" in the Load Flow studies PSE had run in an attempt to justify EE.
- July 25, 2017 Lauckhart-Schiffman Load Flow study showing EE is not needed (includes my resume')
- July 25, 2017 Rebuttal to PSE criticisms of Lauckhart-Schiffman including Q's and challenges to PSE.
- September 12, 2017 Questions and challenges for PSE to respond to regarding its studies of the need for Energize Eastside. These questions/challenges are:
 - a. Challenge PSE or ColumbiaGrid to cite a specific requirement to transmit 1,500 MW to Canada in the NERC Reliability Criteria or PEFA.
 - b. Challenge PSE, ColumbiaGrid, or BPA to produce a contract showing a Firm

- Commitment to deliver 1,500 MW to Canada.
- c. Challenge PSE to prove that they did not increase flow to Canada relative to the WECC Base Case.
 - d. Challenge PSE to explain how they solved issues that arise from their scenario with the electrical limits of the “West of Cascades-North” transmission lines.
 - e. Challenge PSE to explain their methodology leading to a 2.4% growth rate.
 - f. Challenge PSE to dispute the methodology used by Lauckhart-Schiffman to estimate future growth.
 - g. Challenge PSE to cite standards that require them to turn off 6 local generation plants at the same time they are serving peak demand with an N-1-1 contingency.
 - h. Challenge PSE or BPA to provide examples of when 1,500 MW was transferred to Canada when temperatures in the Puget Sound region were lower than 23° F, as stipulated in PSE’s Energize Eastside Needs Assessment
- September 14, 2017 Key Question.... **Why has PSE chosen not to re-run their flawed EE Load Flow studies to fix the flaws?**
 - a. **This question is particularly relevant since Mark Williamson is on video confirming that if there is no requirement to deliver 1,500 MW to Canada, then the Load Flow models need to be re-run.**
<https://www.youtube.com/watch?v=UixzxsOmPic>
Note: Mark Williamson is PSE’s hired expert to head up PSE’s aggressive PR campaign for getting Energize Eastside through the approval processes. Mr. Williamson’s website brags about his prowess in getting projects like Energize Eastside approved by treating them the same way as a political campaign.

PSE has never responded to these questions and challenges.

In its IRP PSE states that Energize Eastside is required to meet FERC Reliability Requirements. But that statement is refuted by the fact that FERC has stated it has no jurisdiction over Energize Eastside because neither PSE, nor any other eligible party, asked for Energize Eastside to be included as a part of a Regional Plan. This statement that Energize Eastside is required to meet FERC Reliability Requirements is also refuted by Supporting Document numbers 2, 3, 4, 5, 7, 8, 9, 12, 13, and 16.

In its IRP PSE states that ColumbiaGrid identified the need for Energize Eastside. But ColumbiaGrid told FERC that PSE did not request that Energize Eastside be a part of a Regional Plan. *[If Energize Eastside would have been a part of a Regional Plan, then it would have been subject to FERC Order No. 1000 and ColumbiaGrid would have been required to study the need for Energize Eastside in an open and transparent fashion with stakeholder input. And under the cost allocation provisions of FERC Order No. 1000 BPA would have paid a lion’s share of the cost for Energize Eastside.]* And ColumbiaGrid has stated that the ColumbiaGrid “stressed Load Flow case” *[that had the same*

assumptions that Quanta Services used in the Eastside Needs Assessment] “...goes beyond what is required in the NERC [FERC] Reliability Standards.” [See Supporting Document 7 at its Attachment 2, in paragraph a)]. So ColumbiaGrid did not believe Energize Eastside was needed. Further evidence that ColumbiaGrid did not identify a need for Energize Eastside is provided in Supporting Document numbers 8, 9, and 13.

Clearly now is the time that PSE needs to demonstrate the need for the Energize Eastside Project. Despite the fact that PSE did not run proper Power Flow (aka Load Flow) studies in its attempt to prove the need for Energize Eastside, there is plenty of information in documents on record for this PSE IRP Proceeding (Docket No. UE-160918) that makes it clear that Energize Eastside is not needed. I believe that the Record before you, the WUTC Commissioners, provides ample evidence for you to find in your Order on this PSE IRP that evidence as of the date PSE is making a decision to build Energize Eastside shows that such a decision to build the Energize Eastside project would not be a prudent decision.

If you the WUTC Commissioners still have some questions about this matter, I suggest that you set a fact-finding hearing under which PSE representatives can be examined under oath regarding their basis for saying that Energize Eastside is needed. That fact-finding hearing could involve many items such as:

- 1) Requiring PSE to redo its Load Flow studies without the inter-regional flows and with all PSE’s Puget Sound Area generation operating. Then provide the studies to individuals like myself who have CEII clearance from FERC so that cross examination of the PSE Load Flow modelers on these studies could be conducted.
- 2) Requiring PSE witnesses to answer other key questions about their justification for Energize Eastside. (e.g. the PSE claim that nothing has been done on the transmission grid on the eastside in the last 50 years).

PSE has been ducking and dodging questions about its “proof” of the need for Energize Eastside for the more than two years that I have been involved in the project. PSE needs to be more forthcoming in answering questions before there is any finding that a decision to build Energize Eastside would be a prudent decision.

II. On the matter of the Lake Hills-Phantom Lake 115 KV transmission line: There has been no substantive review of this transmission project in this or in any previous IRP. As such, PSE has not complied with the IRP rule on this project. Further, PSE has failed in its duty to properly analyze the need for this transmission line. The City of Bellevue and PSE were advised by the City’s consultant, Exponent, in 2012 that “looped 12.5 KV distribution” could be an alternative to the Lake Hills transmission line. But PSE failed to analyze this alternative. A prudent utility would analyze this alternative before making a decision to build this transmission line. It is particularly problematic that not only does PSE not analyze this distribution backup alternative

itself, but PSE also refused to give the data so that a consultant (Michael Ropp) could analyze this alternative.

I also provide the following comment on the response that PSE sent to Michael Ropp who would be performing the study of the Distribution Automation solution to increase the reliability in East Bellevue as an alternative to the imminent Lake Hills-Phantom Lake Transmission line. I have received a copy of that PSE response. See Appendix A to these comments. In that response PSE states as follows:

“Options like distributed automation/FLISR or a 12.5 KV distribution loop would not address the need for a backup transmission line to the three substations.”

I believe this statement is incorrect. Shortly after I received my Bachelor of Science in Electrical Engineering from Washington State University in the 1970's I went to work for Pacific Gas & Electric in their San Jose Division as a Distribution Engineer. [See Supporting Document 1 at its Appendix H.] One of my main tasks was to look at areas of the system where there were several substations served with short 115 KV radial transmission lines. Using spreadsheet analysis, I looked at the distribution line network that emanated from each of the substations to see if the distribution system would be able to keep customers in service if a radial transmission line to a substation failed. Data needed for the study was the rating of each of the substation transformers, the conductor size of the distribution lines that could connect to substations, and historic loading on each distribution line during system peak conditions. If we found a problem the fix was generally to beef up a distribution line. Not loop the 115 KV transmission.

Today there are more sophisticated tools to perform this analysis. Michael Ropp is a consultant that is well versed in these tools. But he needs data just like I needed data when I worked for Pacific Gas & Electric.

PSE may think that the 12.5 KV distribution loop would not address the need for a backup transmission line to the three substations, but they need to prove this statement is true by having the Distribution Automation study performed. Any confidential information the consultant would need to perform his study would be provided under a Non-Disclosure Agreement signed by the consultant. That is standard practice in the industry.

PSE has not adequately studied the need for the Lake Hills-Phantom Lake Transmission line either in its IRP or elsewhere by not looking at the Distribution solution. That being the case the WUTC should state in your Order on this PSE IRP that this Commission would deem it imprudent for purposes of rate recovery if PSE builds the line and asks for it to be included in ratebase in the future.

III. What would motivate PSE to want to build these two transmission projects (Energize Eastside and Lake Hills-Phantom Lake) that are not needed? The answer lies in the Macquarie investment objectives it had when it decided to buy all of the common stock of Puget nearly 10 years ago. Adding transmission ratebase increases their profits without requiring competitive bidding by third party suppliers that must be done when adding new generation. See *Supporting Documents 5 and 6*. Also, note that Macquarie has begun the process of selling its ownership share of PSE. See:

<https://www.bloomberg.com/news/articles/2017-06-15/macquarie-said-to-explore-sale-of-stake-in-utility-puget-energy>

Macquarie desperately needs to show potential purchasers that there will be new large investment coming into PSE's ratebase soon so that the potential purchaser will believe PSE will be receiving higher revenues from its ratepayers in the near future.

Comments Submitted by Richard Lauckhart
Energy Consultant
44475 Clubhouse Drive
Davis, Ca 95618
lauckjr@hotmail.com
Former VP at Puget



Supportive Documents provided by Richard Lauckhart in Docket No. UE-160918
[Related to the need for Energize Eastside (EE)]

Date document filed Brief Document Description...See full Document in UE-160918 record

July 25, 2017 Several documents filed as follows:

Supporting Document 1-Lauckhart-Schiffman Load Flow study showing EE is not needed (includes my resume')

Supporting Document 2- Rebuttal to PSE criticisms of Lauckhart-Schiffman including Q's and challenges to PSE

Supporting Document 3-Part 3: Email demonstrating that there is no Firm Requirement to deliver Canadian Entitlement Power to the Canadian Border

Supporting Document 4-Copy of "Agreement on Disposals of the Canadian Entitlement within the United States" covering the years 1998-2024 referred to in the email above

Supporting Document 5-Blowing the Whistle Slide show questioning PSE's motive and proof of the need for EE

Supporting Document 6-Backstory on PSE's motive to build EE

Supporting Document 7-Setting the record straight on EE Technical Facts

July 31, 2017 **Supporting Document 8**-Comments I made to ColumbiaGrid pointing out the error in their System Assessment write-up regarding the need to deliver 1,350 MW of Treaty power to the Canadian border

August 2, 2017 **Supporting Document 9**-Evidence that ColumbiaGrid had no substantive role in determining the need for EE

August 14, 2017 **Supporting Document 10**-Email describing alternatives that would be better than EE if in the future there is a need for reliability improvements on the Eastside. These include more DSM, batteries, 230/115 transformer at Lake Tradition, looping the SCL 230 KV line through Lakeside, or a small peaker plant strategically located (e.g. at the Lakeside substation). Some of these alternatives have the added benefit of helping meet PSE's Total System Peak capacity deficiency that is indicated in this IRP while solving any local infrastructure need (e.g. any infrastructure need on the eastside).

Supporting Document 11-Comments demonstrating that the Seattle City Light line is a legitimate and better alternative to EE if there is a need and PSE chooses to use the FERC

Open Access Transmission Tariff (OATT) rules available to them in order to enable this option to happen

- August 21, 2017 **Supporting Document 12**-Document describing the “fatal flaws” in the Load Flow studies PSE ran in an attempt to justify EE. Documents filed this day also include the documents that PSE has alleged show the need for EE because these documents are referenced in the “fatal flaws” write-up
- August 22, 2017 **Supporting Document 13**-Document providing further evidence that the ColumbiaGrid System Assessment write-up stating there exists a Firm Commitment to deliver 1,350 MW of Treaty Power to the Canadian Border is not correct. Includes an email from ColumbiaGrid stating that BPA was the one that told them that such a Firm Commitment exists [even though BPA responded in a Public Record Act request that no such Firm Commitment exists]. ColumbiaGrid explains that it makes no check on what BPA tells them when they write their System Assessment document. They just include the BPA un-validated allegation in their System Assessment write-up. This allegation has subsequently been refuted by BPA in their response to the Public Records Act request
- Sept 12, 2017 **Supporting Document 14**-Questions regarding EE for PSE to respond to at their October 5 IRP Advisory Group meeting
- Sept 14, 2017 **Supporting Document 15**-One further question for PSE to respond to at their October 5, IRP Advisory Group meeting, i.e. Why has PSE chosen not to re-run their flawed EE Load Flow studies to fix the flaws?
- October 1, 2017 **Supporting Document 16**-Document explaining the difference between (1) a WECC Path Rating and (2) a Firm Commitment for transmission delivery. Explains that PSE is erroneously treating the WECC Path Rating for the Northwest to Canada path as if it were a “Firm Commitment” in its Load Flow studies allegedly showing the need for EE. This treatment of WECC Path Ratings is wrong. PSE needs to re-run their Load Flow studies allegedly showing the need for EE to eliminate these non-required inter-regional flows.
- October 6, 2017 **Supporting Document 17**-Comments Lauckhart made at the October 5, 2017 PSE IRP Advisory Group meeting

Appendix A

PSE refuses to provide circuit data

From: "Parker, Bob" <bob.parker@pse.com>

Date: Thursday, November 2, 2017 at 2:14 PM

To: Michael Ropp <michael.ropp@northernplainspower.com>

Subject: RE: Request for modeling data for Lake Hills and Phantom Lake substations

Hi Mr. Ropp,

Thank you for your inquiry about PSE's Lake Hills-Phantom Lake Project. We have been through an extensive permitting and subsequent legal process over the past several years with respect to the project. That process has concluded, and we are moving forward with this project.

It is PSE's responsibility to identify system needs in accordance with industry standards, and then evaluate alternatives to meet those needs. PSE does implement distribution automation where it provides benefit, which is incorporated in our smart grid program. To be most effective, distributed automation requires a robust and redundant transmission system to keep power flowing to distribution substations.

The Lake Hills, Phantom Lake and College substations are each served by a single 115 kV transmission line, meaning there's no backup power in an emergency. Both PSE's transmission planners and the City of Bellevue's own expert, Exponent, identified this as a key weakness in the electric grid serving more than 12,000 customers in the East Bellevue area.

For the area served by these substations, our current design and operating guidelines call for our electrical substations to be part of network for added reliability, i.e., served by at-least two transmission lines, creating backup during emergencies. Thus we proceeded with a robust permitting process, and have been granted by the City, the Conditional Use Permit to proceed with building a 115 kV transmission line to loop these radially-fed substations.

Options like distributed automation/FLISR or a 12.5 kV distribution loop would not address the need for a back-up transmission line to the three substations. The Lake Hills-Phantom Lake project provides that back-up transmission line and improves overall system reliability, while minimizing impacts to neighborhoods.

For additional details on the project, take a look at Exponent's [2012 Electrical Reliability Study](#) that affirmed the need for this project, as well as the permit file for the conditional use permit.

We're moving ahead with the Lake Hills-Phantom Lake project as permitted, and consequently, PSE will not be responding further to your inquiry.

Sincerely,

Bob Parker



Bellevue's energy dilemma | Letter

Sunday, January 14, 2018 9:30am | [LETTERS TO THE EDITOR](#)

The city of Bellevue is facing a major decision within the next few months. The city's hearing examiner and the City Council will evaluate the potential benefits and detriments of Puget Sound Energy's "Energize Eastside" project, an 18-mile transmission line through Bellevue and three other Eastside cities.

As a former chairman of the Bellevue Planning Commission, I have concerns about this project. When I served on the commission, our role was to "preserve and protect single-family residential areas" according to the city's Comprehensive Plan. The plan is designed to maintain the vitality, quality and character of both single-family and multi-family residential neighborhoods.

As a commissioner I thought of the city as a machine in which every part works together for the benefit of neighborhoods and the city as a whole. Energize Eastside appears to place burdens on residents and neighborhoods to facilitate rapid development in downtown Bellevue and the new Spring

DSD 004934

1/15/18, 3:26 PM

District. However, the premise of the project has been thrown into doubt by new technology and declining consumption of electricity.

PSE is repeating the same mistake Seattle City Light made in recent years. Both utilities anticipated increasing demand for electricity due to population growth. However, demand has been falling in Seattle and the Eastside despite the growing population and economy. These trends are occurring across the country due to climate change, conservation, renewable energy, and more efficient lighting, computers and appliances. PSE's revenues have been declining for years, providing the company with an economic incentive to promote a transmission line. The \$300 million project will increase PSE's revenues and utility bills for customers for decades.

Other cities are installing safer, less expensive alternatives, such as large batteries manufactured by Tesla and other companies. Batteries can be installed in less than three months and provide better reliability than a new transmission line for a fraction of the cost. Batteries also reduce carbon emissions by storing cheap solar and wind energy during periods of low need. When demand peaks around dinner time, electricity can be withdrawn from the batteries instead of burning fossil fuels in a coal or gas-fired plant. Additional batteries can be installed to exactly match our need instead of building an expensive transmission line with more capacity than we may ever need.

Change and transition are not barred by Bellevue's Comprehensive Plan, but the hearing examiner and council must consider what kind of change is prudent.

Steve Funk

Bellevue



Bedwell, Heidi

From: Larry Johnson <larry.ede@gmail.com>
Sent: Monday, February 05, 2018 3:39 PM
To: records@utc.wa.gov
Cc: robw@newcastlewa.gov; steveo@newcastlewa.gov; lindan@newcastlewa.gov; carols@newcastlewa.gov; allend@newcastlewa.gov; gordonb@newcastlewa.gov; davem@newcastlewa.gov; tamrak@newcastlewa.gov; tomm@newcastlewa.gov; dawnr@newcastlewa.gov; Sue Stronk; Lynne Prevette; Brian & Lori Elworth; Keith Hargis; Bruce Williams; Ron Chatterton; Carin; Linda Young; Philipp Schmidt-Pathmann; Don Marsh; russell borgmann; Richard Lauckhart; CENSE Board; Loretta Lopez; Thara Johnson; sbrown@utc.wa.gov; lisa.gafken@atg.wa.gov; DBarnett@perkinscoie.com; ken.s.johnson@pse.com; BShearer@utc.wa.gov; BDeMarco@utc.wa.gov; Krista Gross; EBCC; Council; Bedwell, Heidi; council@rentonwa.gov; Doug Howell; zack.waterman@sierraclub.org; Keri.Pravitz@pse.com; bradley.strauch@pse.com; jens.nedrud@pse.com
Subject: Larry G. Johnson CSEE submission re PSE IRP, Docket UE-160918
Attachments: CSEE re PSE IRP - 2-5-2018.pdf; BPA FOIA response 2015.pdf

To: The WUTC, Docket UE-160918

Please include for the record in this docket the attached two documents in PDF format, consisting of my letter of today's date and the other document referenced in my letter.

Thank you for your assistance.

Larry G. Johnson
Attorney at Law, WSBA #5682
Citizens for Sane Eastside Energy (CSEE), www.sane-eastside-energy.com
8505 129th Ave. SE
Newcastle, WA 98056
tel.: 425 227-3352

Citizens for Sane Eastside Energy (CSEE)

8505 129th Ave. SE
Newcastle, WA 98056
tel.: 425 227-3352
www.sane-eastside-energy.org

February 5, 2018

To: The Washington Utilities and Transportation Commission

Docket UE-160918

submitted by email to records@utc.wa.gov

Re: Inadequacies in PSE's IRP include several misrepresentations regarding Energize Eastside

Dear Honorable Commissioners:

Citizens for Sane Eastside Energy (CSEE) is an Eastside citizens action group. This letter supplements our earlier letter to you of January 18, 2018, and addresses the following issues of continuing concern regarding PSE's insufficient and inadequate IRP as to three (of many) topics about which PSE has consistently lied to the UTC and the public:

1. "1,500 MW to Canada"

Energize Eastside (EE) is an old, dusted-off project whose primary intent was to meet a perceived need in 2003 for delivery of more power to Canada, in an area technically called the Northern Intertie at the Canadian border. BPA led this charge, concerned that up to 1,500 MW of power might be needed to send to Canada under a treaty with the United States. 1,500 MW is a lot of power, about what the city of Seattle consumes daily under normal conditions.

This 2003-inaugurated project was called Snohomish-Lakeside-Talbot. "Energize Eastside" is still called Snohomish-Lakeside-Talbot by ColumbiaGrid, the regional entity that PSE belongs to. Yet without disclosing the historical origins of EE, PSE dusted it off in 2014 and claimed it was a "new" project for local load only. Nevertheless, PSE kept in EE the supposed need to supply Canada with 1,500 MW from the old project (*1,500 MW that can never be delivered, anyway* — see Section 2 below), and used that as a factor in PSE-sponsored load flow studies to justify EE. USE, an independent consultant hired by the City of Bellevue, assumed PSE's 1,500 MW assumption was correct and erroneously adopted it without question.

Without that 1,500 MW factored into the computer simulation for an extreme cold day — an event that would stress system reliability — we now know there is no need for EE. The Lauckhart-Schiffman load flow studies prove that, and these are the only load flow studies ever done that are totally transparent. PSE has steadfastly refused to fully disclose the key data it used in its studies,¹ though we know it had to have relied on these bogus 1,500 MW to make its

¹ Even though FERC has stated that our expert, Richard Lauckhart, is CEII-cleared and entitled to *all* the data in the PSE-sponsored load flow studies. This stonewalling by PSE violates NERC/FERC Reliability Requirement TPL-001-4 which mandates that PSE conduct Planning Assessment in an "open and transparent stakeholder process."

studies come out the way they wanted.²

PSE claims there is a “firm commitment” for PSE to deliver those 1,500 MW, though BPA in a reply to my FOIA request states that no such firm commitment exists.³ And clearly, neither PSE nor its customers are required to pay for local transmission sufficient to deliver 1,500 MW to Canada.⁴

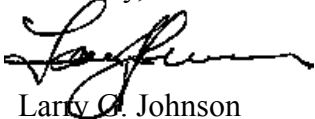
2. Voltage collapse

ANY such 1,500 MW “commitment” is impossible to meet, anyway. Why? Because there would not be transmission capability over the Cascades to deliver the needed amount of power to meet Puget Sound Area peak load and deliver this 1,500 MW to Canada. If PSE ever were to try to send 1,500 MW to Canada, or even significantly lesser amounts, there would be a **voltage collapse as a result**. To prevent appliances and motors from being fried due to low voltages, there would have to be a massive power shutdown in Western Washington in such an event. In other words, a blackout. PSE’s load flow studies must surely have shown them that, and that is almost certainly the reason why they won’t show their homework.

3. No Eastside “backbone”, but rather a 115 kV network that needs no upgrading

PSE’s PR about the “backbone” of the grid on the Eastside having not been upgraded since the 1960s is not true. Starting as early as 1992, PSE considered upgrading the Lakeside transformer and feeding it with 230kV lines to replace the existing 115kV lines as contemplated by EE. Instead, over the years PSE has built a number of new 115kV lines to meet energy demand increases in the 1990s and into the early 2000s. **What we have on the Eastside is a 115kV network, not a single backbone.** See the attached graphic prepared by former Puget Power VP for Power Planning, Richard Lauckhart, that shows this 115kV network. This system needs no further “upgrading.”

Sincerely,



Larry O. Johnson

Attorney at Law, WSBA #5682

Citizens for Sane Eastside Energy (CSEE), www.sane-eastside-energy.com

8505 129th Ave. SE, Newcastle, WA 98056

tel.: 425 227-3352

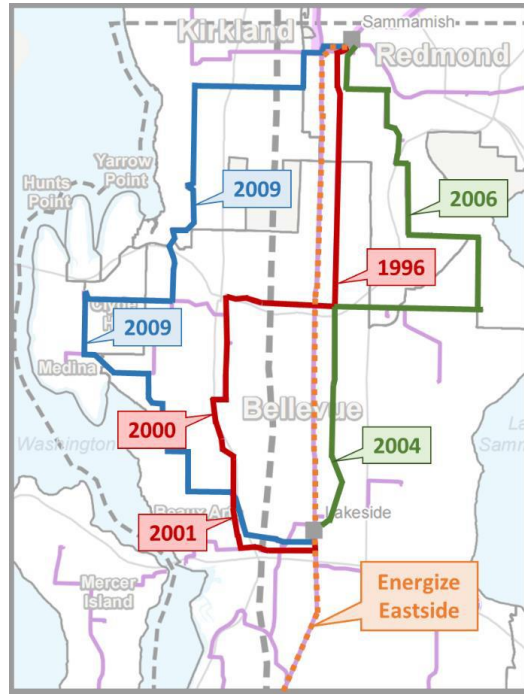
cc: IRP Advisory Group members; CENSE; City Councils of Bellevue, Newcastle and Renton

² PSE claims it is constrained to design Energize Eastside to an extreme because of “federal regulations,” even though those regulations require maintaining reliability only as far as an N-2 event. In adding the bogus 1,500 MW to Canada *and turning off 10 peaker plants in Western Washington specifically built to meet high peak demand*, PSE-sponsored and the USE load flow studies simulate a phantasmagorical N-8 event in order only then to demonstrate a “need” for the project.

³ See attached letter to me from the BPA dated July 27, 2015, especially the highlighted last paragraph on page 2. PSE admits it would have to redo its load flow studies if there is indeed no such commitment: see video at <https://youtu.be/UixzxsOmPic>. Yet it has not done so to date.

⁴ PSE signed a Memorandum of Understanding with the BPA and Seattle City Light in 2012 whereby the latter two agreed to help pay for the cost of Energize Eastside. That agreement is still in effect, thus begging the question: How could this agreement have occurred if EE is “entirely local.”

New 115 KV lines built in the eastside in recent years...
no longer a “backbone”, now a “network”!





Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

FREEDOM OF INFORMATION ACT PROGRAM

July 27, 2015

In reply refer to: FOIA BPA 2015-01500-F

Larry G. Johnson
Attorney at Law
8505 129th Ave SE
Newcastle, WA 98056

Mr. Johnson:

This communication is a final response to your request to the Bonneville Power Administration (BPA) for records under the Freedom of Information Act (FOIA), (5 U.S.C. § 552). Your request was received on June 17, 2015, and clarified on June 28, 2015, and superseded on June 30, 2015.

Your Initial Request:

“...all documents, electronic or otherwise, draft and final, including e-mail correspondence, presentations, correspondence, draft agreements and notes, related to the following:

- 1) As to the "U.S. Entity" as defined in the Columbia River Treaty of 1964, and as amended in 1998, please copy and produce any and all documents, including electronic documents in native file format, which either discuss or relate to the U.S. Entity's requesting Firm Transmission of Canada's entitlement to that Columbia River Treaty power by delivering it to Canada on the BPA transmission system.
- 2) If such a request was made as identified in para. 1 above, please provide copies of any and all reports done of the analyses performed to determine if BPA could honor the request for Firm Transmission service.
- 3) Please provide any and all Firm Transmission Contracts under which the BPA Transmission business line agreed to provide Firm Transmission to Canada for the U.S. Entity under the Canadian Treaty, ~~or under any other arrangement or contract by or for BPA for any purpose~~ [strikeout made after clarification with requester on June 28, 2015].

Please consider the relevant time period for these requests to be from 1998 to the present.”

DSD 004941

Your Successive and Superseding Request:

“...any documents that would show what is called a “firm transmission” agreement regarding delivery of any electricity to Canada to which Canada is entitled under the Columbia River Treaty between the United States and Canada. ... use[ing] ... the OASIS web site [to] retrieve information that will identify whether such firm transmission agreements were ever sought or agreed to...”

You further requested that the following six successive steps be executed:

- “1) First look at the BPA transmission service request queue that should be available on BPA’s OASIS web site.
- 2) Look through that listing of transmission service requests to see which, if any, of the requests in that queue were made by the US entity on the Treaty with a point of delivery to be made where the BPA transmission lines connect with BC Hydro transmission lines. This search should take less than an hour.
- 3) If it is found that one of the items in that transmission request queue were from the US Entity to deliver treaty power to Canada, then see if the queue indicates a System Impact Study (and possibly also a Facilities Study) was done with respect to that request. The queue should have an indication if one or both of these was/were done.
- 4) If the queue indicates a System Impact Study was done, then there is likely a link to the queue where that study can be found. It can be downloaded and readily emailed to me.
- 5) If the queue indicates a Facilities Study was done, then there is likely a link to the queue where that study can be found. It can be downloaded and readily emailed to me.
- 6) If the queue indicates that a Transmission Contract was ultimately signed as a result of the request, then there should be a link to the queue where that Transmission Contract can be found. It can be downloaded and readily emailed to me.

If this process is agreeable to you and you produce any relevant documents found as a result (or report back that no such documents were found), that should conclude this matter.”

Response:

BPA’s Public Utilities Specialists (Reservationist and Project Manager), in coordination with BPA staff in Transmission Policy & Strategy, Long Term Sales & Purchases, and Regional Coordination have performed the requested records search steps in BPA’s OASIS database, as you requested and enumerated to BPA’s FOIA staff. No responsive records were found as a result of that search.

Fees:

There are no fees associated with this request.

Appeal:

You may seek administrative appeal pursuant to Department of Energy FOIA regulations at 10 C.F.R. § 1004.8. If you choose to appeal, you must do so in writing within 30 days, and include the following information:

- (1) The nature of your appeal - denial of records, partial denial of records, lack of responsive records, or denial of fee waiver;
- (2) Any legal authorities relied upon to support the appeal; and
- (3) A copy of this determination letter.

Clearly mark both your letter and envelope with the words "FOIA Appeal," and direct it to the following address:

Director, Office of Hearings and Appeals
Department of Energy
1000 Independence Avenue SW
Washington DC 20585-1615

If you have any questions about this letter, please contact James King (CorSource Technology Group, Inc.) assigned to Bonneville Power Administration, at 503-230-7621.

Sincerely,



C. M. Frost
Freedom of Information/Privacy Act Officer

Bedwell, Heidi

From: Carol at Aramburu-Eustis <carol@aramburu-eustis.com>
Sent: Wednesday, January 17, 2018 5:05 PM
To: Helland, Carol; Bedwell, Heidi; Steve Osguthorpe; Jennifer Henning
Cc: Rick Aramburu
Subject: Rick Aramburu PSE EE Proposal Segmentation
Attachments: 2018-1-17 CENSE re PSE Segmentation.pdf; 2018-1-17 Att2 2018-1-9 Bedwell (FEIS).pdf; 2018-1-17 Att1 2017-8-31 re bifurc.pdf

Please review and enter into the record the attached CENSE comment regarding Puget Sound Energy's Energize Eastside proposal.

--
Carol Cohoe
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515
As of June 1, 2013 we are in SUITE 2000.
This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

January 17, 2018

Carol Helland
Development Services Land Use Director
City of Bellevue
P.O. Box 90012
Bellevue 98009

Via Email:
CHelland@BellevueWA.gov

Heidi Bedwell
Energize Eastside EIS Program Manager
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

Via Email:
HBedwell@bellevuewa.gov
info@EnergizeEastsideEIS.org

Steve Osguthorpe, AICP
Community Development Director
City of NewCastle
12835 Newcastle Way, Suite 200
Newcastle, WA 98056

Via Email:
SteveO@NewcastleWA.gov

Jennifer Henning
Planning Director
Renton City Hall
1055 S. Grady Way
Renton, WA 98057

Via Email:
JHenning@RentonWA.gov

Re: PSE SEGMENTATION OF PROPOSED TRANSMISSION LINE ("ENERGIZE EASTSIDE") FOR REVIEW

Dear Mmes Helland, Bedwell, Henning and M. Osguthorpe,

As you know, I represent the Coalition of Eastside Neighbors for Sensible Energy (CENSE). CENSE has been an active participant in review and comment on PSE'S proposed eighteen mile 230 kV transmission line from the time the project was announced in December, 2013.

More recently, we corresponded with you in a letter dated August 31, 2017, regarding the proposed bifurcation of this project into several segments for purposes of review and permitting. That letter is attached for your ready review (Attachment 1). No response was received to this correspondence.

Within the past month, we inquired as to when the Final Environmental Impact Statement would be issued for the project; the City's lengthy email response is attached (Attachment 2). In that email, Ms. Bedwell indicated that the FEIS will likely be available on or about March 1, stating:

Please note that we are in the active permit review phase (in both Bellevue and Newcastle), and I again encourage anyone who is interested in this project to focus their comments on the permit applications that have been submitted to the partner jurisdictions as well as the City of Bellevue.

Later in the email is the following recommendation:

In order to limit confusion, and because the comment period on the DEIS has long since passed, it is best to direct comments and review at this time to the permit application materials. The City recommends that interested parties submit comments on the permits early in the permitting process, rather than waiting to comment until after the FEIS is available. This of course does not preclude you or your clients from submitting additional comments at the public hearing on the permit applications.

It appears that the City is pushing local residents to submit comments on permit applications, even before the FEIS is available. However, at this point the only complete application filed for the Energize Eastside project is for the "Bellevue South Segment," which is only 5 miles of the 18 mile project. No permits have been filed for the Bellevue Central Segment (3 to 5 miles), the Bellevue North Segment (2.2 miles), the Redmond Segment (2 miles) or the Renton Segment (4 miles). A permit application has been filed for the 1.5 mile Newcastle Segment, but the City has determined that permit application is incomplete and not ripe for comment.

As we described in our August 31 letter, there is nothing to indicate that functionally the "Energize Eastside" proposal is anything other than, as described in the DEIS's, a single project "to connect two existing bulk energy systems (one to the north in Redmond and one to the south in Renton), supply future electrical capacity and improve electrical grid reliability for Eastside communities." This is the second sentence on the first page of the Phase 2 DEIS and the subject of paragraph 2 on page 1-7 of the Phase I DEIS. Since the FEIS is not yet complete, the CENSE members and other interested members of the public do not know if this statement will be changed. Of course, Bellevue staff knows what will be in the FEIS because they, with PSE, are

writing the document.

As we stated in our earlier letter, there is no reason to proceed to staff review, have staff recommendations, a public hearing and City Council review on a single isolated segment (only 28%) of a larger system. Indeed, though PSE seems to say there is some independent utility to the South Bellevue segment, it does not connect to any substation. The Talbot Hill Substation, the southern substation mentioned in the DEIS, is at the end of the Renton Segment, four miles from Newcastle. As we noted above, no permit application has been filed in Renton.

CENSE members have directly asked PSE when there would be permit applications for the other segments of "Energize Eastside." In an email received from Keri Pravitz, PSE's "Community Projects Manager" on January 12, 2018, Ms. Pravitz states:

Thanks for the email. We will submit our Renton permit application soon and then North Bellevue and Redmond will follow.

With the additional permit applications coming "soon," there is no basis to proceed with permit review on the isolated, orphan South Bellevue Segment until applications have been filed for all other segments. This is especially true where that segment has no independent utility. In addition, in Bellevue, if the bifurcation and segmentation continue, CENSE and other local residents will be forced to attend two or more hearings on what is a single project.

We understand and appreciate that PSE may desire to construct the project in two different phases if permitted, but that is no reason to divide the review process for the project into two different segments.

In fact, it appears that PSE is deliberately attempting to manipulate the hearing process for its own benefit. As you are aware, the PSE proposal requires a conditional use permit under the code and compliance with the specific criteria for Electrical Utility Facilities under 20.20.255. Under BMC 20.35.015.B, a conditional use is a Process I decision which is a "quasi-judicial decision made by the Hearing Examiner." However, a conditional use decision becomes a Process III decision under BMC 20.35.015.D.2 for "projects subject to the jurisdiction of a Community Council pursuant to RCW 35.14.040; . . ." As you are aware, PSE's preferred route is through an area subject to the jurisdiction of the East Bellevue Community Council, thus requiring a Process III decision. In an email to CENSE from Carol Helland dated June 3, 2015, this distinction was fully recognized:

EBCC jurisdiction has authority only to approve or disapprove applications within the jurisdiction of the Community Council. Refer to LUC section 20.35.365. The determination is made at the time of application. If PSE applies for a conditional use permit to approve an Energize Eastside

alignment that is located within the boundaries of the EBCC, then the application would be characterized as a Process III application. Refer to LUC 20.35.015.D.2. If PSE applies for a conditional use permit to approve an Energize Eastside alignment that is located outside the boundaries of the EBCC, then the application would be characterized as a Process I application. Refer to LUC 20.35.015.B.

(Emphasis supplied). It is apparent that PSE's gambit is to segment the process so that this integrated project is reviewed under two different land use processes based on its own arbitrary and non-sensible division. PSE plainly intends to attempt gaining approval for the South Segment of the project and then using that approval to put pressure on EBCC in the next round of permit review, which will be Process III. As you know, EBCC has rejected other PSE projects in its jurisdiction.

Our August 31, 2017, letter indicated that the segmentation of this project is illegal and inconsistent with sound public process standards. This is especially true for a project that has been under review for four years, employing two separate Phase 1 and Phase 2 DEIS's with separate scoping, public hearings and comment periods for each.

In fact, the Phase 1 DEIS issued January 28, 2016, was a specifically a non-project document as described on page 1.1:

This first phase assesses the comprehensive range of impacts and implications associated with broad options for addressing PSE's objectives, in a non-project or programmatic Environmental Impact Statement (EIS).

(Emphasis in original.) Per the PSE website, there were 1,078 pages of comments on the scope of this document. There were more than 500 comments on the Phase 1 DEIS, including 26 different organizations. At no time in that document was there any discussion that there might be a segmentation of this project.

In addition, Ms. Bedwell's encouragement to start commenting on the project in advance of issuance of the FEIS is certainly an insult to those who have spent literally thousands of hours to assemble comments on two DEIS's and are still awaiting the responses to these comments two years later. The City's introductory letter at the beginning of the Phase 1 DEIS says: "The Final EIS will include responses to comments on both the Phase 1 Draft EIS and the Phase 2 Draft EIS." Under WAC 197-11-560, FEIS response to comments is required:

The lead agency shall consider comments on the proposal and shall respond by one or more of the means listed below, including its response in the final statement. Possible responses are to:

- (a) *Modify alternatives including the proposed action.*
- (b) *Develop and evaluate alternatives not previously given detailed consideration by the agency.*
- (c) *Supplement, improve, or modify the analysis.*
- (d) *Make factual corrections.*
- (e) *Explain why the comments do not warrant further agency response, citing the sources, authorities, or reasons that support the agency's response and, if appropriate, indicate those circumstances that would trigger agency reappraisal or further response.*

Even if it was appropriate to proceed to review the orphan South Segment, CENSE and other members of the public should be given full opportunity to review the FEIS and prepare input to the Hearing Examiner in Bellevue, and the other jurisdictions, based on its content. Keep in mind that more than two years was spent developing two DEIS's, both of which will be responded to in this FEIS. Please recall, early on we asked the City to prepare a single FEIS for each phase, but the City refused.

In summary, we request the City to take the following actions:

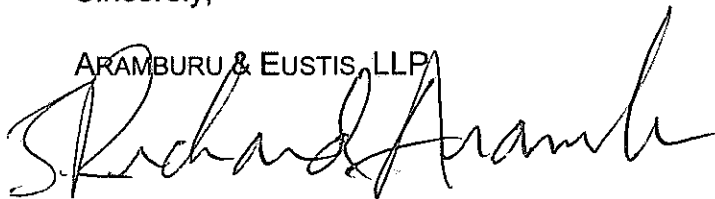
First, defer any further review of the application for the South Bellevue Segment until applications have been received for the other Bellevue segments as well as the Renton, Newcastle and Redmond segments.

Second, provide sufficient time for thorough review of the FEIS in advance of the public hearings. It is fundamentally unfair to allow PSE to prepare for the hearings with full knowledge of the content of the FEIS (indeed it is being written by the City and PSE) unless the public has the same privilege.

Thank you for your consideration of these comments. Because there was no answer to our attached letter of August 31, 2017, we request that you reply to today's comments no later than January 25, 2018. We look forward to your response.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc
cc: CENSE

Rick Aramburu

From: HBedwell@bellevuewa.gov
Sent: Tuesday, January 09, 2018 5:06 PM
To: carol@aramburu-eustis.com; Rick@aramburu-eustis.com
Subject: RE: ARAMBURU NON-DELIVERY - #2 - PSE Transmission Proposal.

Mr. Aramburu,

Thank you for your forwarded message. I do not have resolution from our IT department yet regarding an explanation for your undeliverable message. I can say we've been having a lot of network instability over the past several days and there may be some association with the instability and the reason for the email being undeliverable. I will update you on this issue when I have additional information to share. I assume you will confirm receipt of this message assuming you are able to receive it.

Regarding the remainder of your email, I can appreciate that your clients and other interested parties are anxious for the release of the FEIS. At this time we are anticipating a March 1st availability date. This assumes our final editing and production process goes as anticipated. However, the partner cities are still in the process of finalizing the FEIS, so this March 1st date may be subject to change.

Although I understand you and your clients are anxious to review the FEIS, please note that there is no additional comment period on the FEIS. As you are aware, the City provided copies of the DEIS, free of charge, in an effort to facilitate the DEIS commenting process. The City also extended the DEIS comment period, per your request, to provide additional time for public comment. The FEIS will contain responses to the comments submitted during the applicable time period, but there is no subsequent comment period on the FEIS itself. Once finalized, the FEIS will be issued and circulated as required by WAC 197-11-460(1). In the meantime, I would refer you to the DEIS, which remains publicly available, for the bulk of the substantive information that will be contained in the FEIS, and I appreciate your patience while the partner cities finalize the FEIS.

Many members of the CENSE community have expressed confusion regarding the two different processes that are currently underway, *i.e.*, the EIS process and the permitting process. Please note that we are in the active permit review phase (in both Bellevue and Newcastle), and I again encourage anyone who is interested in this project to focus their comments on the permit applications that have been submitted to the partner jurisdictions as well as the City of Bellevue. It bears repeating that the comment period for the DEIS is closed, and there is no subsequent comment period for the FEIS. Although the FEIS will be available for consideration by the partner cities as part of the permitting process, the FEIS is not a decision making document. It is one piece of information that decision makers, like the Director and Hearing Examiner at the City of Bellevue, will consider when making a decision on the subject permits. In order to limit confusion, and because the comment period on the DEIS has long since passed, it is best to direct comments and review at this time to the permit application materials. The City recommends that interested parties submit comments on the permits early in the permitting process, rather than waiting to comment until after the FEIS is available. This of course does not preclude you or your clients from submitting additional comments at the public hearing on the permit applications.

As I explained in previous communications to CENSE representatives, the City's current estimate is that the Director's Recommendation and Notice of Public Hearing will be issued no sooner than approximately 6 weeks after the FEIS is available. Your email references 6 weeks between FEIS availability and a public hearing. However, that is not what my communication noted. Instead, I explained that the City anticipated 6 weeks between the FEIS availability and the Director's Recommendation and Notice of Public Hearing. Typically, the City provides notice three weeks in advance of the public hearing. Thus, we currently anticipate over two months between the date the FEIS will be available and the public hearing on the permit applications that PSE has submitted to the City.

CENSE Attachment 2 January 17, 2018

Finally, if you have not done so I would recommend you sign up for alerts from the project permitting [page](#) Communication on the permit process will be available on this page in addition to the city's standard noticing procedures. Any questions you may have regarding the permit process in other jurisdictions should be directed to those specific jurisdictions.

Sincerely,



Heidi M. Bedwell
Energize Eastside EIS Project Manager
Environmental Planning Manager, Land Use Division
Development Services Department
425-452-4862
www.bellevuewa.gov and www.mybuildingpermit.com

From: Carol at Aramburu-Eustis [mailto:carol@aramburu-eustis.com]
Sent: Tuesday, January 09, 2018 9:58 AM
To: Bedwell, Heidi <HBedwell@bellevuewa.gov>
Cc: Rick Aramburu <Rick@aramburu-eustis.com>
Subject: Re: ARAMBURU NON-DELIVERY - #2 - PSE Transmission Proposal.

Ms. Bedwell,

Rick has not received any response to his email below, forwarded to you (also for sharing with your IT person) last Friday.

Has a response been made?

Is there still a problem with Rick's email being rejected, or with you being able to send to that address?

Carol Cohoe
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

On 2018-01-05 10:30, Carol at Aramburu-Eustis wrote:

Ms. Bedwell and IT, the original message Rick was trying to send (with the forwarding header deleted).

Carol Cohoe
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

From: Rick Aramburu [<mailto:rick@aramburu-eustis.com>]

Sent: Thursday, January 04, 2018 1:31 PM

To: 'HBedwell@bellevuewa.gov '

Cc: 'Don Marsh' (don.m.marsh@hotmail.com)

Subject: PSE Transmission Proposal.

Heidi:

Happy 2018 to you.

Can you give me a better idea when the FEIS on the PSE 240 kV transmission proposal might be issued? In the meantime, is there a draft that we can review?

I want to make sure that CENSE and other impacted citizens and communities have sufficient time to review the document and prepare for hearings on the project itself. Given the length of the prior DEISs, I anticipate the FEIS will be a substantial document. In a prior email you mentioned a period as short as six weeks from the time the FEIS is issued and hearings are held. Given the length of these proceedings and the anticipated length of the FEIS, six weeks will not be enough time to prepare for any hearings.

Thank you.

Rick

J. Richard Aramburu

ARAMBURU & EUSTIS, LLP

720 Third Avenue

Pacific Building Suite **2000**

Seattle, WA 98104-1860

Telephone (206) 625-9515

Facsimile (206) 682-1376

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and

destroy the message. Thank you.

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

August 31, 2017

Carol Helland
Development Services Land Use Director
City of Bellevue
P.O. Box 90012
Bellevue 98009

Via Email:
CHelland@BellevueWA.gov

Steve Osguthorpe, AICP
Community Development Director
City of NewCastle
12835 Newcastle Way, Suite 200
Newcastle, WA 98056

Via Email:
SteveO@NewcastleWA.gov

Jennifer Henning
Planning Director
Renton City Hall
1055 S. Grady Way
Renton, WA 98057

Via Email:
JHenning@RentonWA.gov

Re: PSE Segmentation of Proposed Transmission line (“Energize Eastside”);
Need for Supplemental DEIS on New Transmission Proposal in Renton,
Newcastle and Bellevue

Dear Ms. Helland, Mr. Osguthorpe, and Ms. Henning:

As you are aware from our extended correspondence, I represent the Coalition of Eastside Neighbors for Sensible Energy (CENSE). CENSE has registered their concerns in various forums over the past years concerning the 18-mile 230kv transmission line proposed by PSE, branded as part of its intensive public relations campaign as “Energize Eastside.” The “Energize Eastside” project was launched in December 2013, almost four years ago.

To date, PSE has prepared two separate draft environmental impact statements (DEISs) on its proposal. CENSE has provided extensive public comment on these documents, orally at public hearings and in writing. The most recent comment period

CENSE Attachment 1 January 17, 2018

Mr. Johnny Harris
Project 3018723
August 31, 2017
Page 2

on the Phase 2 DEIS ended on June 21, 2017, about two months ago. On the first page of that document (dated May 8, 2017), the “Energize Eastside” project was described as follows:

The Energize Eastside project is a proposal to construct approximately 18 miles of new 230 Kilovolt (kV) electrical transmission lines and to add a new substation (Richards Creek) at the Lakeside substation in Bellevue to connect two existing bulk energy systems (one to the north in Redmond and one to the south in Renton), supply future electrical capacity and improve electrical grid reliability for Eastside communities.”

The final environmental impact statement (FEIS) is, according to the “Energize Eastside” website, to be publicly available in early 2018. Pursuant to the SEPA rules, no hearings can proceed on any permit applications for this proposal until the FEIS is available.

During environmental review, the routing of PSE’s proposed transmission has always been considered a single project, albeit with routing options. The Phase I DEIS spent some fifty-four pages discussing project alternatives, but there was no discussion of segmenting the project for permitting or construction that would divide the project into a northern and southern component.

Recently, PSE has made major press releases advertising that it has chosen a route for the 18-mile transmission line, referenced by PSE as the “Willow Route,” although no actual permit applications have been received from PSE for this route. Permit applications would be required in Renton, Newcastle and Bellevue.

Given the background described above, CENSE members were surprised to read on the “Energize Eastside” website approximately three weeks ago the following:

PSE will soon submit permit applications for the southern portion of the project. PSE’s plan is to build and energize the new Richards Creek substation in Bellevue and upgrade the transmission lines in south Bellevue, Newcastle, and Renton by summer 2018. We anticipate submitting permits for the northern portion later this year.

We need to build Energize Eastside in two construction phases to keep the backbone of the existing transmission system online and serving customers. By having the southern portion in service by next summer, we can avoid the need for rolling blackout plans. Once we’ve energized the southern portion of the project, we will begin work on the northern portion.

Mr. Johnny Harris
Project 3018723
August 31, 2017
Page 3

From the foregoing, PSE indicates it will ask Bellevue, Newcastle and Renton to review and process separate permit applications for the southern segment of the project. It also says that by building the southern segment of the project, PSE “can avoid the need for rolling blackout plans.” As described above, this piecemealing of the proposal is entirely new.

For the reasons stated below, CENSE believes that separating this single project into two segments is inconsistent with applicable statutes, rules and regulations. Accordingly, we ask that Renton, Newcastle and Bellevue not accept separate applications for processing but insist on a single application and review for the entire 18-mile project. In addition, the statement that the southern portion will provide previously undisclosed benefits requires the preparation of a supplemental DEIS to discuss the segmenting proposal. The basis for our position is set forth below.

First, throughout the protracted SEPA process the proposal has been considered a single project. This was due in part to PSE statements in the first DEIS that the proposed transmission will be necessary to serve the Bellevue Central Business District and surrounding areas. Certainly there is no documentation that communities along PSE’s proposed southern segment are in need of additional transmission capacity. No alternatives were identified in either DEIS that would divide the project into two separate segments.

If the applicant now intends to divide the proposal into segments, that alternative must be considered in a supplemental EIS. If building the southern segment of the project separately really does “avoid the need for rolling blackout plans,” then that alternative should be considered in environmental review. Given the history of the review of this project, starting in December 2013, it is implausible that PSE would not have known of this course of action in May, 2017, when the Phase 2 DEIS was issued. This is the kind of new information about the project that requires a supplemental DEIS under WAC 197-11-405(4)(b),

Second, the bifurcation of the project is contrary to established land use and planning law. The impacts of the whole project must be considered in a single proceeding, lest the impacts of the whole are lost in an artificial division. Indeed, as the CENSE comments at various stages of the project have shown, the project as a whole lacks merit (and is a waste of public resources) because there is no need for it.

A single proposal needs a single public hearing and one review.

Third, bifurcating the process into north and south segments creates an unnecessary and wasteful review process. Interested citizens would be required to participate in two separate reviews for a single project. Local residents have already had to endure two

Mr. Johnny Harris
Project 3018723
August 31, 2017
Page 4

separate and duplicative SEPA draft environmental impact statement reviews. To extend this process further with PSE's plan to try to wear out concerned neighbors with separate and duplicative reviews is inappropriate to the cities' policies of engagement of local citizens in the land use review process.

Fourth, PSE's announced intention is to have permits issued for its proposed new "South Segment" in early 2018. However, according to its own website, the final environmental impact statement for the proposal will not be issued until early 2018. The SEPA Rules, in effect for more than thirty years, provide at WAC 197-11-655(2) that:

Relevant environmental documents, comments, and responses shall accompany proposals through existing agency review processes, as determined by agency practice and procedure, so that agency officials use them in making decisions.

See also SEPA itself, RCW 43.21C.030(2)(d) (the detailed statement shall accompany the proposal through the existing agency review processes). Accordingly, the review process for the South Segment, even if appropriate under the law, cannot begin until the cities have the FEIS available for review.

Fourth, it is apparent that the *raison d'être* for the bifurcation of the project is to avoid engaging the East Bellevue Community Council (EBCC) in decision-making for the whole project. As described in *Puget Sound Energy, Inc. v. East Bellevue Community Council*, 74464-0-1, 74465-8-1, Court of Appeals of Washington, Division 1, January 30, 2017 (Unpublished), EBCC has previously been critical of PSE transmission projects within its jurisdiction. By dividing its project into separate north and south segments, and proposing to proceed with the south segment first, PSE can avoid EBCC decision-making while it builds the south segment of the project. The cities should not permit this deliberate avoidance of permitting procedures requiring local community review of conditional use permits.

Washington law has been clear for many years that segmentation of a single project is not appropriate. In *Merkel v. Port of Brownsville*, 8 Wn.App. 844, 509 P.2d 390 (1973), the Court rejected the segmentation of a single project into shoreline and upland elements for approval. The court indicated:

There is nothing in the record before us to indicate that the contemplated construction has ever been anything but one project. The question, therefore, is whether the Port may take a single project and divide it into segments for purposes of SEPA and SMA approval.

8 Wn.App. at 850-51. Indeed, the Bellevue Municipal Code for "electrical utility

Mr. Johnny Harris
Project 3018723
August 31, 2017
Page 5

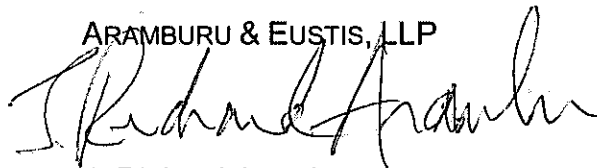
facilities" at BMC 20.20.225.E.4 requires that: "The applicant shall demonstrate that the proposed electrical utility facility improves reliability to the customers served and reliability of the system as a whole . . ." (emphasis supplied). Separate review of an artificial north and south segment of the proposed 18-mile transmission line is not appropriate under the code.

In summary, PSE's announced intention to take its single project, long touted by it as necessary to address growth in downtown Bellevue and environs, and break it into two parts. Such a bifurcation is inconsistent with the prior extensive SEPA review, with local ordinances and with Washington caselaw and the cities should not accept piecemeal applications for the project. Further, given the utility promoted for the project to resolve "rolling blackouts" without addressing that issue in the two DEISs, a supplemental DEIS must be prepared to address, document and consider this new alternative. We ask Renton, Newcastle and Bellevue to decline to accept piecemeal permits for this project.

Thank you for your attention to this request. If you have any questions, please contact the undersigned.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc

cc: CENSE
Bellevue City Council
Newcastle City Council
Renton City Council

Bedwell, Heidi

From: Carol at Aramburu-Eustis <carol@aramburu-eustis.com>
Sent: Friday, January 12, 2018 3:46 PM
To: Helland, Carol; Bedwell, Heidi; Riordan, Lori
Cc: Rick Aramburu
Subject: Energize Eastside Code Interp. Request
Attachments: 2018-1-12 Interpretation Request.pdf; 2017-4-18 EPF letter.pdf; 2017-4-18 Att.B EE-Bellevue inquiry...pdf; 2017-4-18 Att A 2016-6-9 EPF Review to Bellevue.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Please see Mr. Aramburu's letter attached and ensure that it is included in the record. The original is being mailed.

--
Carol Cohoe
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515
As of June 1, 2013 we are in SUITE 2000.
This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

January 12, 2018

Carol Helland
Development Services Land Use Director
City of Bellevue
P.O. Box 90012
Bellevue 98009

Via Email:
CHelland@BellevueWA.gov

Heidi Bedwell
Energize Eastside EIS Program Manager
450 110th Ave. NE
P.O. Box 90012
Bellevue, WA 98009

Via Email:
HBedwell@bellevuewa.gov
info@EnergizeEastsideEIS.org

Lori Riordan
Bellevue City Attorney
P.O. Box 90012
Bellevue, WA 98009

Via Email:
LRiordan@bellevuewa.gov

Re: Energize Eastside Code Interpretation request: Is the PSE proposal for Talbot to Sammamish 230 kV Transmission line an "Essential Public Facility."

Dear Mmes. Helland, Bedwell and Riordan:

As you know, this office represents the Coalition of Eastside Neighbors for Sensible Energy (CENSE). CENSE has continuously participated in the public process concerning the proposal to construct eighteen miles of 230 kV transmission lines through Renton, Newcastle, Bellevue and Redmond.

Over the past two years, we have corresponded concerning the issue of whether PSE's proposal is an "essential public facility" (EPF) under the Growth Management Act, RCW 36.70A.200 and BMC 20.20.350. My letter to you of June 9, 2016, is attached and contains legal analysis on this question. Though no response to that letter was received, we wrote again on April 18, 2017, concerning this subject. In that letter (also attached), we requested that the City issue a land use interpretation on the question of

January 12, 2018
Page 2

whether this PSE transmission project is an EPF. You responded to our April 18 letter on May 26, 2017, declining to issue an interpretation and stating that "Application of the EPF" code provisions "will be undertaken when an application has been filed." Your letter also stated: "The final decision regarding the status of a project proposal cannot, however, be made absent an application." This is consistent with the statement in the DEIS (page 10-6) that potential application of the EPF rules "would be made by the permitting agency at the time of permit preparation or submittal."

As you are aware, PSE has now submitted its application for the "South Phase" of the proposal in Bellevue. The City is now receiving comments on this application. Indeed, recently Ms. Bedwell, the City's Energize Eastside EIS Project Manager, in responding to our inquiry regarding the timing of FEIS issuance, said "it is best to direct comments and review at this time to the permit application materials."

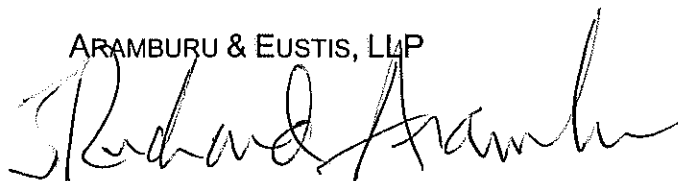
Based on the foregoing, we again ask that the City issue a land use interpretation as requested in our attached April 18, 2017 letter. Because this matter has been extensively discussed and reviewed, it would appear this interpretation could be issued in short order and any review thereof be promptly undertaken. As you know from our submissions, CENSE believes the proposal is not an EPF based on the applicable statutes and caselaw.

As we have previously stated, it will be important for persons commenting on the current application to know whether the proposal is considered to be an EPF or not. A prompt land use interpretation will allow clarification of the issue as the proposal proceeds through further agency review.

Should you have any questions concerning this matter, please contact the undersigned.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc
cc: CENSE

DSD 004961

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

April 18, 2017

Carol Helland
Development Services Land Use Director
City of Bellevue
P.O. Box 90012
Bellevue 98009

Re: Land Use Interpretation Request:

Is PSE's Talbot to Sammamish 230 kV Transmission Line an "Essential Public Facility?"

Dear Ms. Helland:

As you know, this office represents the Coalition of Eastside Neighbors for Sensible Energy (CENSE), a Washington nonprofit corporation.

Over the past two years, I have corresponded with you concerning various aspects of the proposed eighteen mile transmission line described above. This line has been branded by its proponent, Puget Sound Energy (PSE), as its "Energize Eastside" line.

On June 9, 2016, I wrote you describing why the Talbot to Sammamish line is not an "essential public facility" as that term is defined in Washington land use law, the Growth Management Act, the Bellevue Land Use Code (LUC) and applicable caselaw. A copy of that letter is attached as Attachment A hereto. We did not receive a response to that correspondence.

Since I wrote the June 9, 2016, letter, continuing research by CENSE members has indicated that there has been considerable discussion by Bellevue's land use staff concerning whether the PSE proposal is an EPF. For example, in a "DRAFT: ENERGIZE EASTSIDE STRATEGY" memo dated 12/17/2014 (Attachment B hereto), the "Recommended Strategy" began with the following statement:

1. The City has taken the position that in the City's opinion PSE facilities are EPFs [11/10 council mtg]

This memo confirms that the opinion of city staff, apparently expressed to the City Council, was that the "Energize Eastside" proposal is an EPF.

Later in that memo, at page 3, the staff indicates the "Belief of City is that they (PSE facilities) are an EPF" and in that case the City, through its administrative process, "then can only condition, not deny" the PSE proposal. There was additional concern expressed on page 3:

- iii. Option of denial of permit if need not demonstrated: The "Need" study may disclose that PSE's projections are not accurate for power needs in their service area. In this case the City could assert that their facilities are EPFs ONLY if actually fulfilling a bonafide need and if not, the City can deny the permit on normal regulatory grounds. This could draw a legal challenge from PSE, the outcome of which is uncertain. This option is not currently recommended.

Apparently, the City staff is fearful of litigation from PSE if the City rules against the "Energize Eastside" application. It also appears that staff has pre-judged the "Energize Eastside" application.

Given the importance of this issue, we ask the city to issue a written interpretation under Part 20.30K of the Land Use Code (LUC) on the following question:

Is the PSE "Energize Eastside" proposal for construction of 230 kV transmission lines an "essential public facility" under the terms of RCW 36.70C.200, LUC 20.20.350 and associated regulations and rules?

A more detailed statement of reasons and information supporting this request is found in Attachment A, my letter to you of June 9, 2016. As provided in the code, if an interested party disagrees with the interpretation provided, it may be appealed to the City of Bellevue Hearing Examiner.

CENSE believes it is critical to resolve this ongoing issue before formal staff analysis and review of the "Energize Eastside" application begins. Indeed, PSE has not yet filed an application for its proposal, though the Phase I draft EIS provides sufficient detail of the proposal to make a determination as to whether it is a EPF. Allowing administrative review and public notice to proceed with incorrect assumptions regarding the legal characterization of the proposal may result in major misunderstandings, potential legal errors and project delays. In addition, should PSE be dissatisfied with the outcome of the interpretation, resolving the EPF question will allow it time to pursue other

procedures for review of its proposal, including application to the Energy Facilities Site Evaluation Council (EFSEC).

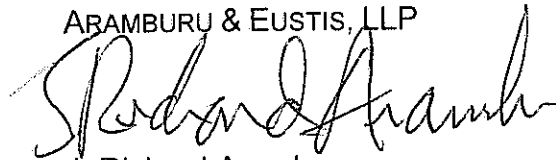
Please be aware that we may make similar requests for interpretation in the other communities through which the PSE transmission line will run, including Newcastle and Renton, whose regulations are somewhat different that Bellevue's.

CENSE is prepared to pay the current fee for the interpretation request filing. However, because CENSE is a civic, nonprofit organization, it is not able to pay ongoing fees or costs connected with the review of this interpretation request that might be charged by the City. CENSE is certain that the staff and Council will recognize the importance of a definitive resolution of these issues prior to the commencement of hearings on the PSE proposal and proceed to support an interpretation of the application of EPF criteria to the PSE proposal.

Thank you for your review of this request. Should you require additional information regarding this request, please do not hesitate to call or email.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc
cc: Client

From: "Riordan, Lori" <LRiordan@bellevuewa.gov>
To: liz.thomas@klgates.com
Date: 12/22/2014 8:00:44 AM
Subject: Energize Eastside--City of Bellevue inquiry for legal services
Attachments: DRAFT EE 12-17-14.docx

Good morning Liz,

Thanks for agreeing to talk with me this morning. I'm fine with having other attorneys in your office on the call—the issues associated with this PSE project cross different disciplines, so we'll appreciate having access to the additional expertise.

Attached is the latest intracity memo drafted up by our Interim Deputy City Manager Pam Bissonnette to help organize our thoughts and questions regarding the Energize Eastside project. I thought it could be helpful for you to have a flavor of some of the issues we've identified in [REDACTED].

I'll also send you a few Emails we've received from the concerned citizens. They are identifying themselves as "CENSE" and have spent some time doing their own research, including several phone conversations with representatives of BPA and other utilities. As you will see, they are pretty well-engaged. PSE had convened a citizens advisory committee that has recently identified two preferred routes for the transmission line.

I look forward to talking with you at 9 a.m.

Lori Riordan
City Attorney
City of Bellevue

2017-4-18
Attachment B

Problem Statement: PSE has proposed a 230KV line through the heart of Bellevue neighborhoods. Two different by a PSE Citizen Advisory Group which includes few representatives from Bellevue neighborhoods. Alignments are Oak and Willow, which are mostly the existing alignment of 115 kv PSE powerlines (see map). PSE asserts that the additional power requiring these facilities is to serve their service area including Bellevue's growth and for reliability. Bellevue has hired USE to independently demonstrate need for the project. Neighborhoods that would be impacted by these high voltage lines on large poles are vehemently opposed (see map).

Recommended Strategy:

1. The City has taken the position that in the City's opinion PSE facilities are EPFs [11/10 council mtg]
2. Do "need" study to compare to "no action" alternative in the PSE EIS and to truth out purpose and need for the project; potentially could challenge PSE's project if no need demonstrated or could be met through other means or at reduced levels
3. Hire EIS consultant
4. Accelerate completion of the Utils Element of Comp Plan and associated Code amendments
5. Take SEPA Conditioning/Mitigation path and communicate this to the public and stakeholders
 - a. Use scoping process to determine alternatives to study, including no action, better routes, alternative generation, conservation
 - b. Require maximum mitigation feasible [SEPA standard]
 - c. Negotiate w/PSE on full mitig
6. Draft state legislation regarding siting and requiring mitigation costs be borne by utility, and that UTC decision on what they can include in their tariff be made before rather than after a project is completed.
7. Hire legal counsel energy expert to assist in State and Federal forums with potentially drafting legislation and navigating the state and federal regulatory processes
8. Coordinate with other stakeholder cities on strategy
9. Early, consistent and regular public communication on progress
10. Formal request to PSE to form new CAC of those impacted by the current routes to provide them a forum to express their concerns to the decision-maker (i.e. PSE)

City Interests:

1. Reliable power for existing customers (supported by Electrical Reliability Study)
2. Reliable power for new customers (economic development priority)
3. Protect neighbor character (Comprehensive Plan goal)
4. Avoid litigation [or don't lose litigation]
5. Avoid large City costs for mitigation of PSE impacts
6. Appropriate public involvement in the decision-making process

7. Improve PSE transparency of operations and planning

Issues:

1. Citizens want PSE stopped, delayed, diverted, and any remaining project impacts ameliorated through avoidance, minimization and mitigation. Citizen suggested strategies include:
 - a. Moratorium
 - b. New codes to stop the project or substantially change the alignment to areas where impacts are avoided (non-view areas)
 - c. New data that demonstrates lack of power demand to justify project need
 - d. New technologies that provide less invasive supply options (such as batteries)
 - e. Mitigation of impacts, eg. Undergrounding, submerging, increased screening, and improved facility design (such as pole type, etc).
 - f. CENSE has requested a Bellevue sponsored CAC
 - g. Take over power utility in Bellevue

City Authorities/Roles:

1. Utility Element of the Comprehensive Plan: does it contain sufficient safe guards?
 - a. Codes that flow from the Comp Plan: do they contain sufficient safe guards?
2. SEPA and CUP: Quasi-Judicial [determine if NEPA required]
3. Essential Public Facility:
 - a. Can only condition, not deny;
 - i. Use SEPA process to engage public in scoping of EIS and development of alternatives including the “no action” alternative [could include conservation; alternative power generation, alternative routes]
 - ii. CUP: permit to condition/mitigate; issue is whether PSE has to mitigate all its impacts at its own cost [eg. visual, noise, etc.]; Quasi-Judicial process limits council dialog after permit application
 - iii. Explore means of imposing full mitigation where we can, and negotiate for PSE’s willing compliance beyond that [using their non-tariff revenues], or
 - iv. Option of denial of permit if need not demonstrated: The “Need” study may disclose that PSE’s projections are not accurate for power needs in their service area. In this case the City could assert that their facilities are EPFs *ONLY* if actually fulfilling a bonafide need and if not, the City can deny the permit on normal regulatory grounds. This could draw a legal challenge from PSE, the outcome of which is uncertain. **This option is not currently recommended.**

Timing:

1. “Need” study expected to be complete Q1, 2015

- a. Scope: the need for additional power for reliability and growth within the PSE Service Area
- b. CENSE wants access to consultant; set up introductory input and input on Draft Report
- 2. Utilities Comp Plan Update: 2015 or 2016
 - a. Utils element could be separated from rest of Comp Plan and advanced for adoption in 2015
 - b. associated code amendments drafted in parallel and adopted in 2015
 - c. @PC now; would need to amend work plan to advance
 - d. PSE response: may advance permit application to secure current code vesting
- 3. Permit application expected in 2016; see letter from PSE
- 4. EIS public process duration expected February 2015 – 2016
- 5. Permit earliest to be issued late 2016
- 6. If state legislation desired then 2015 session is only opportunity

Public Engagement Process and Public Information:

Position the Council, city leadership and city staff as both listening to and advocating for neighborhoods, residents and businesses while also holding true to their role as forward-looking policymakers and informed stakeholders who understand the importance of electrical service reliability in realizing the city’s vision as “The City Where You Want To Be” and meeting the city’s economic development goals. It is also important to remind the public that we have been actively involved in monitoring this project closely – as an ex officio member on the PSE Community Advisory Group, city hosted Public Forum on June 3, 2014, holding numerous (need number) Council study sessions throughout 2014.

- 1. History: June 2014 Forum [fill in]
- 2. Comprehensive Plan Process (Utilities Element) in progress
- 3. SEPA Process [expected to initiate in Q1 or Q2, 2015]
 - a. Citizen engagement
 - i. Scoping
 - ii. Alternative development
 - iii. Comment on Draft EIS
 - iv. Public Hearing(s)
 - v. Appeals process (EIS aqequacy)
- 4. Before Permit Application:
 - a. CENSE request for Bellevue CAC – declined? Redirect and support request to PSE
 - b. Council 11/3 request for direct engagement with public
 - i. Questions from citizens to city voluminous
 - ii. Answer to their questions is gap: new letter released for use 12/16/14 by CM
 - c. Role of PSE in City Process
- 5. After application

- a. CUP – Quasi Judicial Process; Hearing Examiner recommendation to Council
- b. Appeals process (SEPA and CUP)

Stakeholders:

1. Impacted neighborhoods
2. PSE
3. Customers who need reliable power [existing customers and new]
4. Other Cities [Kirkland, Redmond, Newcastle, Renton, King Co.]
5. Potentially other Power Utilities (if legislative action initiated)
6. Business Community
7. Rate payers (with varying abilities to pay increased rates)

Other Issues:

1. Franchise: what does it say about reliability? What controls if any does it provide
2. What does our past Reliability Study recommend? Did we implement? If not, why not?

ARAMBURU & EUSTIS, LLP

Attorneys at Law

J. Richard Aramburu
rick@aramburu-eustis.com
Jeffrey M. Eustis
eustis@aramburu-eustis.com

720 Third Avenue, Suite 2000
Seattle, WA 98104
Tel 206.625.9515
Fax 206.682.1376
www.aramburu-eustis.com

June 9, 2016

Carol Helland
Development Services Land Use Director
City of Bellevue
PO Box 90012
Bellevue, WA 98009

Via Email:
CHelland@bellevuewa.gov

Re: Essential Public Facilities / Talbot to Sammamish 230kV Transmission Line

Dear Ms. Helland:

This office represents the Coalition of Eastside Neighbors for Sensible Energy (CENSE), a Washington nonprofit corporation concerned with proposals for electric transmission in Bellevue and other Eastside communities. CENSE has provided comments on Puget Sound Energy (PSE) proposal to construct new 230 kV electric transmission lines between Renton and Redmond.

Recently, PSE has announced its “preferred alternative” for the construction of these lines, as described in attached Exhibit A hereto. This announcement was made after issuance of the Phase 1 Draft Environmental Impact Statement prepared by the City of Bellevue for the “Energize Eastside” project on January 26, 2016.

In the DEIS, page 10-6 (attached as Exhibit B) briefly discusses “Essential Public Facilities” (EPF) as defined in the Growth Management Act, RCW chap. 36.70A. The last sentence of this section reads as follows:

A determination of whether the Energize Eastside Project qualifies as an EPF would be made by the permitting agency at the time of permit preparation or submittal.

After careful review, CENSE believes that the PSE “Preferred Alternative” is not an EPF under the Growth Management Act or under Part 20.30K of the Bellevue Land Use Code (LUC). The basis for our analysis is set forth below.

2017-4-18
Attachment A

1. EPF DESIGNATION IN THE GROWTH MANAGEMENT ACT.

When the Growth Management Act was adopted in 1991, the Legislature included a provision for the “Siting of Essential Public Facilities” in RCW 36.70A.200. The legislature’s definition is as follows:

Essential public facilities include those facilities that are typically difficult to site, such as airports, state education facilities and state or regional transportation facilities as defined in RCW 47.06.140, regional transit authority facilities as defined in RCW 81.112.020, state and local correctional facilities, solid waste handling facilities, and inpatient facilities including substance abuse facilities, mental health facilities, group homes, and secure community transition facilities as defined in RCW 71.09.020.

The statute provides that local comprehensive plans and development regulations (zoning) cannot preclude the siting of EPFs. RCW 36.70A.200(2). Note that neither electrical generation nor transmission are included within the statutory definition. The state Department of Community Development (WSDCD) adopted additional regulations regarding EPFs in WAC 365-196-550 that identified specific transportation facilities of statewide significance. WSDCD’s regulations also do not include electric generation or transmission facilities, because they are already regulated (see Paragraph 3 below).

Under the GMA, local governments were to independently identify EPFs as a part of their comprehensive planning process as follows:

(2) Each county and city planning under RCW 36.70A.040 shall, not later than September 1, 2002, establish a process, or amend its existing process, for identifying and siting essential public facilities and adopt or amend its development regulations as necessary to provide for the siting of secure community transition facilities consistent with statutory requirements applicable to these facilities.

RCW 36.70A.200.

2. EPF REGULATION IN THE CITY OF BELLEVUE.

As noted above, each local government, including the five jurisdictions through which the “Energize Eastside” facilities will travel if approved, must have a process for identifying and siting EPFs.

The City of Bellevue Comprehensive Plan has set forth in its Glossary the definition of an EPF:

20.50.018 E definitions.

Essential Public Facility (EPF). An EPF includes any facility meeting the definition of EPF set forth in RCW 36.70A.200(1), now or as hereafter amended, any facility identified on the statewide list maintained by the Office of Financial Management as required pursuant to RCW 36.70A.200(4), now or as hereafter amended, and any facility identified on the countywide list of essential public facilities. (Ord. 5457, 7-21-03, § 8)

As noted, the City of Bellevue has chosen not to expand the list of EPFs within its Comprehensive Plan and it does not include energy generation or transmission as an EPF. Neither electric transmission lines in general, nor specifically the PSE proposed transmission line, are listed on the “statewide list” or the “countywide list” as an essential public facility. Nor to our knowledge has PSE ever requested that any facility needed for its “Energize Eastside” proposal be listed as an EPF on either list.

The Bellevue Land Use Code is consistent with the comprehensive plan. As required by the GMA, the City has enacted provisions for EPFs in the Land Use Code at Section 20.20.350. However, that section only applies to EPFs that are not regulated by the use charts in the code. In the “applicability” provision of the EPF section, the code says:

This section applies to each essential public facility (EPF) within the City except where a specific use is otherwise identified and regulated in the use charts in LUC 20.10.440 and Chapter 20.25 LUC.

(Emphasis supplied.) Of course, the Land Use Code does regulate “Electrical Utility Facilities” in Section 20.25.255, without mentioning them as actual or possible EPFs. As mentioned above, the Comprehensive Plan also regulates electric facilities, but, similarly, does not mention them as EPFs. See Bellevue Comprehensive Plan, Utilities Element, page 154. Under GMA: “No local comprehensive plan or development regulation may preclude the siting of essential public facilities.” RCW 36.70A.200(5). At no time during the 2015 Comprehensive Plan Update was it indicated that the City was “precluded” from denying the PSE proposed transmission line if it was inconsistent with the provisions of LUC 20.20.255.

In summary, in neither its comprehensive plan nor in its development regulation has the Bellevue City Council established “Energize Eastside” or any other electric generation or transmission facilities as EPFs.

3. APPLICATION OF THE EFSEC STATUTE UNDER GMA.

As described above, there are no energy facilities found in any list of EPFs under the GMA. The same is true of administrative regulations (statewide or countywide) and the Bellevue Land Use Code and Comprehensive Plan. The principal reason energy

facilities are missing is that a separate process exists for approval of energy facilities.

In the late 1960s there was an extraordinary push for nuclear power plants in the Pacific Northwest, based on predictions of accelerating demand for electric power. Based on problems with developing nuclear plants in Skagit County, the Washington legislature decided to allow permitting for new power plants to be removed from local zoning laws. This was based on concern that local governments would succumb to parochial interests concerning energy plants and not recognize the broader public interest.

Thus in 1970, the Energy Facilities Siting Evaluation Act, RCW chap. 80.50 created the Energy Facilities Site Evaluation Council (EFSEC). EFSEC provide “one stop” siting and permitting for energy facilities, centralizing review of these projects into a single state agency. EFSEC preempts other regulations under RCW 80.50.110(2):

The state hereby preempts the regulation and certification of the location, construction, and operational conditions of certification of the energy facilities included under RCW 80.50.060 as now or hereafter amended.

Objectives of EFSEC include:

(2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; and to pursue beneficial changes in the environment.

RCW 80.50.010.

EFSEC's jurisdiction is substantial. It includes approval authority over construction and modification of large natural gas and oil pipelines, thermal electric power plants (350 MW or larger), electric transmission lines, new or expanded oil refineries, underground gas storage fields and all alternative energy facilities (wind, solar, biomass, and wave/tidal). RCW 80.50.060. EFSEC does not license hydroelectric plants or smaller thermal plants (producing less than 350 MW). It also makes recommendations for electric transmission lines under the regulation of FERC.

For local transmission lines, transmission proponents can “opt in” to EFSEC jurisdiction for transmission lines of 115 kV or more which are “located in more than one jurisdiction that has promulgated land use plans or zoning ordinances; . . .” RCW 80.50.060. This applies to modifications that make a “significant change” in the facility.

EFSEC consists of designees from the state departments of Ecology, Fish and Wildlife, Commerce, Utilities and Transportation, and Natural Resources. Each city through which a transmission line runs is entitled to have a designee on the EFSEC

Board during decision-making on that project, as does the affected county. RCW 80.50.030(4) and (5).

The Council also hires independent consultants to review proposals under its jurisdiction. WAC Chapter 463-50. Public hearings are held as well as evidentiary hearings. EFSEC has the authority to supercede local regulations as described above, following a land use consistency hearing. A unique feature of the EFSEC process is the "Counsel for the Environment", appointed by the Attorney General, who "shall represent the public and its interest in protecting the quality of the environment." RCW 80.50.080. EFSEC makes recommendations to the Governor, who makes the final decision.

The GMA was adopted in 1991, some 21 years after the Energy Facilities Siting Evaluation Act was passed. While arguments have been made that GMA provisions for EPFs supercede EFSEC authority, the Supreme Court has ruled that the GMA's provisions for EPFs do not repeal or supercede EFSEC authority. See *Residents Opposed to Kittitas Turbines v. State Energy Facility Site Evaluation Council (EFSEC)*, 165 Wn.2d 275, 310, 197 P.3d 1153 (2008):

The GMA provides that the State maintains "authority to site any other essential public facility under RCW 36.70A.200 in conformance with local comprehensive plans and development regulations adopted pursuant to chapter 36.70A RCW." RCW 36.70A.103. RCW 36.70A.200(1) requires a county's comprehensive plan to include a process for siting "essential public facilities," which it refers to as airports, schools, transportation, correctional, waste, inpatient, substance abuse, mental health, group home, and transitional facilities. The GMA makes no mention of an energy facility nor gives any express indication that the legislature intended to repeal EFSEC's preemption power to site energy facilities.

Accordingly, EFSEC remains the authority to decide on energy facilities.

Obviously many applicants, such as PSE, may prefer to exercise their political influence in local communities like Bellevue and other eastside cities instead of dealing with less politicized and more technically oriented agencies such as EFSEC.

Nor is it necessary to have a permit application to resolve these matters. An EPF is a generic facility, not a specific use.

CONCLUSION

The 230 kV transmission lines proposal by PSE is not considered an EPFs under the GMA. Bellevue and other eastside jurisdictions have not chosen to regulate transmission lines as EPFs in their comprehensive plans or zoning ordinances. Accordingly, the 230 kV Talbot to Sammamish transmission line proposal is not an

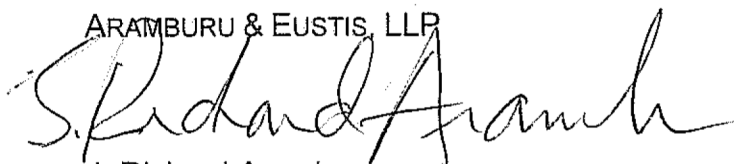
June 9, 2016
Page 6

EPF. If PSE wants review by a state agency of its transmission lines, it may apply to EFSEC.

Thank you in advance for your attention to this letter. Please provide your confirmation that a PSE transmission line is not an EPF. If you disagree with the contents of this letter, please provide us with a response outlining the reasons for your disagreement.

Sincerely,

ARAMBURU & EUSTIS, LLP



J. Richard Aramburu

JRA:cc

cc: CENSE

Lori Riordan, City Attorney (LRiordan@bellevuewa.gov)

Tim McHarg, Director of Community Development, City of Newcastle
(timm@ci.newcastle.wa.us)

WEBSITE: <http://energizeeastside.com/interactive-map>

Search

ENVIRONMENTAL IMPACT STATEMENT (EIS)

The Phase 1 Draft EIS has been published
For more information, visit EnergizeEastsideEIS.org

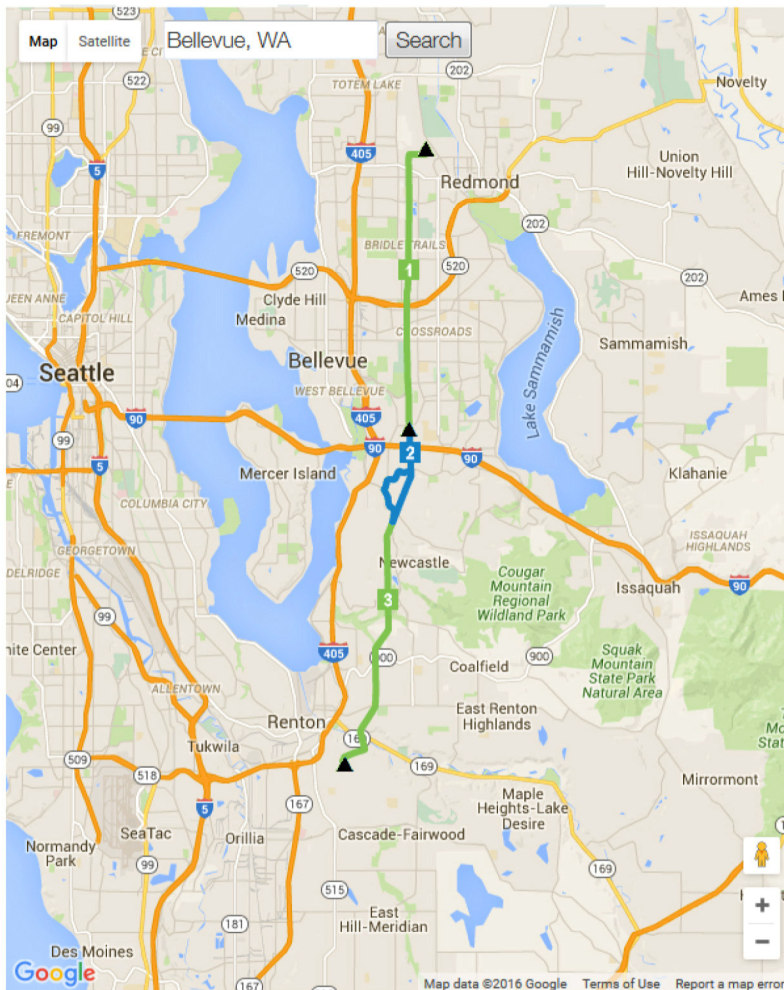
(<http://www.energizeeastsideeis.org/>)

Check the boxes above to view the routes PSE is currently considering, as well as photo simulations of the preferred route, Willow 2.

PSE is currently considering multiple route options: Oak 1, Willow 1, Oak 2 and Willow 2. PSE's preferred route is Willow 2 (<http://energizeeastside.com/news/pse-announces-preferred-route-for-energize-eastside>). PSE also submitted two 'bypass' route options (<http://energizeeastside.com/news>) to be evaluated in the EIS. These routes were developed in order to minimize the risk of a potential project delay due to permitting.

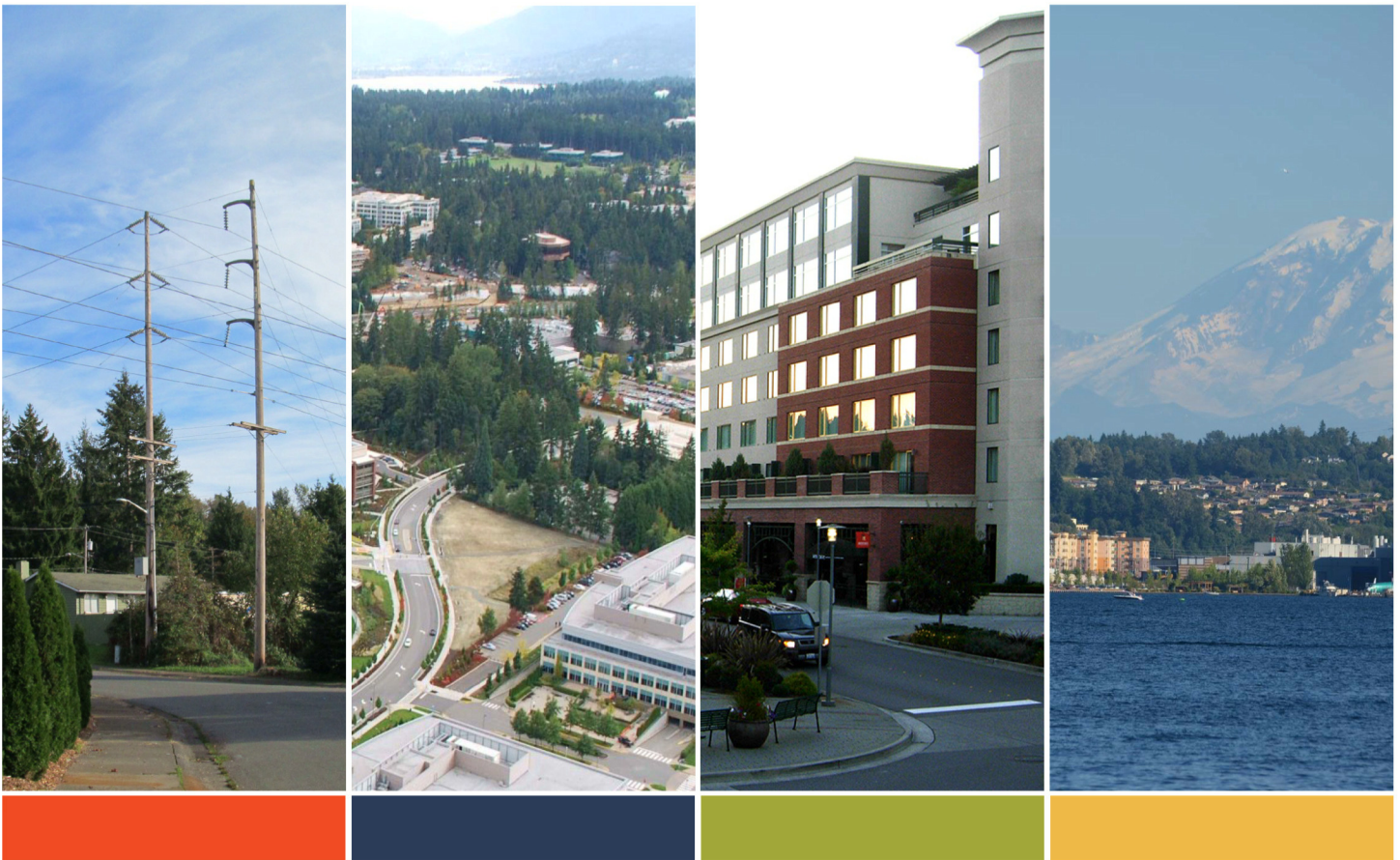
PSE prefers to use the existing transmission line corridor. However, it's our responsibility to keep the lights on and we must measure and address permitting risks to the project in an effort to keep Energize Eastside on schedule.

Route options undergoing additional analysis	
<input type="checkbox"/> Willow 1	<input type="checkbox"/> Simulations
<input checked="" type="checkbox"/> Willow 2	<input type="checkbox"/> Bypass Route 1
<input type="checkbox"/> Oak 1	<input type="checkbox"/> Bypass Route 2
<input type="checkbox"/> Oak 2	<input type="checkbox"/> ▲ Existing substations
<input type="button" value="Reset"/>	<input type="checkbox"/> ▲ Proposed substation



DISCLAIMER: This interactive map is for illustrative purposes only and search results depicted on it are approximate. It is not used for project planning or engineering purposes. If you have questions about the interactive map, please contact the project team at energizeeastside@pse.com (<mailto:energizeeastside@pse.com>).

CENSE Exhibit A



Energize Eastside Project

Phase I Draft Environmental Impact Statement

January 28, 2016

Prepared for the Cities of Bellevue, Kirkland, Newcastle,
Redmond, and Renton



CENSE 2016-6-7 Exhibit B

4. **Protection of community or neighborhood character and safety** - Goals and policies generally support siting and designing utilities to minimize conflicts with community character and maintain safety.
5. **General utility coordination regarding location and service provision** - Goals and policies generally support coordination between the utility purveyors and government to ensure safe, efficient, and reliable service provision consistent with land use regulations.
6. **Ensuring compatibility of land uses** - Goals and policies generally encourage locating, designing, and screening infrastructure to ensure compatibility with the surrounding land use pattern and, where feasible, siting within the area requiring additional service.
7. **Undergrounding of utility lines** - Goals and policies support undergrounding existing and new or expanding lines where safe, practical, and in accordance with rules, regulations, and other utility- and site-specific factors.
8. **Shoreline management** – Goals and policies generally discourage locating non-water-related utilities in the shoreline jurisdiction, particularly in-water. Uses that negatively impact ecological functions are generally prohibited.
9. **Adequate infrastructure for development** – Goals and policies generally acknowledge that electrical service and infrastructure should be available to serve development.

Each comprehensive plan is required to establish a process for identifying and siting essential public facilities (EPFs). State, regional, county, and local agencies are also required to coordinate in determining the location of these facilities. EPFs are facilities that are typically difficult to site, such as airports, state education facilities, and state or regional transportation facilities (RCW 36.70A.200). A determination of whether the Energize Eastside Project qualifies as an EPF would be made by the permitting agency at the time of permit preparation or submittal.

Essential Public Facilities (EPF) are defined by state law (RCW 36.70A.200 and WAC 365-196-550) as necessary facilities that are typically difficult to site. The GMA requires planning so that such facilities can be placed appropriately.

10.2.2 Shoreline Planning Framework

In 1971, the State of Washington adopted the Shoreline Management Act (SMA) to foster reasonable and appropriate land uses along Shorelines of the State (simply referred to as “shorelines” in this document). A goal of the SMA is to protect shorelines and adjacent shorelands from incompatible development as well as “to prevent the inherent harm in an uncoordinated and piecemeal development of the state’s shorelines” (Chapter 90.58 RCW, 1971). Ecology oversees management of the shoreline resources in the State of Washington. The SMA applies to all 39 counties and more than 200 towns and cities that have shorelines (RCW 90.58.030(2)) within their boundaries.

CENSE 2016-6-7 Exhibit B

Bedwell, Heidi

From: Carol at Aramburu-Eustis <carol@aramburu-eustis.com>
Sent: Wednesday, January 10, 2018 9:31 AM
To: Bedwell, Heidi
Cc: Rick@aramburu-eustis.com
Subject: Re: ARAMBURU NON-DELIVERY - #2 - PSE Transmission Proposal.

Copy received.

Carol Cohoe
ARAMBURU & EUSTIS, LLP
720 Third Avenue, SUITE 2000
Seattle, WA 98104
(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

On 2018-01-09 17:05, HBedwell@bellevuewa.gov wrote:

Mr. Aramburu,

Thank you for your forwarded message. I do not have resolution from our IT department yet regarding an explanation for your undeliverable message. I can say we've been having a lot of network instability over the past several days and there may be some association with the instability and the reason for the email being undeliverable. I will update you on this issue when I have additional information to share. I assume you will confirm receipt of this message assuming you are able to receive it.

Regarding the remainder of your email, I can appreciate that your clients and other interested parties are anxious for the release of the FEIS. At this time we are anticipating a March 1st availability date. This assumes our final editing and production process goes as anticipated. However, the partner cities are still in the process of finalizing the FEIS, so this March 1st date may be subject to change.

Although I understand you and your clients are anxious to review the FEIS, please note that there is no additional comment period on the FEIS. As you are aware, the City provided copies of the DEIS, free of charge, in an effort to facilitate the DEIS commenting process. The City also extended the DEIS comment period, per your request, to provide additional time for public comment. The FEIS will contain responses to the comments submitted during the applicable time period, but there is no subsequent comment period on the FEIS itself. Once finalized, the FEIS will be issued and circulated as required by WAC 197-11-460(1). In the meantime, I would refer you to the DEIS, which remains publicly available, for the bulk of the substantive information that will be contained in the FEIS, and I appreciate your patience while the partner cities finalize the FEIS.

Many members of the CENSE community have expressed confusion regarding the two different processes that are currently underway, *i.e.*, the EIS process and the permitting process. Please note that we are in the active permit review

phase (in both Bellevue and Newcastle), and I again encourage anyone who is interested in this project to focus their comments on the permit applications that have been submitted to the partner jurisdictions as well as the City of Bellevue. It bears repeating that the comment period for the DEIS is closed, and there is no subsequent comment period for the FEIS. Although the FEIS will be available for consideration by the partner cities as part of the permitting process, the FEIS is not a decision making document. It is one piece of information that decision makers, like the Director and Hearing Examiner at the City of Bellevue, will consider when making a decision on the subject permits. In order to limit confusion, and because the comment period on the DEIS has long since passed, it is best to direct comments and review at this time to the permit application materials. The City recommends that interested parties submit comments on the permits early in the permitting process, rather than waiting to comment until after the FEIS is available. This of course does not preclude you or your clients from submitting additional comments at the public hearing on the permit applications.

As I explained in previous communications to CENSE representatives, the City's current estimate is that the Director's Recommendation and Notice of Public Hearing will be issued no sooner than approximately 6 weeks after the FEIS is available. Your email references 6 weeks between FEIS availability and a public hearing. However, that is not what my communication noted. Instead, I explained that the City anticipated 6 weeks between the FEIS availability and the Director's Recommendation and Notice of Public Hearing. Typically, the City provides notice three weeks in advance of the public hearing. Thus, we currently anticipate over two months between the date the FEIS will be available and the public hearing on the permit applications that PSE has submitted to the City.

Finally, if you have not done so I would recommend you sign up for alerts from the project permitting [page](#) Communication on the permit process will be available on this page in addition to the city's standard noticing procedures. Any questions you may have regarding the permit process in other jurisdictions should be directed to those specific jurisdictions.

Sincerely,



Heidi M. Bedwell

Energize Eastside EIS Project Manager

Environmental Planning Manager, Land Use Division

Development Services Department

425-452-4862

www.bellevuewa.gov and www.mybuildingpermit.com

From: Carol at Aramburu-Eustis [mailto:carol@aramburu-eustis.com]

Sent: Tuesday, January 09, 2018 9:58 AM

To: Bedwell, Heidi <HBedwell@bellevuewa.gov>

Cc: Rick Aramburu <Rick@aramburu-eustis.com>

Subject: Re: ARAMBURU NON-DELIVERY - #2 - PSE Transmission Proposal.

Ms. Bedwell,

Rick has not received any response to his email below, forwarded to you (also for sharing with your IT person) last Friday.

Has a response been made?

Is there still a problem with Rick's email being rejected, or with you being able to send to that address?

Carol Cohoe

ARAMBURU & EUSTIS, LLP

720 Third Avenue, SUITE 2000

Seattle, WA 98104

(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

On 2018-01-05 10:30, Carol at Aramburu-Eustis wrote:

Ms. Bedwell and IT, the original message Rick was trying to send (with the forwarding header deleted).

Carol Cohoe

ARAMBURU & EUSTIS, LLP

720 Third Avenue, SUITE 2000

Seattle, WA 98104

(206) 625-9515

As of June 1, 2013 we are in SUITE 2000.

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

From: Rick Aramburu [<mailto:rick@aramburu-eustis.com>]

Sent: Thursday, January 04, 2018 1:31 PM

To: 'HBedwell@bellevuewa.gov '

Cc: 'Don Marsh' (don.m.marsh@hotmail.com)

Subject: PSE Transmission Proposal.

Heidi:

Happy 2018 to you.

Can you give me a better idea when the FEIS on the PSE 240 kV transmission proposal might be issued? In the meantime, is there a draft that we can review?

I want to make sure that CENSE and other impacted citizens and communities have sufficient time to review the document and prepare for hearings on the project itself. Given the length of the prior DEISs, I anticipate the FEIS will be a substantial document. In a prior email you mentioned a period as short as six weeks from the time the FEIS is issued and hearings are held. Given the length of these proceedings and the anticipated length of the FEIS, six weeks will not be enough time to prepare for any hearings.

Thank you.

Rick

J. Richard Aramburu

ARAMBURU & EUSTIS, LLP

720 Third Avenue

Pacific Building Suite **2000**

Seattle, WA 98104-1860

Telephone (206) 625-9515

Facsimile (206) 682-1376

This message may be protected by the attorney-client and/or work product privilege. If you received this message in error please notify us and destroy the message. Thank you.

Supporting Attachment No. 4

To Comments made by Richard Lauckhart dated December 11, 2017

Copy of “Agreement on Disposals of the Canadian Entitlement within the United States” covering the years 1998-2024 referred to in Supporting Attachment No. 3

BOUNDARY WATERS

**Agreement Between the
UNITED STATES OF AMERICA
and CANADA**

Effected by Exchange of Notes
At Washington March 31, 1999

with

Attachment



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“ . . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

CANADA

Boundary Waters

*Agreement effected by exchange of notes
At Washington March 31, 1999;
Entered into force March 31, 1999.
With attachment.*

Canadian Embassy



Ambassade du Canada

Washington, D.C.
March 31, 1999

Note No. 0113

Excellency,
The Secretary of State,

I have the honour to propose on behalf of the Government of Canada that, in accordance with Article VIII of the Treaty between Canada and the United States of America relating to Cooperative Development of the Water Resources of the Columbia River Basin including its Annexes A and B, signed at Washington, District of Columbia, United States of America on the 17th day of January, 1961, and the Protocol, brought into force by exchange of instruments of ratification and an exchange of notes on September 16, 1964 (hereinafter the "Treaty"), this note and your reply constitute an exchange of notes authorizing disposals from time to time of all or portions of the downstream power benefits to which Canada is

The Secretary of State
Department of State
Washington, D.C.

DSD 004987

entitled under the Treaty (hereinafter the "Canadian Entitlement") within the United States, with delivery and other arrangements for such disposals made in accordance with the attached Disposal Agreement between the Bonneville Power Administration acting on behalf of the U.S. Entity, and the Province of British Columbia (hereinafter the "Disposal Agreement").

Any reduction of the U.S. obligation to deliver the Canadian Entitlement and any delivery of any portion of the Canadian Entitlement by Bonneville in accordance with the Disposal Agreement shall satisfy the United States obligation under Article V of the Treaty to deliver that portion of the Canadian Entitlement to Canada. Any portion of the Canadian Entitlement not subject to such a reduction or not being delivered within the United States pursuant to the Disposal Agreement shall be delivered to Canada at the Canada - United States border in accordance with Article V(2) of the Treaty.

Nothing in this exchange of notes or the Disposal Agreement amends the Treaty or modifies the rights and obligations of either the Government of Canada or the Government of the United States under the Treaty except as authorized pursuant to Article VIII and Article XVI(6) of the Treaty. Any dispute that arises under the Disposal Agreement

shall be resolved in accordance with Section 6 thereof, and an arbitration between the Bonneville Power Administration and the Province of British Columbia under Section 6 of the Disposal Agreement shall constitute an alternative procedure under Article XVI(6) of the Treaty for settling differences arising under the Treaty.

Any portion of the Canadian Entitlement received by British Columbia or its assigns within the United States in accordance with the Disposal Agreement has entered commerce in the United States.

This exchange of notes is without prejudice to any rights or obligations that either party may have under the North American Free Trade Agreement or the Canada - United States Free Trade Agreement.

Pursuant to Article XIV(1) of the Treaty, Canada has designated the Province of British Columbia as the Canadian entity for the purpose of Article XIV(2)(i), with effect from today's date. The British Columbia Hydro and Power Authority remains the Canadian Entity for all other purposes of the Treaty. A copy of the designation is enclosed.

The French text of the attached Disposal Agreement shall be verified and agreed upon by April 30, 1999. An

agreed French text shall be confirmed by an exchange of letters.

If the above is acceptable to the Government of the United States of America, I have the honour to propose that this note, with the attached Disposal Agreement, which are equally authentic in English and French, and your Excellency's affirmative note in reply shall constitute an agreement between our two Governments which shall enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.


D. G. [Signature]
Minister (Economic) and
Deputy Head of Mission

AGREEMENT ON DISPOSALS
OF THE CANADIAN ENTITLEMENT WITHIN THE UNITED STATES

for

APRIL 1, 1998 THROUGH SEPTEMBER 15, 2024

between

THE BONNEVILLE POWER ADMINISTRATION,

ACTING ON BEHALF OF THE U.S. ENTITY

and

THE PROVINCE OF BRITISH COLUMBIA

("BRITISH COLUMBIA")

WHEREAS:

A. Canada and the United States of America are parties to the "Treaty between Canada and the United States of America relating to Cooperative Development of the Water Resources of the Columbia River Basin" including its Annexes A and B, signed at Washington, District of Columbia, United States of America on the 17th day of January, 1961, and the Protocol, brought into force by exchange of instruments of ratification and an exchange of notes on September 16, 1964 (hereinafter the "Treaty"); and

B. Pursuant to Article V(2) of the Treaty, the United States is obligated to deliver to Canada the Canadian Entitlement at a point on the Canada - United States boundary near Oliver, British Columbia, or at such other place as the Canadian Entity and the U.S. Entity may agree upon, and those Entities have entered into the Entity Agreement for that purpose; and

C. Pursuant to Article VIII(1) of the Treaty, portions of the Canadian Entitlement may be disposed of within the United States with the authorization of Canada and the United States evidenced by an exchange of notes; and

D. By exchange of notes dated September 16, 1964, Canada and the United States authorized the sale of the Canadian Entitlement within the United States pursuant to Article VIII of the Treaty; the sale expires in steps occurring March 31, 1998, March 31, 1999, and March 31, 2003; and

E. By an exchange of notes (the "1999 Exchange of Notes") Canada and the United States are authorizing disposals of all or portions of the Canadian Entitlement within the United States with satisfaction of the U.S. obligation under the Treaty to be made by deliveries and reduction of the U.S. obligation to deliver the Canadian Entitlement in accordance with this Agreement; and

F. Under the terms of the Canada - British Columbia Agreement dated July 8, 1963, all proprietary rights, title, and interests in the Canadian Entitlement accruing to Canada belong to the Province of British Columbia; and

G. By the 1999 Exchange of Notes Canada has, under Article XIV(1) of the Treaty, designated British Columbia as the Canadian entity under the Treaty for the limited purpose of making arrangements for disposals of all or portions of the Canadian Entitlement within the United States.

NOW THEREFORE in accordance with the Treaty and the 1999 Exchange of Notes, Bonneville and British Columbia (the "Parties") agree as follows:

1. **Effective Date and Term**

This Agreement shall be effective upon the entry into force of the 1999 Exchange of Notes and shall continue in full force and effect until 2400 hours on September 15, 2024, unless terminated earlier in accordance with its terms. All then outstanding obligations shall continue until satisfied.

2. Definitions

2.1. For purposes of this Agreement:

- (a) "Bonneville" shall mean the Administrator of the Bonneville Power Administration acting on behalf of the U.S. Entity in carrying out the electric power obligations of the United States Government under the Treaty; and
- (b) "Canadian Entitlement" shall mean at any time the downstream power benefits to which Canada is entitled at that time as described in Article V(1) and Article VII of the Treaty and determined in accordance with the Treaty; and
- (c) "Canadian Entity" shall mean, except as otherwise specified in preambular paragraph G, British Columbia Hydro and Power Authority or any successor designated as Canadian Entity pursuant to the Treaty; and
- (d) "deliver" shall mean make available in the case of electrical capacity or deliver in the case of electrical energy, or both, as the context may require and derivatives of "deliver" shall have corresponding meanings; and
- (e) "disposal" shall include disposal by way of: (i) agreements resulting in the reduction of the U.S. obligation to deliver the Canadian Entitlement; (ii) sale; (iii) exchange; or (iv) otherwise, and "dispose of" shall have a corresponding meaning; and
- (f) "Entity Agreement" shall mean the "Columbia River Treaty Entity Agreement on Aspects of the Delivery of the Canadian Entitlement for April 1, 1998 through September 15, 2024" dated March 29, 1999; and
- (g) "Operating Year" shall mean a consecutive twelve month period beginning August 1 and ending July 31; and
- (h) "Points of Entitlement Delivery" shall mean the points of integration at which hydroelectric power shall be made available to the transmission system in the Pacific Northwest for delivery over such system to the Canada - United States

border pursuant to the Treaty, as such points may be changed from time to time pursuant to Section 4; and

- (i) "Transmission Cost" for any period shall mean (i) the cost of transmission service, plus (ii) any cost, excluding transmission losses, which is necessarily incurred to deliver Canadian Entitlement for such period, in each case based on published prices, plus (iii) any costs of redispach, construction or modification of transmission facilities as determined by the regulatory methodology then applicable to the parties involved; and
- (j) "U.S. Entity" shall mean the Administrator of the Bonneville Power Administration and the Division Engineer, Northwestern Division, Corps of Engineers, or any successor designated as U.S. Entity pursuant to the Treaty.

3. **Reduction of Obligation**

- 3.1. In accordance with the following provisions of this Section 3, British Columbia may dispose of portions of the Canadian Entitlement from time to time within the United States by agreement with any person having the right, through ownership or contract, to all or a percentage of the output of a hydroelectric generating project on the Columbia River in the United States, if and to the extent that such agreement would result in a reduction of such person's, or any other person's, obligation to generate electric power for delivery to the U.S. Entity.
- 3.2. If British Columbia proposes to enter into an agreement referred to in Section 3.1, British Columbia shall provide a written instrument to Bonneville that sets forth the following:
 - (a) the person whose obligation to the U.S. Entity would be reduced;
 - (b) the amount by which the obligation of the person identified in Section 3.2(a) to deliver energy to the U.S. Entity would be reduced for each month during the remaining term of this Agreement, provided, however, British Columbia may revise such monthly amounts of energy for any Operating Year by providing 30 days written notice to Bonneville prior to the start of the Operating Year;

- (c) the amount for each month of the remaining term of this Agreement by which the obligation of the person identified in Section 3.2(a) to deliver capacity to the U.S. Entity would be reduced, which amount shall be determined during any such month, as the reduction of monthly amount of energy specified under Section 3.2(b) divided by the hours in the month and multiplied by the fraction 168/96, provided, however, such reduction in capacity obligation shall be revised to match changes in the original amounts specified by British Columbia for any Operating Year;
- (d) a legally binding acknowledgement that the obligation of the United States under the Treaty for each future Operating Year to deliver the amount of energy finally specified for each month in Section 3.2(b) is reduced for each such Operating Year and that the Canadian Entitlement capacity for each such month during the remaining term of this Agreement is permanently limited to the Canadian Entitlement capacity calculated under the Treaty less the greater of:
 - (i) the maximum capacity amount for a month established by Section 3.2(c) during the current Operating Year; or
 - (ii) the maximum capacity amount for a month established by Section 3.2(c) for any previous Operating Year.

Each acknowledgement provided under Section 3.2(d) above shall confirm satisfaction of energy reductions and limitations on capacity amounts based on all previous instruments issued by British Columbia pursuant to this Section 3.2.

- 3.3. If British Columbia provides a written instrument to Bonneville pursuant to Section 3.2, Bonneville shall accept the reductions identified in Sections 3.2(b) and 3.2(c) of the obligation of the person identified in Section 3.2(a), provided, however, such reductions shall be revised to reflect any revisions provided by British Columbia prior to the start of any Operating Year. As soon as practicable, Bonneville shall sign amendments to contracts with such person or other instruments necessary to provide for such reductions.

4. **British Columbia Election for United States Delivery**

- 4.1. As soon as practicable after the effective date of this Agreement, Bonneville shall select, and notify British Columbia in writing, of the initial Points of Entitlement Delivery. If Bonneville selects individual Points of Entitlement Delivery and identifies more than one such Point of Entitlement Delivery, Bonneville shall specify the amount of Canadian Entitlement capacity to be made available at each Point of Entitlement Delivery and may specify an amount of energy if necessary for Bonneville to obtain transmission for delivery to the Canada - United States border. The sum of such amounts of capacity shall at least equal the full amount of the Canadian Entitlement capacity. Subject to Section 4.3, from time to time Bonneville may change the Points of Entitlement Delivery and shall promptly notify British Columbia in writing of the new Points of Entitlement Delivery. The foregoing provisions of this Section 4.1 shall apply to changed Points of Entitlement Delivery. From time to time, at British Columbia's request, Bonneville shall provide British Columbia with a forecast of the future Transmission Cost of delivering Canadian Entitlement from the Points of Entitlement Delivery to the Canada - United States border if delivery to British Columbia at Points of Entitlement Delivery had not occurred and the basis for such costs. Forecasts provided shall not be binding on Bonneville.
- 4.2. From time to time, British Columbia may elect to take delivery of all or a portion of the Canadian Entitlement for periods of at least six months at one or more Points of Entitlement Delivery and may dispose of such portions of the Canadian Entitlement from time to time within the United States subsequent to such delivery. For each such election, British Columbia shall notify Bonneville in writing by the later of (i) the date that is 65 days prior to the commencement of the period of delivery or (ii) the date that is 5 days prior to the first date on which British Columbia could purchase transmission for the period specified in Section 4.2(c) that is generally available from transmission providers for purchase, without reservation charges or other payment in advance of service. Such notice shall specify:

- (a) the Points of Entitlement Delivery at which British Columbia wishes to take delivery;
 - (b) the amounts of Canadian Entitlement capacity to be made available at each Point of Entitlement Delivery specified in Section 4.2(a), and the maximum amount of energy to be delivered at each Point of Entitlement Delivery if necessary to enable reduction in U.S. Entity Transmission Cost of delivering the Canadian Entitlement from the Points of Entitlement Delivery to the Canada - United States border; and
 - (c) the period for which British Columbia wishes to take delivery at the Points of Entitlement Delivery specified in Section 4.2(a).
- 4.3. If British Columbia elects under Section 4.2, Bonneville shall deliver without cost all or a portion of the Canadian Entitlement to the Points of Entitlement Delivery in accordance with such election. Bonneville may change the Points of Entitlement Delivery while British Columbia is taking delivery at the existing points only if (a) such change would not require British Columbia to alter transmission arrangements, or (b) such change is made for the purpose of reducing the U.S. Entity's Transmission Cost. If Bonneville intends to change such Points of Entitlement Delivery while British Columbia is taking delivery at the existing points, Bonneville shall notify British Columbia at least 60 days in advance of such changes, and British Columbia shall alter transmission arrangements to be in accordance with such change. Each time Bonneville changes Points of Entitlement Delivery, British Columbia shall be entitled to elect new Points of Entitlement Delivery under Section 4.2 for the remainder of the period referred to in Section 4.2(c).
- 4.4. British Columbia shall be responsible for arranging any required transmission from the Points of Entitlement Delivery to any point of delivery, and Bonneville shall have no obligation to pay the costs for such transmission, or to provide such transmission. Nothing in this Section 4.4 derogates from the rights of British Columbia to obtain transmission from Bonneville Power Administration not acting in its capacity as or on

behalf of the U.S. Entity in accordance with its prevailing practices at the time the transmission is purchased or creates any rights of British Columbia to obtain transmission from Bonneville Power Administration not acting in its capacity as or on behalf of the U.S. Entity other than in accordance with such prevailing practices.

- 4.5. Notwithstanding British Columbia's election and notification under Section 4.2, British Columbia may suspend any or all elections made pursuant to Section 4.2 during the period specified in Section 4.2(c) provided that British Columbia holds Bonneville harmless from all additional costs, if any, that Bonneville may incur as a result of such suspension. Unless otherwise agreed, British Columbia may only exercise the foregoing right to suspend any or all elections one time during the term of this Agreement.

5. Mutually Agreeable United States Delivery

- 5.1. In addition to disposals pursuant to Section 3 and disposals subsequent to delivery pursuant to Section 4, British Columbia may dispose of all or portions of the Canadian Entitlement from time to time within the United States, provided that in connection with any such disposal British Columbia either:
- (a) enters into an agreement with Bonneville that is not inconsistent with the Treaty and provides for delivery of the Canadian Entitlement at Points of Entitlement Delivery in accordance with the terms of such agreement. Delivery at Points of Entitlement Delivery in accordance with any such agreement shall satisfy the U.S. Treaty obligation with respect to such portions delivered, or,
 - (b) enters into a commercial agreement with the Bonneville Power Administration not acting in its capacity as or on behalf of the U.S. Entity that provides for a reduction of the U.S. obligation to deliver the Canadian Entitlement. Whenever such an agreement under this subsection (b) is entered into, British Columbia shall provide to Bonneville a written instrument that sets forth a legally binding acknowledgement that the obligation of the United States under the Treaty to deliver Canadian Entitlement is reduced for the period and in the amount agreed to under such commercial agreement.

- 5.2. In connection with disposals pursuant to Section 5.1, British Columbia may enter into commercial agreements with the Bonneville Power Administration not acting in its capacity as or on behalf of the U.S. Entity or with any other party to provide further delivery and other arrangements for such disposals separately or in combination with agreements reached under Section 5.1.

6. Dispute Resolution

- 6.1. Bonneville and British Columbia shall make reasonable efforts to settle any dispute that arises under this Agreement (a "Dispute"), including use of a facilitator or mediator as agreed by the Parties. Settlement offers shall not be admissible in any subsequent dispute resolution process.
- 6.2. Notwithstanding Section 6.1, either Party may at any time give notice of a Dispute ("Notice of Dispute") to the other Party, the Government of Canada and the Government of the United States. The Notice of Dispute shall be delivered in writing and by hand as follows:

For delivery to the Government of Canada:

Legal Adviser
Department of Foreign Affairs and International Trade
125 Sussex Drive, Ottawa, Ontario

For delivery to the Government of the United States:

Office of the Legal Adviser
Department of State
Washington, D.C.

The Party giving the Notice of Dispute shall inform the other Party and the two Governments of the date the Notice was delivered to both Governments, with the last date of delivery being the effective date of the Notice of Dispute.

- 6.3. For 45 days following the effective date of the Notice of Dispute, the Government of Canada and the Government of the United States of America may hold consultations

concerning the Dispute and consider whether to invoke the procedures of Article XVI of the Treaty for settlement of differences between the Governments. If, within 45 days following the effective date of the Notice, neither the Parties nor the Governments have resolved the dispute and neither Government has informed the other Government in writing that it is invoking the procedures of Article XVI of the Treaty concerning settlement of differences, either British Columbia or Bonneville may proceed to arbitration in accordance with Section 6.4 by delivering to the other a notice to arbitrate ("Notice to Arbitrate").

6.4. Any arbitration under this Section 6.4 shall commence and proceed in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL Rules"), as they may be in force at the time of the arbitration, subject to the following modifications:

- (a) arbitrations shall be by a panel of three arbitrators selected in accordance with this Section 6.4;
- (b) within 15 days of receipt of the Notice to Arbitrate, each Party shall select one arbitrator who is willing and able to act as such, has expertise in the subject of transmission and generation of electrical power, and is not and has not within two years prior to the Notice of Dispute been an employee of or contractor to either of the Parties. Each Party shall notify the other Party on the date of such selection. If a Party fails to notify the other Party of its selection within such 15 day period, the other Party may select the Party's arbitrator and such arbitrator shall be deemed selected by the Party that failed to notify the other Party of its selection;
- (c) the arbitrators selected by the Parties shall select the third arbitrator from the list of arbitrators ("the List") of the Western Region Transmission Association ("WRTA") or its successor organization;
- (d) if the arbitrators selected by the Parties cannot agree upon the third arbitrator within 30 days of receipt of the Notice to Arbitrate, the Parties shall, within 5 days after the expiry of such 30-day period, meet at a time and location in Vancouver,

British Columbia or Portland, Oregon, as selected by the Party who sent the Notice to Arbitrate, and take turns striking a name from the List. The first Party to strike a name shall be selected by drawing lots. If either Party fails to meet at the selected time and place or to strike a name from the List within 15 minutes of the last name struck by the other Party, then the other Party may select the third arbitrator from the names or remaining names on the List. The last remaining name shall be designated as the third arbitrator. If the person selected as the third arbitrator in accordance with this subsection is ineligible, unwilling or unable to act as such, then the last name struck shall be designated as the third arbitrator if he or she is eligible, willing and able to act, and so on until a third arbitrator is selected who is eligible, willing and able to act;

- (e) either the Government of the United States of America or the Government of Canada may, in its discretion, strike the third arbitrator selected under Section 6.4 (d) above within 10 days of having been notified of the third arbitrator's identity, in which case either Party shall request the Appointing Authority to select within 30 days, or more rapidly if possible, the third arbitrator, who shall have expertise in the subject of transmission and generation of electrical power and shall not be a citizen or permanent resident of either the United States of America or Canada. The Parties hereby designate the International Chamber of Commerce as the Appointing Authority;
- (f) in the event that the WRTA arbitrators List ceases to exist, the Parties shall negotiate in good faith to select another arbitrators list (which shall become the "List" referred to in Section 6.4(c)) from which to select the third arbitrator, failing which selection, within 30 days after the Notice to Arbitrate, the third arbitrator shall be selected in accordance with the UNCITRAL Rules;
- (g) except with the agreement of the Parties or of the arbitrators selected by each Party, a person shall not be eligible to act as the third arbitrator if the person is or has within the last 5 years been employed or retained directly or indirectly by either Party or the government of either the United States or Canada;

- (h) the third arbitrator shall be the Chair of the arbitration panel;
- (i) the decision of a majority of the arbitrators shall be the decision of the arbitration panel;
- (j) the place of the first arbitration under this Agreement shall be the location of the head office (either Portland, Oregon or Vancouver, British Columbia) of the Party that did not initiate the Notice to Arbitrate. The place of subsequent arbitrations shall alternate between Portland, Oregon, and Vancouver, British Columbia. Hearings shall be held in the place of the arbitration;
- (k) the Parties intend that the arbitration shall proceed and conclude within 90 days, or otherwise as expeditiously as reasonably possible, taking into account the circumstances of the case. The Parties direct the arbitrators, subject always to their discretion, to establish times for taking actions during the arbitration that are consistent with this intent.

6.5 Once a Notice to Arbitrate has been delivered, Section 6.4 shall be the exclusive means of resolving the Dispute, subject always to the rights of the Parties to negotiate a settlement. The award of the arbitration panel shall be final and binding.

7. **Assignments**

7.1. From time to time British Columbia may assign its rights and related obligations under this Agreement, other than those set forth in Sections 3 and 4.2 of this Agreement, to one or more third parties, subject to the following conditions:

- (a) such assignment may pertain to all or a portion of the Canadian Entitlement for all or a part of the term of this Agreement;
- (b) the assignee must:
 - (i) be an eligible transmission customer of the transmission provider at the Point of Entitlement Delivery under United States Federal law; or

- (ii) have any United States Federal regulatory approvals that are required to purchase power at the Point of Entitlement Delivery; provided, however, that if such assignee does not dispose of the assigned power before it must be scheduled, the assignee must also meet the requirements in (i) above;
 - (c) British Columbia shall be the representative for such third party with respect to scheduling the portion of the Canadian Entitlement assigned except that purchasing and scheduling of transmission from the Point of Entitlement Delivery shall be the responsibility of the assignee;
 - (d) British Columbia shall provide to Bonneville, by the hour for submitting daily pre-schedules at least three working days prior to the day of first delivery, written notice of the assignment specifying the assignee, the capacity amounts, in megawatts (MW), assigned to the assignee, and the period of the assignment;
 - (e) British Columbia shall submit to Bonneville, at the same time as the Canadian Entity submits daily pre-schedules of Canadian Entitlement pursuant to the Scheduling Guidelines, the hourly amounts of Canadian Entitlement that will be scheduled to an assignee or a purchasing/selling entity on behalf of the assignee under this Agreement; and
 - (f) British Columbia has provided Bonneville six months written notice of its intent to commence making assignments pursuant to this Agreement.
- 7.2. British Columbia is responsible for delivering to the assignee any energy scheduled to or on behalf of the assignee that, due to an uncontrollable force, is delivered to the Canada - United States border pursuant to scheduling guidelines as agreed to by the Canadian Entity and the U.S. Entity.
- 7.3. British Columbia is responsible for all billing, notification regarding changes in schedules, and reconciliation of discrepancies in schedules among British Columbia, its assignees and any purchasing/selling entity receiving that power.

- 7.4. British Columbia's obligations under this Agreement shall only be relieved to the extent that they are satisfied by such third party assignees.
- 7.5. British Columbia shall pay Bonneville for verifiable administrative, scheduling and billing costs that Bonneville may incur as a result of assignments under this Agreement. Bonneville and British Columbia agree to use best efforts to alleviate any administrative difficulties created by assignments under this Agreement.
- 7.6. Any rights assigned to a third party pursuant to this Section 7 may not be further assigned to another third party unless such practice is standard practice which Bonneville makes available to other parties.
- 7.7. Notwithstanding Section 7.1, British Columbia may from time to time assign to British Columbia Power Exchange Corporation or any other British Columbia crown corporation all of its rights and obligations under this Agreement. No more than one such assignment may be effective at any one time and such assignment shall convey all of such rights and obligations for the period of such assignment. British Columbia shall provide prompt written notice to Bonneville of such assignment no later than 60 days prior to its effective date including the name, mailing address and phone numbers of such assignee and the term of the assignment. Any assignee pursuant to this Section 7.7 shall have all the rights of British Columbia pursuant to this Agreement, including the right to assign rights and related obligations pursuant to this Section 7, notwithstanding that such assignee is not designated as an entity by Canada pursuant to the Treaty.

8. Scheduling

- 8.1. Scheduling guidelines as agreed to by the Canadian Entity and U.S. Entity shall apply to all Canadian Entitlement delivered under this Agreement. The Parties agree that the scheduling agent appointed by the Canadian Entity pursuant to the Entity Agreement shall schedule all Canadian Entitlement under this Agreement.
- 8.2. For the period prior to April 1, 2000, British Columbia shall provide Bonneville for each schedule under Section 4 of this Agreement written notice of the receiving control area, all transmission providers that British Columbia intends to use, and the last

purchasing/selling entity prior to delivery in the receiving control area. Such notice shall be provided by the hour for submitting daily pre-schedules at least two working days prior to pre-schedule. British Columbia shall limit the number of such schedules to the amount of Canadian Entitlement capacity elected to be delivered at Points of Entitlement Delivery divided by 25 MW.

9. Miscellaneous Provisions

- 9.1. Unless otherwise provided, all notices required under this Agreement shall be in writing and given by mail, facsimile, or in such other form as the Parties agree. Each Party shall designate in writing a person for the purpose of receiving notice within 30 days of the effective date. Such designation may be changed by subsequent notice.
- 9.2. This Agreement shall be governed by and construed in a manner consistent with the Treaty.
- 9.3. The terms and conditions of this Agreement may be amended only by written agreement of the Parties; provided, however, that the Parties may agree to modifications of or deviations from such terms and conditions without written agreement if those modifications or deviations are for a duration of less than two weeks. Notwithstanding the foregoing, Section 9.2 may not be amended by the Parties.
- 9.4. Deliveries at a Point of Entitlement Delivery shall not be interrupted or curtailed except for reasons of uncontrollable force or maintenance and then only on the same basis as deliveries of firm power from the Federal Columbia River Power System to Pacific Northwest customers of Bonneville Power Administration not acting in its capacity as or on behalf of the U.S. Entity or any successor.
- 9.5. If any provision of this Agreement is determined to be unenforceable, that provision shall be deemed severed from and shall not affect the enforceability of the remaining provisions.

10. **Termination of the Agreement**

10.1. In addition to any other rights and remedies available to either Party, either Party may terminate this Agreement if:


- (a) performance of either Party under this Agreement is frustrated; or
- (b) either Party has breached this Agreement such that substantially the whole benefit from this Agreement is lost to the other Party.

10.2. Frustration under this Agreement shall include, but is not limited to:

- (a) any final action by a court of competent jurisdiction, after all appeals have been finally determined or the time for appealing has expired, which invalidates or makes this Agreement unenforceable on the petition of a third party;
- (b) any action of the Canadian Government or the United States Government which rescinds either Party's or its successor's authority to perform under this Agreement or a failure to provide a party authorized and able to perform under this Agreement.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed.

Executed for the Bonneville Power Administration, Acting on Behalf of the U.S. Entity, this 29th day of March, 1999,

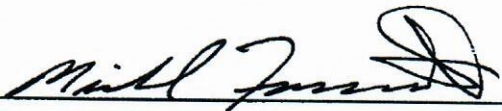
By: 

Judith A. Johansen

Administrator and Chief Executive Officer

The Bonneville Power Administration

Executed for the Province of British Columbia this 29th day of March, 1999,

By: 

Honourable Michael Farnworth

Minister of Employment and Investment

The Province of British Columbia

DEPARTMENT OF STATE
WASHINGTON

March 31, 1999

Excellency:

I have the honor to acknowledge receipt of your Excellency's note of today's date, which reads as follows:

"Excellency,

The Secretary of State,

I have the honour to propose on behalf of the Government of Canada that, in accordance with Article VIII of the Treaty between Canada and the United States of America relating to Cooperative Development of the Water Resources of the Columbia River Basin including its Annexes A and B, signed at Washington, District of Columbia, United States of America on the 17th day of January, 1961, and the Protocol, brought into force by exchange of instruments of ratification and an exchange of notes on September 16, 1964 (hereinafter the "Treaty"), this note and your reply constitute an exchange of notes authorizing disposals from time to time of all or portions of the downstream power benefits to which Canada is entitled under the Treaty (hereinafter the "Canadian Entitlement") within the

His Excellency

Raymond Chretien,

Ambassador of Canada.

United States, with delivery and other arrangements for such disposals made in accordance with the attached Disposal Agreement between the Bonneville Power Administration acting on behalf of the U.S. Entity, and the Province of British Columbia (hereinafter the "Disposal Agreement").

Any reduction of the U.S. obligation to deliver the Canadian Entitlement and any delivery of any portion of the Canadian Entitlement by Bonneville in accordance with the Disposal Agreement shall satisfy the United States obligation under Article V of the Treaty to deliver that portion of the Canadian Entitlement to Canada. Any portion of the Canadian Entitlement not subject to such a reduction or not being delivered within the United States pursuant to the Disposal Agreement shall be delivered to Canada at the Canada - United States border in accordance with Article V(2) of the Treaty.

Nothing in this exchange of notes or the Disposal Agreement amends the Treaty or modifies the rights and obligations of either the Government of Canada or the Government of the United States under the Treaty except as authorized pursuant to Article VIII and Article XVI(6) of the Treaty. Any dispute that arises under the Disposal Agreement shall be resolved in accordance with Section 6 thereof, and an arbitration between the Bonneville Power Administration and the Province of British Columbia under Section 6 of the Disposal Agreement shall constitute an alternative procedure

under Article XVI(6) of the Treaty for settling differences arising under the Treaty.

Any portion of the Canadian Entitlement received by British Columbia or its assigns within the United States in accordance with the Disposal Agreement has entered commerce in the United States.

This exchange of notes is without prejudice to any rights or obligations that either party may have under the North American Free Trade Agreement or the Canada - United States Free Trade Agreement.

Pursuant to Article XIV(1) of the Treaty, Canada has designated the Province of British Columbia as the Canadian entity for the purpose of Article XIV(2)(i), with effect from today's date. The British Columbia Hydro and Power Authority remains the Canadian Entity for all other purposes of the Treaty. A copy of the designation is enclosed.

The French text of the attached Disposal Agreement shall be verified and agreed upon by April 30, 1999. An agreed French text shall be confirmed by an exchange of letters.

If the above is acceptable to the Government of the United States of America, I have the honour to propose that this note, with the attached Disposal Agreement, which are equally authentic in English and French, and your Excellency's affirmative note in reply shall constitute an agreement between our two Governments which shall enter into force on the date of your note in reply."

On behalf of the Government of the United States of America, I have the honor to accept the proposals in your Excellency's note. Accordingly, your Excellency's note, with the attached Disposal Agreement, and this note shall constitute an Agreement between our two Governments which enters into force today.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

Arthur E. Sigmond

Bedwell, Heidi

From: Richard Lauckhart <lauckjr@hotmail.com>
Sent: Thursday, January 18, 2018 10:34 AM
To: Bedwell, Heidi
Subject: Re: Lauckhart Comments on PSE Application Supporting Attachment No. 4-Supplemented
Attachments: Supporting Attachment 4...supplement.pdf

Ms. Bedwell-

Please include the attached "Supporting Attachment No. 4 ...Supplement" as a part of my comments sent on December 11 in the matter of the PSE CUP permit application for Energize Eastside. I had neglected to include this document as a part of Supporting Attachment 4.

Thank you.

Richard Lauckhart

From: Richard Lauckhart
Sent: Monday, December 11, 2017 8:25 AM
To: hbedwell@bellevuewa.gov
Subject: Re: Lauckhart Comments on PSE Application Supporting Attachments Nos. 2, 3, and 4
Ms Bedwell-

Supporting attachments 2, 3, and 4 re email below.

Richard Lauckhart

From: Richard Lauckhart
Sent: Monday, December 11, 2017 8:19 AM
To: hbedwell@bellevuewa.gov
Subject: Lauckhart Comments on PSE Application for a CUP re Energize Eastside (File # 17-120556-LB)
Ms Bedwell-

You have advised me that Individuals or groups who wish to comment on PSE's permit applications will need to submit comments and contact information (i.e., your name and address) to be a party of record for the CUP/CALUP applications.

By this email I am formally submitting my written comments. See attached. Note that my comments also refer to 17 Supporting Attachments. I will be submitting those 17 attachments in separate emails that refer to these comments because of the size limitation on email with attachments.

Please include the attached email and the related 17 Supporting Attachments (coming in separate emails) in the record for this CUP proceeding.

My names is: Richard Lauckhart

My address is: 44475 Clubhouse Drive, Davis, California 95618

My email address is: lauckjr@hotmail.com

Richard Lauckhart

Energy Consultant

Commenting on behalf of PSE home owners who live on the East Side

Former VP at Puget