September 2, 2020

To: Irena Netik – PSE Director of Energy Supply Planning and Analytics

Cc: Brad Cebulko – UTC Staff
Steve Johnson – UTC Staff
Deborah Reynolds – UTC Staff
Kyle Frankiewich – UTC Staff
Kathi Scanlan – UTC Staff
Kendra White – UTC Staff

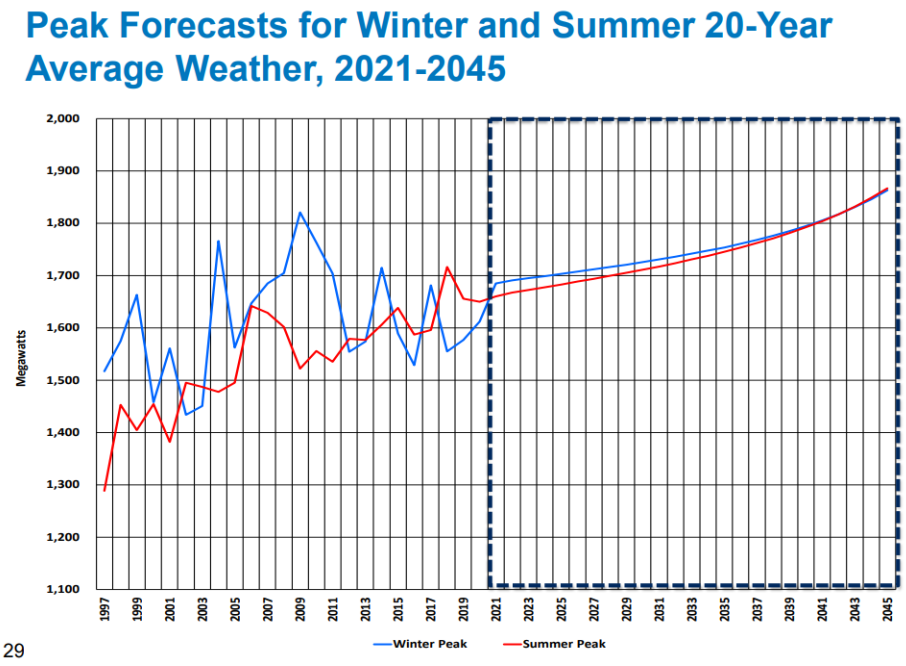
Subject: 2021 IRP Electric Demand Forecast

Dear Ms. Netik and IRP Team,

During PSE's Demand Forecast webinar on September 1, I asked PSE to show us trends and forecasts for summer peak demand. Irena Netik said summer peak demand was about 1,000 MW lower than winter peak demand, and therefore is not a major driver for peak or resource adequacy.

This assertion was challenged by at least three or four stakeholders participating in the webinar. Although summer peaks are lower than winter peaks, winter peaks are declining, and summer peaks may be growing. As a result, the peaks may achieve rough parity during the period considered by this IRP.

For example, Avista, another Washington investor-owned utility, is showing both summer and winter peak forecasts in its 2021 IRP materials:[1]



[1] https://www.myavista.com/-/media/myavista/content-documents/about-us/our-company/irp-documents/2021-irp-tac-2-economic-and-load-forecast.pdf?la=en, slide 29

Using 20-year average weather, Avista expects summer and winter peak to reach equal magnitudes in approximately 2040, a date within PSE's extended IRP planning period.

It is interesting that Avista provides analysis using 30-year average weather on the previous slide. This graph demonstrates the "cold bias" of using 30-year averages, as the winter forecast stays higher than summer for the duration of the study.

Stakeholders want to be sure that PSE is appropriately planning for summer growth. If trends indicate growing summer demand, perhaps investments in solar panels and energy storage could provide cost-effective solutions. PSE can help us understand what the challenges and opportunities are by providing clear data and analysis for all seasons in the IRP.

Sincerely,

Don Marsh