



PUGET SOUND ENERGY

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RECEIVED
DEC 2 2017
Dept. of Ecology

December 19, 2017

Mr. Brett Rude
Department of Ecology
Air Quality Program
P.O. Box 47600
Olympia, Washington 98504-7250

Re: Proposed Volkswagen Beneficiary Mitigation Plan

Mr. Rude:

Thank you for the opportunity to comment on the Department of Ecology's Proposed Volkswagen Beneficiary Mitigation Plan. Puget Sound Energy serves a population of approximately 4 million people across 6,000 square miles of Washington State. Puget Sound Energy appreciates that the Department of Ecology has recognized the Volkswagen Mitigation Plan as an opportunity to make transformative investments that will benefit the air quality of our customers.

The Volkswagen Beneficiary Mitigation Plan provides high level categories for potential investments in nitrous oxide reductions. Puget Sound Energy supports the principles outlined by the Department of Ecology, which are:

- Improve air quality for communities that have historically borne a disproportionate share of the air pollution burden in Washington.
- Maximize air quality co-benefits beyond nitrogen oxide reductions.
- Maximize public health benefits.

These are important principles. We ask that Department of Ecology also consider two additional principles. First, maximizing the emissions reductions with the funding available should be a principle in the spending of these public monies. Second, broad engagement and qualifying projects across public and private sectors throughout the project development process will help identify potential areas of collaboration or matching funding.

Maximizing emissions reductions with the available funds could take several forms, but would include:

- Demonstrating that funded projects are incremental to plans already made by funded entities.
- Seeking to leverage cost match or providing only incremental costs, so that funds could enable more projects and emissions reductions.

- Transparently reporting the emissions reductions and funding levels of proposals to show that funds are being used on the projects with the most cost-effective emissions reductions.
- Only funding infrastructure or enabling costs where necessary to support direct emissions reductions.

On public engagement, Puget Sound Energy also feels that it is important to encourage public engagement in the soliciting, selecting, and measuring the results of projects. Creating regular engagement in this process will ensure that the most cost-effective projects from the public and private sector are funded. This engagement will also determine if funding could be more cost-effectively deployed in a different percentage than outlined in Table 2.

Thank you again for the opportunity to provide comment on the Proposed Volkswagen Beneficiary Mitigation Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Farrow", written over a light blue horizontal line.

Ben Farrow
Manager, Product Development