Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 PSE.com

June 8, 2018

Brad Miyake City of Bellevue City Manager's Office 450 110<sup>th</sup> Avenue NE Bellevue, WA 98004

Dear City Manager Miyake,

As summer approaches, we would like to brief you on PSE's plans related to electric reliability on the Eastside. Our forecasts have long indicated that peak customer demand could exceed capacity as early as the winter of 2017 or the summer of 2018, hence the Energize Eastside project. In fact, our peak demand increased faster than modeled and our actual 2017 summer peak demand exceeded our load forecast for summer 2018 – one year earlier than expected.

Because the 2017 actual summer peak usage exceeded our planning forecast, we have prepared for a similar scenario in 2018 by having corrective action plans in place that include intentional load shedding. Such actions could have an impact to customers and the City. Under certain scenarios, we will utilize corrective action plans in anticipation of this summer's peak load to protect the integrity of the grid and ultimately the reliability of service to our customers.

The likelihood of having to use load shedding is low, but we believe it is important for the impacted cities in our service area to be aware of the potential. We have reached out to your Emergency Manager, Curry Mayer, to schedule a briefing and seek input from the City.

While we are actively involved in the permitting process to upgrade the Eastside transmission system to eliminate these risks in the future, those upgrades will not be in service this summer. Until those upgrades are in place, PSE will continue to monitor the possible need for corrective action plans.

Sincerely,

Dan Koch

Director, Electric Operations

**Puget Sound Energy**