



Puget Sound Energy
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PSE.com

June 1, 2020

Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Dockets UE-171087 and UG-171088
2019 Annual Report and 2018-2019 Summary of Energy Conservation
Accomplishments**

Dear Mr. Johnson,

Consistent with requirements outlined in WAC 408-109-120(3) and WAC 480-07-140(5) Puget Sound Energy (PSE or the Company) provides an electronic version of its 2019 Annual Report and the 2018-2019 Summary of Energy Efficiency Conservation Accomplishments (Annual Report). This is the first year that PSE availed itself of WAC rule 480-109-120(4)(d), which allows utilities to include the biennial information required as a part of its second-year Annual Report.

Results discussed in the Annual Report indicate that in 2019, PSE programs finished the year with Total Utility Conservation Achievements of 237,925 Megawatt-hours (MWh), or 27.2 average megawatts (aMW) of electric conservation and 3.23 million therms of natural gas conservation. These figures exceeded the 2019 goals by 4 percent and 3 percent, respectively.

Electric expenditures to acquire cost-effective energy conservation for the entire Portfolio were \$73.4¹ million or 12 percent lower than planned 2019 spending. Natural gas program expenditures were 12 percent above the original projection, finishing 2019 at \$17.75 million. PSE provides detailed expenditure and saving figures for electric and natural gas conservation programs in the Annual Report's Exhibit 1: Savings and Expenditures.

¹ It is important to note that the total electric expenditures also include Net Metering administrative and distribution system expenses. In 2019, these expenses represented \$1.53 million of the overall Portfolio.

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Consistent with the principles outlined in Commission Staff comments,² PSE included an extensive discussion of its 2019 manufactured home initiative successes in Chapter 2 of the Annual Report. The discussion highlights significant achievements in the overall electric savings improvement for the manufactured home segment (almost 200 percent), program awareness within the segment (a 27 percent improvement), the number of manufactured home customers receiving a Home Energy Assessment (a 190 percent improvement from 2018), and the number of low-income manufactured home customers served (an over 50 percent increase from 2018).

As discussed in Chapter 3 of the Report, PSE's electric 2018-2019 verified Total Utility Conservation Achievement was 549,115 MWh, or 6 percent above the Total Utility Conservation Goal of 520,456 MWh. This value was sufficient to exceed the Commission-Ordered EIA Penalty Target of 448,109 MWh, and the Decoupling Penalty Target of 23,658 MWh, with an excess of 36,518 MWh. PSE provides in-depth reviews of the adjustment and true-up processes it followed in determining the final electric savings figures.

As has been PSE's long-standing continuous improvement practice, the 2019 Annual Report contains a number of enhancements, some in response to Regulatory Stakeholder requests and suggestions. Most are readability and organizational improvements, including Chapter outline references, expanding Exhibit 1 into a two-page document, and simplified Business Energy Management program measure tables. The entire Annual Report package consists of:

171087-171088-PSE-2019-Annual-Report-2018-2019-Biennial-Summary.docx
171087-171088-PSE-Annual Report Cover Page.docx
171087-171088-PSE-Appendix-1-BECAR-Savings-Review-Results.docx
171087-171088-PSE-Appendix-2-Exhibit-2-2018-19-Biennial-Cost-Effectiveness.xlsx
171087-171088-PSE-Appendix-3-Energy-EIA-2020-Dept-of-Commerce-Rpt.xlsx
171087-171088-PSE-Exh 6-Suppl-1-HEA-Eval-Rpt.pdf
171087-171088-PSE-Exh-6-Suppl-1-HER-2018-Impact-Rpt.pdf
171087-171088-PSE-Exh-6-Suppl-1-Web-Enbl-Tstat-2017-18-Eval-Rpt.pdf
171087-171088-PSE-Exhibit-1-Savings-and-Expenditures-2019-specific-based-on-ACP.xlsx
171087-171088-PSE-Exhibit-1-Supplement 4-2019-Measure-Counts-Highlights.pdf
171087-171088-PSE-Exhibit-1-Supplement-1-2019-Actuals-vs-Budgets.xlsx
171087-171088-PSE-Exhibit-1-Supplement-2-2019-savings-adjustments.xlsx
171087-171088-PSE-Exhibit-1-Supplement-3-2019-Memberships-and-Sponsorships.pdf
171087-171088-PSE-Exhibit-2-2019-Cost-Effectiveness-Results.xlsx
171087-171088-PSE-Exhibit-5-2019-Prescript-Measures.xls
171087-171088-PSE-Exhibit-9-2018-2019 Requirement-compliance-matrix.pdf
171087-171088-PSE-Exhibit-10-NEEA-Report-2019-Activities.pdf
171087-171088-PSE-BCP-2020-2021 Exhibit-6-Suppl-1-Mfgd-Homes-Market-Study.pdf

²Commission Staff Comments Regarding Electric Utility Conservation Plans (...) Docket UE-171087, "Manufactured Homes/Hard-to-Reach Respondents", page 11

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Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Report and associated files to its Conservation Resource Advisory Group (CRAG) on May 1, 2020.

Please contact Chris Schaefer at (425) 456-2932 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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Enclosures

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Listed above