

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-100177

SUPPLEMENTAL DECLARATION OF
ERIC E. ENGLERT IN SUPPORT
OF PSE'S RESPONSE TO MOTIONS FOR
SUMMARY DETERMINATION

1. I, Eric E. Englert, hereby declare under penalty of perjury under the laws of the State of Washington that the following are true and correct:
2. I am the Manager, Regulatory Initiatives & Tariffs for Puget Sound Energy, Inc. ("PSE" or the "Company"). My responsibilities include the management and direction of the preparation of tariff and other regulatory filings and the research and development of regulatory policy and strategy on tariff and other regulatory initiatives. In that role, I have taken an active part in monitoring the development of the conservation potential and biennial conservation targets as they were developed within the public processes and meetings over the course of the past several calendar years. I have personal knowledge of the matters set forth in this Supplemental Declaration and, as to matters that call for an opinion, state such opinion on information and belief based on my experience in the industry and with the Company.
3. This supplemental declaration responds to the motions for summary determination filed in this docket by Commission Staff, NW Energy Coalition and Public Counsel.

September 3, 2009 Public Meeting

4. As discussed in my declaration dated April 6, 2010, filed in this docket, PSE participated with other stakeholders in a public meeting hosted by the WUTC on September 3, 2009. At this meeting, the Conservation Council presented a 78-slide power point describing the methodologies for calculating conservation potential, including both the IRP-based methodology and the use of the Council's calculator. This presentation was included as Exhibit A to my previous declaration. At that meeting no party objected to the Conservation Council's calculator being used for calculating a target.
5. At this same meeting, participants were provided a sample calculation of what PSE's conservation metrics would be using the draft Sixth Power Plan Calculator. Although this sample calculation utilized the draft Sixth Power Plan Calculator to illustrate the Conservation Council's methodology, as opposed to the Fifth Power Plan Calculator, the Conservation Council had previously stated that the draft Sixth Power Plan Calculator was "unofficial" and that Fifth Power Plan Calculator was the "official" calculator. Attached as Exhibit A to this declaration is a copy of e-mail correspondence from Tom Eckman of the Northwest Conservation Council to Bill Hopkins of PSE, dated August 6, 2009, in which the Council stated this information. To the best of my knowledge, the Council's Fifth Power Plan Calculator was publicly available on the Council's website throughout the participation process in the development of PSE's conservation metrics.
6. During the September 3 meeting, a visual of the calculator was presented on-screen as an active spreadsheet, enabling all participants to see how the calculator calculated the conservation potential specifically for PSE. At that meeting no party objected to the Conservation Council's Calculator being a source for PSE's conservation potential. A copy of this sample calculation was distributed after the meeting to stakeholders via e-mail by

Deborah Reynolds of the WUTC. Exhibit B to my supplemental declaration is a copy of this e-mail and the sample calculation that was distributed to stakeholders.

7. As indicated in the "To:" line of the e-mail, representatives of Public Council who received a copy of this sample calculation included Stefanie Johnson, Mary Kimball, and Lea Daeschel. Representatives from the Commission included David Nightingale and Thomas Schooley. Other representatives included Nancy Hirsh for NVEC, Chuck Murray and Howard Schwarz for the Department of Commerce, Charles Eberdt for the Energy Project, Tom Eckman for the Conservation Council, and several representatives for Avista and PacifiCorp.

PSE's December 31, 2009 E-mail

8. On December 31, 2009 PSE informally shared its identification of ten-year conservation potential with stakeholders via e-mail, providing numbers for the projection based on both PSE's most recent IRP and the Conservation Council's Fifth Power Plan. While PSE did indicate that it anticipated using its 2009 IRP as the basis of its ten-year conservation potential, PSE did not represent to stakeholders that the identified metrics could not be further refined or that PSE would not further consider which of the two allowed sources to use when finalizing its ten-year projection and biennial target.

January 2010 Public Meeting

9. On January 24, 2010, PSE notified interested parties via e-mail that, for PSE's finalized ten-year conservation potential and biennial target for 2010–2011, PSE was planning on using numbers derived from the Council's Fifth Power Plan Calculator—number which PSE had previously shared with stakeholders on December 31, 2009. This e-mail announced that PSE would hold a public meeting to present and discuss the ten-year cumulative conservation potential and biennial conservation target that PSE planned to file

by January 29, and a call-in number was provided for individuals who could not attend in person.

10. Prior to the meeting, on January 26, 2010, PSE received comments from Commission Staff and Public Counsel via e-mail regarding PSE's plan to use the Council's Fifth Power Plan Calculator as the basis for PSE's ten-year conservation potential and biennial target. PSE received additional comments regarding the use of the Council's Fifth Power Plan Calculator at the January 27 public meeting. PSE considered these comments when finalizing PSE's Report Identifying PSE's Ten-Year Achievable Conservation Potential and Biennial Conservation Target Pursuant to WAC 480-109-010(3). Further, throughout the multi-year public participation process, PSE received numerous comments and suggestions from interested parties regarding the development of PSE's conservation metrics and considered these comments and suggestions when developing the metrics.

Conservation Council's Fifth Power Plan Calculator

11. The ten-year conservation potential and biennial conservation target filed by PSE on January 29, 2010 (213.7 aMW and 42.2 aMW, respectively) reflect slightly different numbers from the ten-year conservation potential and biennial conservation target based on the Council's Fifth Power Plan Calculator that PSE identified to stakeholders in the December 31, 2010 e-mail (219.3 aMW and 42.7 aMW, respectively). These small differences are the result of a change in the Conservation Council's Fifth Power Plan Calculator that occurred on January 27, 2010—between December 31 and January 29, 2010, the date that PSE filed its conservation metrics.¹

¹ PSE personnel were available to answer any questions regarding this change at the January 27, 2010 meeting.

12. The differences between the two versions of the calculator are due to two primary reasons: updated utility load forecast data and a difference in the years used for the ten-year potential. This latter point requires some explanation. The ten-year period for the 2010–2011 biennial cycle is 2010-2019. The December version of the calculator, however, only showed information through the year 2018. Using this calculator, therefore, the closest available ten-year period was 2009-2018. The updated version of the calculator included years beyond 2018, so the more accurate projection for 2010-2019 could be used. Accordingly, the Company chose to use the newest version of the Council's calculator for their compliance filing, rather than the version that was available on 12/31/2009. PSE personnel were available at the January 27th public meeting to explain these differences.

Biennial Target is a Pro Rata Share on the Identified Conservation Potential

13. NWECC suggests that the Commission should adopt a definition of pro rata as an evenly-divided proportion of the ten-year conservation potential. Such an interpretation would ignore the reality of the market place, which is not a linear world, and would be inconsistent with the Conservation Council's methodology for determining "achievable" conservation potential.

14. In Chapter 4 of the Conservation Council's Sixth Power Plan, the Council recognizes that there are different types of measures and that the annual pace of acquiring these measures can vary. For example, the Council describes this process for retrofit measures in existing buildings as follows:

Most retrofit measures were paced at annual acquisition rates that require 15 to 20 years to accomplish. However, it was assumed that some retrofit measure bundles with simple, proven delivery mechanisms, like low-flow showerheads, could be accomplished in as little as five years. Annual acquisition rates for new retrofit initiatives or

measures that have not been targeted previously, such as distribution-efficiency, were estimated to start slowly and accelerate to a steady annual pace.²

15. In developing this approach of using different timing assumptions, the Council recognizes the various real-world factors that can affect the pace of acquiring conservation, saying:

Such constraints include the relative ease or difficulty of market penetration, regional experience with the measures, likely implementation strategies and market delivery channels, availability of qualified installers and equipment, the number of units that must be addressed, the potential for adoption by building code or appliance standards, and other factors.³

16. Exhibits C and D to this declaration illustrate the combined effect of these different ramp rates used by the Council. Exhibit C provides a graph comparing the ramp rates used in the Fifth Power Plan to a straight-line path. Exhibit D provides a graph comparing the ramp rates used in the Sixth Power Plan to a straight-line path. These graphs demonstrate that the Conservation Council's methodology for determining conservation acquisition potential does not use straight-line pro-rating.

Executed this 19 day of April, 2010, at Bellevue, Washington.


Eric E. Englert

² Chapter 4 at p. 18.

³ *Id.* at p. 15.