

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

2012-2013 Biennial Conservation Target  
Under RCW 19.285.040

DOCKET UE-111881

ORDER 02

ORDER REGARDING  
CONSERVATION ACHIEVEMENT  
FOR THE 2012-2013 BIENNIUM

**BACKGROUND**

- 1 Initiative 937, the Energy Independence Act (EIA), requires electric utilities with 25,000 or more customers to set and meet energy conservation targets. Under RCW 19.285.040(1)(b), each utility must establish a biennial acquisition target for cost-effective conservation, and must meet that target during the subsequent two-year period. Puget Sound Energy (PSE or Company) set a 2012-2013 biennial conservation target of 666,000 megawatt-hours. The Washington Utilities and Transportation Commission (Commission) approved that target in Order 01.
- 2 On May 29, 2014, as required by Order 01, RCW 19.285.070(1), and WAC 480-109-040(1)(a), PSE filed its "2012-2013 Biennial Electric Conservation Achievement Report" (Biennial Conservation Report or BCR). PSE reported that it had achieved 698,137 megawatt-hours of electric conservation during the 2012-2013 biennium, exceeding its biennial target of 666,000 megawatt-hours.
- 3 On June 6, 2014, the Commission issued a Notice in accordance with WAC 480-109-040(2) inviting interested persons to file written comments on PSE's Biennial Conservation Report. During the comment period, the Commission received written comments from Commission Staff (Staff) and the Public Counsel Section of the Attorney General's Office (Public Counsel). At the recessed Open Meeting on July 25, 2014, the Commission heard oral comments from Staff, Public Counsel, and PSE.

4 Staff and Public Counsel agree that PSE's BCR incorporates the savings adjustments recommended by third party reviews of the Company's conservation programs and that PSE has complied with all applicable requirements and identified improvements going forward.

5 Staff, however, noted a connection between PSE's biennial conservation achievement and the additional conservation to which PSE committed as part of the decoupling mechanism approved in Docket UE-121697. On June 27, 2014, PSE filed a Petition for Declaratory Order in Docket UE-141357 requesting guidance on the issue. On July 28, 2014, the Commission issued a Notice declining to enter a declaratory order and establishing a process for resolving the issue.

6 Staff and Public Counsel also noted that the Northwest Energy Efficiency Alliance (NEEA) numbers reported by PSE to the Department of Commerce reflected only the Company's target savings, but not its actual savings.

7 PSE plans to implement each of the recommendations made by its third-party conservation reviewer, SBW Consulting, including continuing to update its UES values on an annual basis, continuing its current effort to update its energy efficiency tracking systems, and improving its evaluation scoping practices.

### **DISCUSSION**

8 The Commission agrees with Staff and Public Counsel that PSE has complied with its reporting and other obligations under RCW 19.285.040(1)(b), RCW 19.285.070, WAC 480-109-040(1), and Order 01 in this docket. We leave for another docket and another day the resolution of any issues arising from the additional conservation to which PSE committed as part of the decoupling mechanism approved in Docket UE-121697.

9 We recommend, however, that PSE file with the Department of Commerce an updated report reflecting its actual NEEA savings achieved in addition to the compliance target savings currently on file.

**FINDINGS AND CONCLUSIONS**

- 10 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including electric companies.
- 11 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.
- 12 (3) PSE serves more than 25,000 customers within the state of Washington, and is a “qualifying utility” within the meaning of RCW 19.285.030(16).
- 13 (4) PSE has achieved 698,137 megawatt-hours of conservation during the 2012-2013 biennium, exceeding its target of 666,000 megawatt-hours. PSE has complied with RCW 19.285.040(1)(b).
- 14 (5) PSE must update its NEEA savings in its report to the Department of Commerce to meet the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1).
- 15 (6) PSE has complied with Order 01 in this docket.

**ORDER**

**THE COMMISSION ORDERS:**

- 16 (1) Puget Sound Energy has complied with the June 1, 2014, reporting requirements pursuant to WAC 480-109-040.
- 17 (2) Puget Sound Energy has complied with the requirements in Order 01.

- 18 (3) Puget Sound Energy achieved 698,137 megawatt-hours of conservation during the 2012-2013 biennium.

DATED at Olympia, Washington, and effective July 31, 2014.

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner