



The Energy To Do Great Things

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

March 31, 2017

Via Web Portal

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive S.W.
Olympia, Washington 98504-7250

**Re: Dockets UE-152058 and UG-152075
2016 Annual Report of Energy Conservation Accomplishments**

Dear Mr. King,

Consistent with requirements outlined in WAC 480-109-120(3) and WAC 480-07-140(5) Puget Sound Energy (“PSE” or “the Company”) provides an electronic version of its 2016 Annual Report of Energy Efficiency Conservation Accomplishments (“Annual Report”). The Annual Report and its Exhibits contain all information required in WAC 480-109-120(3)(b).

Results outlined in the Annual Report indicate that PSE programs achieved 305,766 Megawatt-hours (MWh), or 34.9 average megawatts (aMW) of first-year electric conservation savings and 4.48 million therms of first-year natural gas conservation savings in 2016. These figures exceeded the 2016 goals by 7 percent and 13 percent, respectively. Adding PSE’s acquisition of NEEA first-year savings of 8,760 MWh into the electric portfolio results increased the overall electric savings within the PSE service territory to 314,500 MWh, or 35.9 aMW.

Electric expenditures to acquire cost-effective energy conservation resources were \$100.93¹ million or 2 percent higher than anticipated spending. Natural gas program expenditures were \$13.64 million, which were 7 percent lower than anticipated spending. PSE provides detailed expenditure and saving figures for electric and natural gas conservation programs in the Annual Report’s Exhibit 1: 2016 Savings and Expenditures.

¹ It is important to note that the total electric expenditures also include programs that do not acquire energy conservation; Net Metering, Demand Response administration and Electric Vehicle Charger Incentive. These programs represented \$1.82 million of the overall 2016 electric expenditures.


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As has been PSE's long-standing continuous improvement practice, the 2016 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.

Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Annual Report to its Conservation Resource Advisory Group ("CRAG") on March 1, 2017.

Please contact Chris Schaefer at chris.schaefer@pse.com or (425) 456-2932 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

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

Attachments:

- Annual Report of Energy Conservation Accomplishments
- Exhibit 1-2016 Expenditures and Savings
- Exhibit 1-Supplement 1, 2016 Actual vs Budgets by Program
- Exhibit 1-Supplement 2, 2016 Savings Adjustments
- Exhibit 1-Supplement 3, 2016 Sponsorships & Memberships
- Exhibit 1-Supplement 4, 2016 Significant Measure Counts
- Exhibit 2-2016 Program-level Cost-Effectiveness Calculations
- Exhibit 5-Prescriptive Measures
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, 2015 Home Energy Reports
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, PSE CI HVAC
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, PSE Large Power Users
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, PSE Multifamily
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, CI Lighting
- Exhibit 6-Supplement 1 - Completed 2016 Evaluation Studies, Data Centers
- Exhibit 9-2016-2017 Requirement Compliance Checklist
- Exhibit 10-2016 NEEA Accomplishments