

Agenda Date: December 29, 2011  
Item Numbers: A1 and A2

**Dockets: UE-111860 and UG-111861**

Company: Puget Sound Energy  
Staff: David Nightingale, Senior Regulatory Engineering Specialist

## **Recommendation**

Take no action, allowing PSE's proposed electric energy efficiency program tariff revisions in Advice No. 2011-22 to Electric Schedules 83, 216, 217, 218, 250, 251, 253, 255, 261, 262, 271, and 292 as revised in Docket UE-111860 and Advice No. 2011-23 to Natural Gas Schedules 1183, 1203, 1205, 1208, 1217, 1218, 1251, 1261, and 1262 to become effective January 1, 2012, by operation of law.

## **Background**

PSE is currently operating its energy efficiency programs under conditions approved by the Washington Utilities and Transportation Commission (commission) pursuant to RCW 19.285 and WAC 480-109.<sup>1</sup> The PSE's 2012-2013 proposed biennial conservation target filed in UE-111881 and is pending UTC approval, is 666,000 megawatt-hours (76.0 average Megawatt Hours), at the customer meter level.<sup>2</sup> This proposed target represents about a seven percent increase from the current biennium (2010-2011) target of 622,000 megawatt-hours. The present docket focuses on the program tariff changes for the 2012-2013 electric conservation beinum beginning January 1, 2012.

On October 27, 2011, PSE timely filed revised tariffs for its electric conservation programs that proposed program changes and narrative clarifications to its electric and gas conservation programs. These programs implement the measures necessary to accomplish the conservation targets proposed in Docket No. UE-111881. Any required changes to the electric conservation service rider to implement these program changes will be submitted on or about March 1, 2011.

Some of the PSE tariff language changes allow for continuation and expansion of PSE's gas and electric conservation programs set to expire on December 31, 2011. The company developed these filings and a course of action for their conservation programs in consultation with their Conservation Resource Advisory Group (CRAG) and is also consistent with the Company's 2011 Integrated Resource Plan energy efficiency resource potential.

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<sup>1</sup> *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy, Inc.*, Dockets UE-011570, UEG-011571, and UE-100177, Final Order 05, (September 28, 2010).

<sup>2</sup> *In the Matter of PUGET SOUND ENERGY'S 2012-2021 Ten-Year Achievable Conservation Potential and 2012-2013 Biennial Conservation Target Under RCW 19.285.040 and WAC 480-109-010*, Docket UE-111881.

## **Discussion**

The company filed its Biennial Conservation Plan (BCP) in UE-111881 which supports this tariff filing and provided the required budget and program-by-program details. Staff believes the company has complied with the conditions of Order 05 in Docket UE-100177 that require the filing of the BCP and this tariff. The draft tariff and BCP were reviewed by the CRAG and staff.

## **Public Involvement**

The company worked closely with its Advisory Group in 2011 on adjustments to their conservation program. The Company presented the rationale for the changes in the BCP as well as a redline version of the the proposed program tariff changes that are reflected in this docket. The public involvement included detailed discussions at the CRAG meetings of September 29 and October 20, 2011.

Mosts changes to the schedules submitted are to clarify certain provisions or make strategic adjustments to exisiting programs. However, there is a new program tariff for commercial and industrial customers described below.

## **Significant Adjustments to Commercial Program Offerings**

New schedule 271 is proposed based on a successful commercial/industrial pilot program for demand-response. The objective of this new schedule is to provide increased participation in a voluntary cost-efective incentive-based temporary energy demand reductions during peak demand periods. Because generally, the cost of energy is most expensive during peak demand periods, temporarily reducing demand during these periods has an assoicated high avoided cost. Customers in this program voluntarily reduce their discretionary end-use demand for energy during periods of high demand and receive financial incentives for their active participation.

New schedule 292 is proposed to implement conservation improvement to the Company's distribution and generation system. This will provide a combination of savings from measures such as upgraded lighting, upgraded motors, and distribution voltage control. Because generation and distribution is part of the company's duty to provide facilities to deliver electricity that is "safe, adequate, and efficient" (80.28.010(2) RCW ) this new conservation schedule activities will not be funding through the conservation tariff rider, schedule 120.

## **Conclusion**

Changes to program tariffs are appropriately filed and were also included in the draft BCP reviewed by the CRAG. The tariff revisions are consistent with the conditions listed in the I-937 energy conservation order. Consequently, staff recommends that the Commission:

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