

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	DOCKET UG-250416
PUGET SOUND ENERGY,	ORDER 01
Petitioner,	
Seeking an Order Approving Natural Gas Potential Conservation Assessment	APPROVING NATURAL GAS CONSERVATION POTENTIAL ASSESSMENT SUBJECT TO CONDITIONS

**BACKGROUND**

- 1 RCW 80.28.380 requires gas companies to identify and acquire all conservation measures that are “available and cost effective.” Each utility must establish an acquisition target every two years. The Washington Utilities and Transportation Commission (Commission) must approve the acquisition target by order. These targets must be based on a conservation potential assessment (CPA) prepared by an independent third party and approved by the Commission. The analysis used to identify all cost-effective conservation must include the cost of greenhouse gas emissions established in RCW 80.28.395.
- 2 On May 30, 2025, Puget Sound Energy (PSE or Company) filed its 2025 Conservation Potential Assessment prepared by Cadmus. In the CPA, Cadmus provides an analysis of the available and cost-effective conservation potential for PSE from 2026 to 2050. Under the Total Resource Cost test (TRC), Cadmus identified 5,005 thousand therms of potential in core customers (residential, commercial, and industrial) and 3,784 thousand therms of potential in transportation customers for the 2026-2027 biennium.
- 3 The Commission approved PSE’s 2021 CPA subject to Commission Staff’s (Staff) condition to file the full CPA model, coordinate structured technical discussions, and work with Staff on timelines and supporting documentation. The Commission also approved the Company’s 2023 CPA with no conditions.
- 4 In its memorandum to this docket, Staff does not dispute the Company’s CPA and recommends that the Commission approve it subject to conditions. Specifically, Staff recommends that the Commission place the following requirements on the Company’s subsequent CPA filings:

1. **Public Process and Data Transparency.** For every CPA filing under RCW 80.28.380:
  - a. The Company must file applicable input data, assumptions, and outputs in native and spreadsheet formats.
  - b. The Company must provide documentation that explains the model's structure, such as a diagram or flowchart, showing major modules, data inputs, and outputs.
  - c. The Company must give Staff access to the model environment, either through screen-share sessions, consultant-facilitated workshops, or other secure methods.
2. **Building Codes.** For every CPA filing under RCW 80.28.380, the Company must explicitly list the relevant federal, state, and local codes and standards and building stock assessments used to determine the conservation potential baseline.
3. **Accounting for Equity in CPA.** For every CPA filing under RCW 80.28.380, the Company must consult with Staff and its energy efficiency advisory group and equity advisory group on how to appropriately incorporate equity considerations into its analysis.

5 On September 25, 2025, the Commission heard comments from interested persons and parties at its regularly scheduled open meeting.

## DISCUSSION

6 We approve the Company's Conservation Potential Assessment, taking effect for the 2026-2027 biennium. We accept all Staff's recommended conditions outlined in paragraph 4.

7 We agree that PSE's CPA for the 2026-2027 biennium, subject to the conditions recommended by Staff, meets the requirements of the statute and should be approved. The CPA was prepared by an independent third party and reasonably reflects all available and cost-effective conservation measures typically considered.

8 PSE's CPA followed the Northwest Power and Conservation Council (NWPCC) methodology and past standard practice to identify conservation potential. With regards to the specific cost-effectiveness tests, PSE notes that it uses TRC. The Company includes the social cost of greenhouse gas as an avoided cost. We find this approach adequate and approve of the CPA. The Commission likewise approves of the CPA's

evaluation of transportation customers as one element of the Company's CPA pursuant to RCW 80.28.380.

### FINDINGS AND CONCLUSIONS

- 9       (1)     The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including gas companies.
- 10       (2)     PSE is a gas company and a public service company subject to Commission jurisdiction.
- 11       (3)     PSE is subject to RCW 80.28.380, which requires the Company to determine a conservation acquisition target every two years.
- 12       (4)     PSE's Conservation Potential Assessment was prepared by an independent third party and followed NWPCC methodology.
- 13       (5)     PSE identifies approximately 5,005 thousand therms of gas energy efficiency achievable potential for core customers in 2026-2027.
- 14       (6)     PSE identifies approximately 3,784 thousand therms of gas energy efficiency achievable potential for transportation customers in 2026-2027.
- 15       (7)     The Commission received no written comments in this docket.
- 16       (8)     This matter came before the Commission at its regularly scheduled meeting on September 25, 2025.
- 17       (9)     After reviewing PSE's Conservation Potential Assessment filed on May 30, 2025, and giving due consideration to all relevant matters, the Commission finds that PSE's Conservation Potential Assessment should be approved subject to the Staff's proposed conditions, set forth in paragraph 4 of this Order.

**ORDER**

**THE COMMISSION ORDERS:**

- 18       (1)     Puget Sound Energy’s Conservation Potential Assessment filed on May 30, 2025,  
              meets the requirements of RCW 80.28.380, and should be approved subject to the  
              Staff’s proposed conditions, set forth in paragraph 4 of this Order.
- 19       (2)     The Commission retains jurisdiction over the subject matter Puget Sound Energy  
              to effectuate the provisions of this Order.
- 20       The Commissioners, having determined this Order to be consistent with the public  
              interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective September 25, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP  
Executive Director and Secretary