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June 1, 2018

***Filed Via Web Portal***

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Docket UE-152058  
PSE's 2016-2017 Biennial Report of Electric Conservation  
WAC-Required Report: WAC 480-109-120(4)**

Dear Mr. Johnson,

Attached is Puget Sound Energy's ("PSE's") an electronic version of its 2016-2017 Biennial Report of Electric Conservation ("Biennial Report"), consistent with requirements outlined in WAC 408-109-120(4) and WAC 480-07-140(5).

Results outlined in the Biennial Report summarize results provided in PSE's 2016 and 2017 Annual Reports of Energy Conservation Accomplishments ("Annual Reports") and true-up electric savings that are verified ex-post to annual reporting deadlines. Originally reported aggregate electric savings totaled 632,842 megawatt-hours (MWh), or 72.2 average megawatts (aMW). Ex-post adjustments resulted in the addition of 313 MWh. The total verified PSE 2016-2017 first-year electric savings, as measured at the customer meter, were 633,155 MWh or 72.28 aMW.

These figures exceeded the savings goal for the overall portfolio by 5 percent. The achieved electric savings also exceeded the Commission's Energy Independence Act ("EIA") Penalty Target of 537,078 MWh and its Decoupling Penalty Target of 27,993 MWh. Subtracting these targets and programs excluded from the EIA Penalty Target, PSE realized an electric conservation excess of 21,990 MWh.

2016-2017 electric expenditures to acquire cost-effective energy conservation for the entire portfolio were \$201.94<sup>1</sup> million or 2 percent higher than the anticipated spending amount of \$198.98 million. PSE provides detailed expenditure and saving figures for electric and natural gas conservation programs in the Annual Report's Exhibit 1: Savings and Expenditures.

PSE provided substantial program detail in its 2016 and 2017 Annual Reports of Energy Conservation Accomplishments. Therefore, the Biennial Report's Overview is more focused on ex-post savings adjustments and true-ups consistent with tenets agreed to with PSE's Conservation Resource Advisory Group ("CRAG") over the last three biennia. Certain program reviews and evaluations cannot be completed in accordance with filing deadlines. Therefore, PSE and the CRAG agreed that (1) PSE will report savings that are prescribed (or "deemed") at the beginning of a program year, as noted in PSE's Annual Conservation Plans and (2) PSE will true-up those savings prior to filing its Biennial Reports.

Specific adjustments accounted for Northwest Energy Efficiency Alliance ("NEEA") electric savings verification, DNV-GL evaluations of 2016 and 2017 Home Energy Reports ("HER") verified savings, continuous improvement reviews by Energy Efficiency staff, and the final independent review by SBW Consulting, Inc., ("SBW") Biennial Electric Conservation Achievement Review ("BECAR").

The Overview document provides details of these adjustments, their effect on resultant accomplishments and excess electric savings, highlights of PSE's adaptive management steps, and its progress in meeting regulatory requirements.

In addition to the Overview, the Biennial Report contains six attachments:

- 1) Exhibit 1: 2016-2017 Savings and Expenditures;
- 2) Exhibit 2: 2016-2017 Cost-Effectiveness Results;
- 3) Exhibit 6, Supplement 1: DNV-GL 2017 HER Evaluation;
- 4) Exhibit 9: Regulatory Requirements Checklist;
- 5) Attachment 1: SBW's 2016-2017 BECAR;
- 6) Attachment 2: WA Department of Commerce EIA Conservation Report.

Each Exhibit combines information filed in PSE's 2016 and 2017 Annual Reports in order to provide a representation of the overall biennium.

Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Biennial Electric Conservation Report to the CRAG on May 1, 2018.

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<sup>1</sup> 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 \$3.61 million of the overall 2016-2017 electric expenditures.

Mr. Mark L. Johnson, Executive Director and Secretary  
Docket UE-152058  
June 1, 2018  
Page 3 of 3

Please contact Chris Schaefer at (425) 456-2932 or [chris.schaefer@pse.com](mailto:chris.schaefer@pse.com) for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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

Attachments:

UE-152058-PSE-2016-2017-Biennial-Conservation-Report-Electric-Programs;  
UE-152058-PSE-Exhibit 1: 2016-2017-Savings-and-Expenditures;  
UE-152058-PSE-Exhibit 2: 2016-2017-Cost-Effectiveness-Results;  
UE-152058-PSE-Exhibit 6, Supplement 1: DNV-GL-2017-HER-Evaluation;  
UE-152058-PSE-Exhibit 9: Regulatory-Requirements-Checklist;  
UE-152058-PSE-Attachment 1: SBW's-2016-2017-BECAR;  
UE-152058-PSE-Attachment 2: WA-Department-of-Commerce-EIA-Conservation-Report.