

December 1, 2017

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Drive SW  
Olympia, WA 98504-7250

*Re: Docket No. UE-171087, Puget Sound Energy's Ten-Year Achievable Conservation Potential, Biennial Conservation Target, and Biennial Conservation Plan for 2018-2019 pursuant to RCW 19.285.040 and WAC 480-109-120*

The NW Energy Coalition (NWECA or Coalition) appreciates the opportunity to comment on Puget Sound Energy's (PSE or the Company) 2018-2019 Biennial Conservation Target and Biennial Conservation Plan (BCP). The Coalition is an active participant in the Conservation Resource Advisory Group (CRAG) and has also been an active member of PSE's Integrated Resource Plan Advisory Group (IRPAG), both of which play a role in the development the Company's 10-year conservation potential, the two-year target, and its BCP.

NWECA offers general support for PSE's filing and will continue working through the CRAG to offer strategic advice on the Company's development and implementation of programs, particularly as the Company looks for ways to engage hard-to-reach markets. Below are a few additional comments for the Company to consider.

## Residential Programs

*Fuel conversion:* NWECA supports PSE in its discontinuation of its fuel conversion program in 2018-2019: fuel conversion programs are not conservation, as defined by the Northwest Power Act or Washington State; and these programs are serving the long-term best interests of the climate or for customers.

*Residential Financing:* In the BCP and in a July 2017 meeting the CRAG, PSE presented an overview of the different kinds of financing delivery methods that they received back through an RFI. NWECA appreciates the thorough work and consideration of how to reach deeper efficiency through financing and addressing the upfront capital costs that impede some low- and moderate-income residents from pursuing efficiency measures. We hope to continue these conversations and pursue whether there are other opportunities for the Company to promote customer access to financing, such as interest buy-downs or credit reserves that would allow more customers to qualify for and take advantage of third-party financing.

## Nonresidential Programs

*New construction:* In the Conservation Potential Assessment (CPA) prepared for PSE's 2017 IRP, the highest technical potential available over the planning period, by far, was for new commercial office buildings that are more energy efficient than code. However, the achievable technical potential highlighted in the CPA was revised down significantly, due to a much slower

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ramp rate. The CPA says, “Through discussions with PSE program staff, it was determined that there are several non-economic barriers to adoption of these high efficiency construction practices for office buildings that reduce the achievable technical potential relative to other measures.”<sup>1</sup> NWECC is interested in hearing more from PSE staff about what these non-economic barriers are, and whether there are program designs that can help overcome these barriers to help achieve more of that significant technical potential.

*Ending of Premium HVAC Incentives:* PSE offered incentives to commercial customers to perform premium service on rooftop HVAC units (e.g., calibration, sensor replacement, economizer installation). In the BCP, PSE notes that this program will be retired as a result of several factors, including the complexity of the program, the lack of contractor and vendor support for the value proposition, and long application periods. NWECC is supportive of the new upstream HVAC commercial pilot and hopes that it will positively encourage efficient HVAC replacement. However, NWECC would also encourage the Company to look at other utility examples of HVAC maintenance programs, and consider whether there is a program design that PSE could pilot with its contractor network in this area.

*Pay for Performance Pilot:* NWECC is very supportive of the Pay for Performance Pilot that PSE will be launching in this upcoming biennium and looks forward to engaging in discussions to make this pilot work well and lead into a full program. We note that a nearby utility, Seattle City Light (SCL), is near launch of a post-pilot pay-for-performance program; we encourage PSE to talk with SCL on lessons learned from their pilot.

## Other Comments

*NEEA Savings:* In UTC staff comments emailed to the Company on October 23, 2017, Staff expressed that IOUs should include NEEA forecast savings within their biennial target. NWECC looks forward to further discussions with Staff and the Company about this issue, how the decoupling commitment should be calculated, and ensuring a common approach by all IOUs.

Respectfully submitted,

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NW Energy Coalition

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<sup>1</sup> 2017 IRP Demand-Side Resource Conservation Potential Assessment for Puget Sound Energy, filed with Docket UE-160918