

**Puget Sound Energy’s Compliance with WAC 480-109-010(3)  
Report Identifying PSE’s Ten-Year Achievable Conservation Potential and  
Biennial Conservation Target  
Docket UE-100177  
Report for 2010 and 2011**

**Section 1**

This report identifies PSE's ten-year achievable conservation potential for the period 2010-2019 and PSE's biennial conservation target for the period 2010-2011 pursuant to WAC 480-109-010(3). The report is submitted as a compliance filing pursuant to WAC 480-07-880(1) and the Commission's Final Order in Docket No. UE-100177 ("Final Order").

Procedural Background: PSE filed its initial Report Identifying PSE's Ten-Year Achievable Conservation Potential and Biennial Conservation Target on January 29, 2010. On March 11, 2010 in Docket No. UE-100177, the Commission ordered additional review of PSE's January 29, 2010 filing, and pursuant to WAC 480-109-010(4)(b), the Commission established an adjudicative proceeding to fully consider appropriate revisions to PSE's ten-year achievable conservation potential or biennial conservation target. On June 4, 2010, the Commission ruled on numerous motions for summary determination and issued its Final Order in the docket. In the Final Order, the Commission ordered PSE to file a biennial target consistent with the projected ten-year potential it identified on December 31, 2009 and using the IRP-based numbers PSE originally used in projecting its potential.<sup>1</sup>

**Section 2**

This section meets the requirements of WAC 480-109-010(3), which requires that PSE file: “a report identifying its ten-year achievable conservation potential...”

- PSE's ten-year achievable conservation potential is 3,748,773 MWh at the customer meter level.

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<sup>1</sup> Final Order at ¶¶ 68, 105, 135, 142.

This is consistent with the ten-year conservation potential identified in PSE's December 31 projection. *See Attachment A.* As noted in Attachment A, PSE's 2009 Integrated Resource Plan ("IRP") was the source of its ten-year conservation potential. The relevant portions of the 2009 IRP are attached as Attachment E, Attachment F, Attachment G, and Attachment H. A complete copy of the IRP was filed with the WUTC on July 30, 2009 in Docket Number UE-080949. The ten-year conservation potential was reviewed at a public IRPAG meeting on December 15, 2009 among other public meetings. *See Attachment I.*

### **Section 3**

This section meets the requirements of WAC 480-109-010(3), which requires that PSE file: "a report identifying its ... biennial conservation target."

- PSE's biennial conservation target for 2010 and 2011 is 622,000 MWh at the customer meter level.

The biennial conservation target identified in this report falls within the biennial target range set forth in PSE's December 31, 2009 email and is consistent with the ten-year potential projection in the December 31, 2009 email. *See Attachment A.* The basis for the target range is outlined in Attachment A.

The biennial target PSE has identified in this report is based on the Program Tariff Schedule Filing that PSE made on November 30, 2009 in Docket No. UE-091859, which is attached as Attachment B. Page 209 of Attachment B references the 622,000 MWh, which PSE has identified as its biennial target. Further support for this target is demonstrated in Attachment C on slide number 30 and in Attachment D on slides 7 and 8.

### **Section 4**

This section meets the requirements of WAC 480-109-010(3)(b), which requires that: "This report must identify whether the conservation council's plan or the utility's IRP and acquisition process were the source of its ten-year conservation potential."

- The PSE 2009 Integrated Resource Plan (“IRP”) was the source of its ten-year conservation potential. The relevant portions of the 2009 IRP are attached as Attachment E, Attachment F, Attachment G, and Attachment H. A complete copy of the IRP was filed with the WUTC on July 30, 2009 in Docket Number UE-080949.

## **Section 5**

This section meets the requirements of WAC 480-109-010(3)(b), which requires that: “[t]he report must also clearly state how the utility prorated this ten-year projection to create its two-year conservation target.”

- PSE prorated its ten-year achievable conservation potential to create the two-year target based upon many factors. It is not possible for an IRP to fully capture all the market feasibility and uncertainty factors that can affect real-world program design and implementation. Product and program delivery infrastructure issues, such as product availability, competition for limited contractors and installers, and low customer awareness and acceptance of some types of efficiency measures cannot be overcome immediately and may push out the timing of conservation resource acquisition. Uncertainty about the length of the current economic recession and how the recession would affect customer willingness to invest in energy efficiency measures was also a factor that was not addressed in the IRP. Some initiatives, such as the company's large power user self-directed program, distribution system efficiency, and production efficiency were also expected to experience some start-up lags.

Based on these factors and a detailed bottom-up planning process that considered actual program operation and cost-effectiveness, the company developed a target of 622,000 MWh (at the customer meter) and a set of programs to implement that target, reviewed with the CRAG and filed with the Commission on November 30, 2009. *See* Attachment B.

## **Section 6**

This section meets the requirements of WAC 480-109-010(3)(c), which requires that: “If the utility uses its integrated resource plan and related information to determine its ten-year conservation potential, the report must describe the technologies, data collection, processes, procedures and

assumptions the utility used to develop these figures. This report must describe and support any changes in assumptions or methodologies used in the utilities most recent IRP...”

- The PSE 2009 IRP was the source of its ten-year conservation potential. The relevant portions of the 2009 IRP that describe the technologies, data collection, processes and assumptions that were used, are attached as Attachments E, F, G, and H. A complete copy of the IRP was filed with the WUTC on July 30, 2009 under Docket Number UE-080949.
- PSE’s use of methodologies that are consistent with those used by the Conservation Council in its most recent regional power plan is demonstrated in Attachment I. PSE met with Commission Staff on November 17, 2009 for a final review of the demonstration of consistent methodologies. The presentation from that meeting is included as Attachment J.
- Program details have been provided to the WUTC as part of Docket Number UE-091859 and these tariff schedule programs were allowed to go into effect on January 1, 2010. *See* Attachment B, App. A. A draft copy of the tariff schedule programs was provided to the CRAG on November 2, 2009. This included all the appendices for the programs which include program details, budgets and evaluation, measurement and verification ("EM&V").

## **Section 7**

This section meets the requirement of WAC 480-109-010(3)(a), which requires that: “[t]he report must outline the extent of public and commission staff participation in the development of these conservation metrics.”

- PSE involved Commission Staff and the public in the development of its ten-year conservation potential and the two-year conservation target over the period of several years. Public discussions of development of conservation potentials and targets have taken place since April of 2008. The form of discussions has been varied: public meetings, public IRPAG meetings, CRAG meetings, WUTC Open Meetings, WUTC-hosted public meetings, meeting with WUTC Staff and emails to interest groups. The chart below summarizes the various meetings and identifies the participation by Commission Staff and the public in those meetings.

Type of Meeting/Communication	Date	Commission Staff	Public
Public IRPAG meeting	April 3, 2008	X	X
Public IRPAG meeting	Nov. 20, 2008	X	X
Public IRPAG meeting	Jan. 22, 2009	X	X
Public IRPAG meeting	April 23, 2009	X	X
Public IRPAG meeting	June 25, 2009	X	X
CRAG meeting	June 25, 2009	X	
Public WUTC meeting	Sept. 3, 2009	X	X
CRAG Meeting	Sept. 15, 2009	X	
IRP comment period	Aug. 28, 2009	X	X
Public Open Meeting	Sept. 10, 2009	X	X
CRAG meeting	Sept. 15, 2009	X	
CRAG meeting	Oct. 14, 2009	X	
Draft Tariff Program Schedules provided to CRAG	Nov. 2, 2009	X	
Meeting with WUTC Staff	Nov. 17, 2009	X	
Program Tariff Schedule Filing	Nov. 30, 2009	X	X
Public IRPAG meeting	Dec. 15, 2009	X	X
Email to IRPAG and CRAG	Dec. 31, 2009	X	X
Program Tariff Schedules go into effect	Jan. 1, 2010	X	X
Email to IRPAG and CRAG	Jan. 25, 2010	X	X
Conservation Council provides updated 5 <sup>th</sup> Plan Calculator on its public website	Jan. 27, 2010	X	X
Public meeting to review development	Jan. 27, 2010		X