

July 19, 2018

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504

Re: Docket No. UE-152058, Puget Sound Energy's Report Concerning its Progress in Meeting Its Conservation Target during 2016-2017, pursuant to RCW 19.285.070 and WAC 480-109-040

The NW Energy Coalition and Renewable Northwest appreciate the opportunity to comment on Puget Sound Energy's (PSE or the Company) progress report on meeting its conservation goal during the 2016-2017 biennium. The Coalition and Renewable Northwest are active participants in PSE's Integrated Resource Plan Advisory Group (IRPAG), and the Coalition also participates in PSE's Conservation Resource Advisory Group (CRAG). The CRAG is where the majority of the discussion of PSE's conservation programs and accomplishments takes place, and we have appreciated the open exchange of information and ideas that this venue allows amongst PSE conservation staff and CRAG members. We also acknowledge PSE's extensive reporting on its programs, which has served as a clear record over time.

PSE Conservation Targets

PSE has successfully achieved conservation savings of 587,062 MWh (after subtracting NEEA savings and pilots with uncertain savings), which exceeds the commission-approved target (EIA penalty target of 537,078 MWh and decoupling penalty target of 27,993 MWh, or 565,071 MWh in total).

In the last four biennia, PSE has exceeded its EIA penalty targets, and PSE efficiency staff have shown great skill in developing, managing, and tracking cost-effective programs. In the 2018-2019 biennium, PSE has proposed a 16% lower EIA penalty target than for 2016-2017 (448,109 MWh) and correspondingly lower decoupling penalty target (23,658 MWh). Given PSE's history of easily achieving its targets, as shown in this and past filings; the importance that conservation plays in the Company's forward-looking resource portfolio; and the opportunities that exist for deeper conservation measures, we would encourage PSE to be more confident in setting strong conservation targets that will push the Company to pursue deeper or more innovative efficiency measures.

Hard-to-Reach Customer Classes

We appreciate that, in its 2016 annual report and expanded in its 2017 annual report, PSE details how it has attempted to serve markets who could be potentially underserved by its efficiency programs. The Coalition looks forward to more discussions with the CRAG on how these harder to reach customer segments can continue to be served by these programs.

In addition, we would like to acknowledge that PSE was a member of a workgroup facilitated by the Northwest Power & Conservation Council, which attempted to address an action item from the

Seventh Power Plan related to acquiring all cost-effective conservation by ensuring that no customer market is underserved. This effort published a draft report earlier in the summer, summarizing a first look at potentially underserved markets. As a part of this effort, PSE took a deeper look to understand its customer participation, including attempting to track savings achieved and investments made, and with this information, identifying where there may be gaps in service. We appreciate that the Company shared the results with the CRAG and look forward to future work in this area to continue understanding where there may be underserved customer segments and discussing strategies to help meet their needs.

Cordially,

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