

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

2016-2017 Biennial Conservation Target
Under RCW 19.285.040

DOCKET UE-152058

ORDER 05

ORDER REGARDING
CONSERVATION ACHIEVEMENT
FOR THE 2016-2017 BIENNIUM

BACKGROUND

- 1 The Energy Independence Act (EIA), requires electric utilities with 25,000 or more customers to set and meet energy conservation targets. Under RCW 19.285.040(1)(b), each utility must establish a biennial acquisition target for cost-effective conservation, and must meet that target during the subsequent two-year period. Puget Sound Energy (PSE or Company) set a 2016-2017 biennial conservation target of 537,078 megawatt-hours (MWh). The Washington Utilities and Transportation Commission (Commission) approved that target in Order 01 in this docket (Order 01).
- 2 On June 1, 2018, as required by Order 01, RCW 19.285.070(1), and WAC 480-109-040(1)(a), PSE filed its 2016-2017 Biennial Electric Conservation Report (Report). PSE reported that it had achieved 565,071 MWh of electric conservation during the 2016-2017 biennium, exceeding its biennial target of 537,078 MWh. PSE also reported that it had met all of the requirements of Order 01 over the course of the biennium.
- 3 In its Report, PSE states that it has achieved sufficient savings to meet its additional 5 percent conservation decoupling commitment of 27,993 megawatt-hours as determined in Order 01 in this docket.¹ The Company achieved 21,990 MWh of savings beyond the combined EIA penalty target and additional decoupling commitment. In keeping with current practice and consistent with the Commission's guidance in Order 01, targets and savings figures do not include savings achieved through the Northwest Energy Efficiency

¹ Dockets UE-170033 and UG-170034 (consolidated), Order 08, Final Order Rejecting Tariff Sheets; Approving And Adopting Settlement Stipulation; Resolving Contested Issues; And Authorizing And Requiring Compliance Filing, ¶ 249-262 (December 5, 2017).

Alliance (NEEA).² These excess savings will be combined with the 38,906 MWh of excess savings achieved during the 2014-2015 biennium for a total combined excess savings of 60,896 MWh available to meet any potential shortfall in the 2018-2019 biennium.

- 4 On June 7, 2018, the Commission issued a Notice in accordance with WAC 480-109-040(2) inviting interested persons to file written comments on PSE's Report. During the comment period, the Commission received written comments from Commission staff (Staff) and the NW Energy Coalition (NVEC). NVEC encouraged the Company to pursue future conservation targets that are more in line with its actual past achievement, given that it has exceeded its target each of the last four biennia, and recommends the Company explore opportunities for deeper conservation measures. NVEC acknowledged PSE's participation in the Northwest Power & Conservation Council's workgroup on hard-to-reach customers and looks forward to further discussion in the advisory group.
- 5 In its comments, Staff expressed concerns that PSE did not clearly demonstrate that it pursued all cost-effective conservation called for in the EIA with respect to its conservation voltage reduction program.³ However, Staff expects that the company will, in conjunction with its advisory group, improve the implementation of this program. These discussions should include a closer examination of the distribution efficiency target and achievement, and should result in a plan to bring the quality of program reporting in-line with other conservation programs.
- 6 Staff recommends the Commission issue an order finding that: (1) PSE has complied with the reporting requirements of WAC 480-109-120 and RCW 19.285.070; (2) PSE has complied with Order 01; (3) PSE has achieved 565,071 MWh of conservation during the 2016-2017 biennium; (4) PSE has applied 27,993 MWh of conservation during the 2016-2017 biennium towards satisfying its decoupling conservation commitment; and (5) PSE

² In comments on PSE's 2018-2019 Biennial Conservation Plan, filed in Docket UE-171087 (December 1, 2017), Staff recommended that the EIA conservation target should include all potential savings, including market transformation, and should include savings achieved through all pursued venues. This method would recognize all savings that were purchased by ratepayers during the biennium, and would more accurately reflect the achievement reported on a statewide basis by increasing consistency between investor-owned and consumer-owned utilities.

³ Under WAC 480-109-160(21), "pursue all" cost-effective conservation means engaging in an ongoing process of researching and evaluating the range of possible conservation technologies and programs, and implementing all programs that are cost-effective, reliable, and feasible.

has achieved 21,990 megawatt-hours of excess conservation during the 2016-2017 biennium.

DISCUSSION

7 The Commission agrees with Staff’s recommendation and finds that PSE has complied with its reporting and other obligations under RCW 19.285.040(1)(b), RCW 19.285.070, WAC 480-109-040(1), and Order 01 in this docket.

FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including electric companies.

9 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.

10 (3) PSE serves more than 25,000 customers within the state of Washington, and is a “qualifying utility” within the meaning of RCW 19.285.030(16).

11 (4) PSE has achieved 565,071 megawatt-hours of conservation during the 2016-2017 biennium, exceeding its target of 537,078 megawatt-hours. PSE has complied with RCW 19.285.040(1)(b).

12 (5) Puget Sound Energy has applied 27,993 megawatt-hours of conservation during the 2016-2017 biennium towards satisfying its decoupling conservation commitment.

13 (6) Puget Sound Energy has achieved 21,990 megawatt-hours of excess conservation during the 2016-2017 biennium.

14 (7) PSE has met the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1).

15 (8) PSE has complied with Order 01 in this docket.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Puget Sound Energy has complied with reporting requirements pursuant to WAC
480-109-120 and RCW 19.285.070.
- 17 (2) Puget Sound Energy has complied with the requirements in Order 01.
- 18 (3) Puget Sound Energy achieved 565,071 megawatt-hours of conservation during the
2016-2017 biennium.
- 19 (4) Puget Sound Energy has applied 27,993 megawatt-hours of conservation during
the 2016-2017 biennium towards satisfying its decoupling conservation
commitment.
- 20 (5) Puget Sound Energy has achieved 21,990 megawatt-hours of excess conservation
during the 2016-2017 biennium.

DATED at Olympia, Washington, and effective August 9, 2018.

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner