

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY'S

2014-2015 Biennial Conservation Target
Under RCW 19.285.040

DOCKET UE-132043

ORDER 05

ORDER REGARDING
CONSERVATION ACHIEVEMENT
FOR THE 2014-2015 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 2014-2015 biennial conservation target of 485,770 megawatt-hours. The Washington Utilities and Transportation Commission (Commission) approved that target in Order 01 in this docket (Order 01).
- 2 On May 31, 2016, as required by Order 01, RCW 19.285.070(1), and WAC 480-109-040(1)(a), PSE filed its 2014-2014 Biennial Electric Conservation Report (Report). PSE reported that it had achieved 552,596 megawatt-hours of electric conservation during the 2014-2015 biennium, exceeding its biennial target of 485,770 megawatt-hours. PSE also reported that it had met all of the requirements of Order 01 over the course of the biennium.
- 3 Beginning January 1, 2014, conservation achieved above a utility's conservation target can be claimed as excess savings to meet shortfalls in subsequent biennia.¹ PSE achieved savings during the 2014-2015 biennium beyond both its base Commission target and its five percent additional savings decoupling commitment. Commission staff (Staff) finds PSE achieved 38,906 megawatt-hours of excess savings. No single large facility savings have been identified by PSE.

¹ RCW 19.285.040(1)(c)(i) and WAC 480-109-100(3)(c).

- 4 To address whether excess savings should be allowed to make up for a shortfall in PSE's decoupling commitment, Staff recommends that PSE file a petition with the Commission in its decoupling docket, UE-121697. The petition should request clarification about whether any penalty for missing a decoupling commitment would be calculated in the company's current Biennial Conservation Plan docket.
- 5 On June 3, 2016, 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 Staff, the NW Energy Coalition (Coalition), and the Industrial Customers of Northwest Utilities (ICNU). The Coalition and ICNU addressed the treatment of excess conservation savings for meeting decoupling commitments. ICNU cautioned that allowing excess savings to meet decoupling commitments could diminish the impact of the decoupling commitment in future biennia. The Coalition was silent about whether excess savings should be eligible for meeting a decoupling commitment, but believes that, if allowed, utilities should not double count savings in multiple biennia. The Coalition also encouraged the Company to pursue future conservation targets that are more in line with their actual past achievement, given that it has handily exceeded its target each of the last three biennia.
- 6 At the recessed Open Meeting on August 12, 2016, the Commission heard oral comments from Staff, Public Counsel, the Coalition, and ICNU. Public Counsel supports Staff's recommendation. ICNU also supports Staff's recommendation, but would like more discussion related to decoupling. The Coalition supports Staff's recommendation as it relates to large facilities, non-energy benefits, and real-time monitoring, but does not support using excess saving for conservation. Instead, the Coalition would like to see real-time measurements.
- 7 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 552,596 megawatt-hours of conservation during the 2014-2015 biennium; (4) PSE has applied 27,920 megawatt-hours of conservation during the 2014-2015 biennium towards satisfying its decoupling conservation commitment; and (5) PSE has achieved 38,906 megawatt-hours of excess conservation during the 2014-2015 biennium.

DISCUSSION

8 The Commission agrees with Staff 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

- 9 (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.
- 10 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.
- 11 (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).
- 12 (4) PSE has achieved 552,596 megawatt-hours of conservation during the 2014-2015 biennium, exceeding its target of 485,770 megawatt-hours. PSE has complied with RCW 19.285.040(1)(b).
- 13 (5) PSE has met the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1).
- 14 (6) PSE has complied with Order 01 in this docket.

ORDER

THE COMMISSION ORDERS:

- 15 (1) Puget Sound Energy has complied with reporting requirements pursuant to WAC 480-109-120 and RCW 19.285.070.
- 16 (2) Puget Sound Energy has complied with the requirements in Order 01.
- 17 (3) Puget Sound Energy achieved 552,596 megawatt-hours of conservation during the 2014-2015 biennium.

- 18 (4) Puget Sound Energy has applied 27,920 megawatt-hours of conservation during the 2014-2015 biennium towards satisfying its decoupling conservation commitment.
- 19 (5) Puget Sound Energy has achieved 38,906 megawatt-hours of excess conservation during the 2014-2015 biennium.

DATED at Olympia, Washington, and effective August 15, 2016.

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner