

Affiliated Tribes of Northwest Indians  
AirWorks, Inc.  
Alaska Housing Finance Corporation  
Alliance to Save Energy  
Allumia  
Alternative Energy Resources Organization  
Ameresco  
American Rivers  
Backbone Campaign  
Beneficial State Bank  
BlueGreen Alliance  
Bonneville Environmental Foundation  
Byrd Barr Place  
City of Ashland  
City of Seattle Office of Sustainability & Environment  
CleanTech Alliance  
Climate Smart Missoula  
Climate Solutions  
Community Action Center of Whitman County  
Community Action Partnership Assoc. of Idaho  
Community Action Partnership of Oregon  
Community Energy Project  
Earth Ministry  
Ecumenical Ministries of Oregon  
eFormative Options  
Elevate Energy  
Energy350  
EnergySavvy  
Energy Trust of Oregon  
Environment Oregon  
Environment Washington  
Forth  
Global Ocean Health  
Green Energy Institute at Lewis & Clark Law School  
Grid Forward  
Homes for Good  
Home Performance Guild of Oregon  
Human Resources Council, District 18  
Idaho Clean Energy Association  
Idaho Conservation League  
Idaho Rivers United  
League of Women Voters Idaho  
League of Women Voters Oregon  
League of Women Voters Washington  
Montana Audubon  
Montana Environmental Information Center  
Montana Renewable Energy Association  
Multnomah County Office of Sustainability  
National Center for Appropriate Technology  
National Grid  
Natural Resources Defense Council  
New Buildings Institute  
Northern Plains Resource Council  
Northwest EcoBuilding Guild  
Northwest Energy Efficiency Council  
NW Natural  
OneEnergy Renewables  
Opportunities Industrialization Center of WA  
Opportunity Council  
Oracle  
Oregon Citizens' Utility Board  
Oregon Energy Fund  
Oregon Environmental Council  
Oregon Physicians for Social Responsibility  
Oregon Solar Energy Industries Association  
Pacific Energy Innovation Association  
Pacific NW Regional Council of Carpenters  
Portland Energy Conservation, Inc.  
Portland General Electric  
Puget Sound Advocates for Retirement Action  
Puget Sound Cooperative Credit Union  
Renewable Northwest  
Save Our wild Salmon  
Seattle City Light  
Sierra Club  
Sierra Club, Idaho Chapter  
Sierra Club, Montana Chapter  
Sierra Club, Washington Chapter  
Small Business Utility Advocates  
Snake River Alliance  
Snohomish County PUD  
Solar Installers of Washington  
Solar Oregon  
Solar Washington  
South Central Community Action Partnership  
Southeastern Idaho Community Action Agency  
Spark Northwest  
Spokane Neighborhood Action Partners  
Sustainable Connections  
The Climate Trust  
The Energy Project  
Transition Missoula  
UCONS, LLC  
Union of Concerned Scientists  
United Steelworkers of America, District 12  
Washington Environmental Council  
Washington Physicians for Social Responsibility  
Washington State Community Action Partnership  
Washington State Department of Commerce  
Washington State University Energy Program  
YMCA Earth Service Corps  
Zero Waste Vashon



NW Energy Coalition  
for a clean and affordable energy future

December 5, 2019

Mark Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250

*Re: Docket No. UE-190905, Puget Sound Energy's Ten-Year  
Achievable Conservation Potential, Biennial Conservation Target, and  
Biennial Conservation Plan for 2020-2021*

The NW Energy Coalition (NVEC or Coalition) appreciates the opportunity to comment on Puget Sound Energy's (PSE or the Company) 2020-2021 Biennial Conservation Target and Biennial Conservation Plan (BCP). The Coalition is an active participant in the Company's Conservation Resource Advisory Group (CRAG) and in the Company's Integrated Resource Plan Technical Advisory Group (IRP TAG), both of which help guide the utility's acquisition of conservation. We were also a participant in the Statewide Advisory Group (SWAG), which discussed issues in 2018 and 2019 related to the treatment of NEEA savings, in addition to other issues of common interest.

The passage of Clean Energy Transformation Act (CETA) underlines the continued importance of conservation and customer-side programs and thus this BCP process: one of the core requirements of CETA is that every utility must reduce or manage their overall load through cost effective, reliable and feasible conservation, energy efficiency and demand response measures, and this requirement in CETA is specifically prior to the requirement to achieve 100% clean energy to meet demand. We understand that, with current rulemakings in process affecting utility resource and system planning, the context in which the Company is developing its 10-year conservation potential, the two-year target, and its BCP are in a state of flux. However, we expect the Company to pursue robust customer-side programs and initiatives to fulfill the intent of CETA, in addition to EIA requirements.

We generally support PSE's initial filing and look forward to an update in the spring of 2020 that includes an updated target that incorporates a social cost of greenhouse gases (GHGs) and description of how the Company will change its programming to reflect that update.

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We appreciate the Company's thorough filing and the CRAG meetings held throughout the year to incorporate advice and share information. Below are a few additional comments for the Company and the Commission to consider.

### NEEA Savings

We concur with the agreement made related to the treatment of NEEA savings in an EIA target for 2020-2021, as discussed in the SWAG memo.<sup>1</sup> We would note, however, that with the implementation of new legislation, there may need to be changes in how market transformation savings and achievement will be treated in other utility targets in the future.

### Hard-to-Reach and Underserved Markets and Highly Impacted and Vulnerable Communities

In the past few years, stakeholders have spoken about hard-to-reach and underserved markets, and the recent CETA legislation references highly impacted and vulnerable communities, in reference to those being served or not served by clean energy and efficiency programs and their related benefits. While there are some differences in definition for all these terms, we group them together here as there is likely substantial overlap in the kinds of groups who are hard-to-reach or underserved and those who are highly impacted or vulnerable.

During the 2018-2019 biennium, PSE participated in two efforts related to assessing conservation acquisition in hard-to-reach and underserved markets:

1. Northwest Power and Conservation Council's "Northwest Under-served Energy Efficiency Markets Assessment."<sup>2</sup> This report included data and analysis from multiple utilities assessing their programs and whether particular customer segments are underserved. While the NW Energy Coalition raised concerns that this report did not truly fulfill the intent of the related 7<sup>th</sup> Power Plan Action item in finding ways to achieve conservation from underserved and hard-to-reach markets<sup>3</sup>, we appreciated that Puget Sound Energy took efforts to analyze its program data from different perspectives, including participation, utility savings, and investment.
2. A manufactured home study, in conjunction with UTC staff and Cadmus, with advice from a workgroup.<sup>4</sup> Overall, we found this study to be interesting analysis of the segment of the market that we have not seen in other research venues, so we

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<sup>1</sup> See UE-171087, 2018 Annual Report of Washington State Investor Owned Utility Energy Efficiency Joint Advisory Group Activities and Outcomes, June 11, 2019.

<sup>2</sup> NW Power & Conservation Council, "Northwest Under-served Energy Efficiency Market Assessment." August 2018. Available at: <https://www.nwcouncil.org/reports/northwest-under-served-energy-efficiency-markets-assessment>

<sup>3</sup> See Comments of NW Energy Coalition, July 5, 2018. Available at:

<https://nwcouncil.app.box.com/s/ymtc9wtynoipoq0x1prn26aaltlip44/file/303892232054>

<sup>4</sup> Cadmus for PSE. "Manufactured Homes Market Assessment." July 2019. Available as part of this filing: <https://www.utc.wa.gov/layouts/15/CasesPublicWebsite/GetDocument.ashx?docID=13&year=2019&ocketNumber=190905>

appreciate PSE and Cadmus undertaking this work. This report highlights that there is still significant potential for conservation in these homes in PSE's service territory, but that there are unique or amplified programmatic barriers that may prevent manufactured homes residents from taking advantage of conservation programs, as compared to other those living in site-built homes.

These efforts, while providing valuable insights and information, highlight program data gaps on knowing who is served by programming. Under CETA, one of the intents of the legislation is that all customers, particularly highly impacted and vulnerable communities, will experience equitable energy and nonenergy benefits in the transition to clean energy. Under the 7<sup>th</sup> Power Plan, there is an acknowledgement that the Region will not be able to meet its efficiency acquisition needs if there are markets underserved by efficiency programming. However, how can these outcomes be measured if we do not have the data? More granular data about customers served and how they are served will become an increasingly important part of measuring program success.

There will many more discussions in the CRAG and other regulatory venues on these topics as CETA is implemented. For the upcoming biennium, we request that PSE find ways to report its program accomplishments in more granular ways—where are participating customers and what are their characteristics? There will likely be a need to collect more information on those customers who are served in order to have a better picture of the needs. This kind of data can help inform a richer discussion on program barriers and opportunities.

The SWAG or another collaborative venue may be a useful group to convene to hold further discussions on data collection and research.

### Nonenergy Impacts/Benefits

Related to the above, understanding how nonenergy benefits can flow equitably to all customers will require knowing more about the nonenergy benefits themselves. Staff has proposed some conditions for the utilities related to conducting research on the nonenergy impacts in the coming biennium. We are supportive of these ideas, and encourage Staff to facilitate common venues to discuss this work to minimize duplication.

### Financing and Alleviating Upfront Costs of Measures

One of the key reasons that customers do not implement certain efficiency measures is due to the upfront first costs of those improvements. As much of the lighting potential is going away due to increased standards and/or market saturation, the remaining conservation potential throughout the Region is generally higher cost/longer payback measures, such as weatherization, windows, or heat pumps. Low cost and/or accessible financing is a needed tool to help customers be able to purchase these products.

As outlined in the BCP, the Company will continue reviewing options for access to financing for customers and will share the results with the CRAG in 2020. We continue to believe

that access to financing will be very important for acquiring more conservation in the future, and believe that utilities are well-suited to facilitating these transactions.

## Pilots

The Company plans to implement a few pilots in the coming biennium, a few of which we provide comment below.

*Home Energy Assessments:* Due to new lighting standards, the previous iteration of the home energy assessments was not cost-effective, as most of the savings had come from lighting installations. A new program pilot will focus on “moderate income and vulnerable communities.” Given the likely overlap with many low-income populations who may qualify for services provided through Community Action Agencies, the contractor implementing the home energy assessments should have a process for how to refer a customer for further services; it seems that this is in place, but we want to iterate its importance. This pilot may also be a good opportunity to survey customers on barriers to participating in other conservation programs, similar to the survey intent in the manufactured home report.

*Continuation of Pay for Performance Pilot:* NWECC is very supportive of the Pay for Performance Pilot that PSE will be continuing in the coming biennium. While we know that participation has thus far been low, we think that there are programmatic changes (which the company is pursuing) and communication work that can be done with vendors who can “sell” the program to building owners. In addition, as the Clean Buildings Act (RCW 19.27A.200-240) is implemented, the marketing for this program could leverage the requirements of that bill to drive more interest. We appreciated the participation of PSE staff in a workshop in September to discuss regional Pay for Performance programs and how to drive more participation.

*Targeted DSM Programming:* In the coming biennium, the Company plans to pursue targeted incentives in at least two geographic areas to avoid more expensive capital investments. We are generally supportive of these efforts, but acknowledge that the roll out of these programs could be challenging and that strong evaluation will be important. We also note that, with the implementation of CETA, avoided energy or capacity costs may not be the only benefit of a program such as this—ensuring the equitable distribution of energy and nonenergy benefits could include targeted programs for certain customer groups in the future.

## Other Comments

*Manufactured Home Programming and Outreach:* The Company noted a number of ways that they plan to specifically address manufactured home customers, leveraging some of the findings of the Cadmus report, noted above. Manufactured homes and how to serve this unique market have been a topic of interest the last few biennia; we propose some discussions with the CRAG in 2020 about how the enhanced offerings or outreach may be working or other ways to adaptively manage these offerings.

*Proposed Conditions:* Staff has proposed some edits to the conditions that govern the BCPs and Staff and the utilities have iterated on these conditions over the last few months. The NW Energy Coalition has been involved in the discussions and generally agrees with the proposed conditions as provided by Staff on November 27.

*Demand Response:* If the Company explores demand response programming, we recommend a discussion with the CRAG on how the programming will be rolled out in coordination with efficiency programs.

I plan to attend the December 17 recessed open meeting in person.

Respectfully submitted,

Amy Wheelless  
Policy Associate