

## **Puget Sound Energy**

### **RCW 19.29A.090 (voluntary option to purchase qualified alternative energy resources — rates, terms, and conditions — reports) Annual Report September 2011 – August 2012**

#### Description of Alternative Energy Resource Options

The Puget Sound Energy (PSE) Green Power program has been available to customers through Schedule 135 since January 1, 2002. Customers can enroll over the phone, on-line, through bill inserts in their monthly bills, or via business reply cards distributed through brochures, at events, or in direct mail pieces. Customers have the option to buy green power in increments of \$2.00 per month, with a \$4.00 per month minimum; or they can elect to purchase enough to cover 100 percent of their electric usage, kilowatt hours (kWh) usage multiplied by \$0.0125. On average, participating residential customers purchase over \$7.00 of green power per month and commercial customers participate at an average of just under \$30.00 per month. The green power charge reoccurs each month until the customer either notifies PSE to stop or moves to a new location outside of our service territory. Since July 2005, the program has also included a large volume rate option under Schedule 136. Customers must purchase 1,000,000 kWh or more and make a purchase commitment for a minimum of one year. Twenty-five businesses and government agencies are currently enrolled in this program under the large volume rate.

#### Notable Marketing Activity

- PSE issued an RFP for third-party marketing support of the Green Power Program in August 2011. After careful review of the proposals, another performance-based, four-year contract to 3Degrees was chosen -- an outreach firm dedicated to advancing renewable energy markets. Since we began working with 3Degrees in January 2009, participation in the program has grown by over 56 percent.
- PSE continued to use direct mail as an outreach method to increase enrollments. Data analysis is utilized to select the customers who receive a letter and postage paid business reply card. Customers can also enroll online or by calling a PSE Energy Advisor. A June direct mail campaign had a response rate of .6 percent.
- In August of 2011, the program began an outreach initiative with the PSE Customer Access Center. Call center agents are encouraged to briefly introduce customers to the Green Power Program option when they call to establish new service, etc. Since the start of the initiative, agents have enrolled 2,496 customers. Year-to-date enrollments total 1,586, which now represents one of our top enrollment channels.
- On September 11, 2012, the Green Power Program trained staff at PSE's third-party call center, which takes the bulk of PSE's move-in/move-out customer calls. Agents at ATI have begun informing customers of the Green Power option, and have already enrolled 48 new customers in the first two weeks of the initiative.
- 3Degrees continues to hire and train PSE Green Power program outreach staff to attend local area fairs and events as well as tabling at retail locations and libraries. Direct community outreach accounts for more than one-third of PSE's Green Power program enrollments.
- In January, 2012, PSE launched the MI Gets Green Challenge in partnership with the City of Mercer Island and several non-profits. The goal is to increase green power participation to 650 participants; a 34 percent increase. As of September 1, 2012, Mercer Island residents met the goal and earned a \$25,000 grant for a solar demonstration project on their community center. We have since set a stretch goal of 750 enrollments by the end of the year.
- In December 2011, PSE wrapped up our Flip the Switch to Green Power campaign with the City of Olympia and the City of Lacey -- a challenge to increase the enrollments in those two in 2011. As a result of the challenge, PSE has committed to providing the City of Olympia with a \$20,000 grant and the City of Lacey with a \$10,000 grant to be used for solar demonstration projects. We have been working with the cities to determine the best use of their grant funds.

- In 2011, PSE ran a Solar Sweepstakes campaign. PSE customers that enrolled or upgraded their participation in the Green Power program were automatically entered to win a PV system for their home valued at \$10,000. The campaign ran through October 30<sup>th</sup>, and generated over 3,000 enrollments through bill inserts, direct mail, incoming calls, the website and events. In early December we awarded a Bellingham couple with the \$10,000. The system was installed in early 2012. This month, the Center for Resource Solutions awarded PSE with the Best Marketing Campaign by a Green Power Supplier for the innovative nature of the campaign.
  - In the first quarter of 2012, PSE offered new customers a PSE Green Power program branded, stainless steel water bottle for enrolling, or upgrading their participation in the program. Similar to other campaigns, the incentive was offered through bill inserts, the PSE website, and PSE Energy Advisors.
- In addition to the campaigns listed above, PSE continued to communicate to existing and potential customers through bill inserts and newsletters sent out twice a year. Much of this year's communication focused on highlighting a few of our green power producers and commercial customers.

#### Green Power Program Rate of Customer Participation

33,746 Customers Total

32,800 Residential (electric meters)  
946 Commercial (electric meters)

#### Qualified Alternative Energy Resources Purchased by Green Power Customers between September 1, 2011 and August 31, 2012

359,590 Megawatt Hours (MWh) Total

238,492 Residential  
121,097 Commercial

#### Utility Investment in Qualified Alternative Energy Resources

For the period September 1, 2011 through August 31, 2012, PSE paid \$2,615,873 for renewable energy credits (RECs). Sources of those RECs included the Bonneville Environmental Foundation and 3Degrees for wind, biomass, biogas and solar RECs, VanderHaak Dairy, Qualco Dairy, Farm Power Rexville, Farm Power Lynden, and Van Dyk S-Holstein for animal waste to energy RECs; the Ellensburg Community Solar project for solar RECs; and Nooksack Falls for qualified, low-impact hydro RECs. In addition, we are sourcing some out-of-region wind RECs from the South Dakota Tatanka Wind Farm for our large volume customers.

#### Other Renewable Investments

PSE has commitments for a \$20,000 grant to the City of Olympia; and a \$10,000 grant to the City of Lacey for solar demonstration projects. The cities are still involved in internal discussions about where to put the projects, but PSE is prepared to provide funding as soon as they are ready. In addition, PSE made \$100,000 in payments to Rainier Biogas for the first 12,500 RECs produced by the project. This payment has helped the project developer overcome some of the high up-front costs of the project.

#### Results in Pursuing Aggregated Purchasing Opportunities

N/A