

EXHIBIT NO. JOINT-5
DOCKET NO. UE-070725
WITNESSES: ERIC E. ENGLERT
SANDRA M. SIEG
DANIELLE O. DIXON
ANN E. GRAVATT
CHARLES M. EBERDT

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Amended Petition of

PUGET SOUND ENERGY, INC.

**For an Order Authorizing the Use of the
Proceeds From the Sale of Renewable
Energy Credits and Carbon Financial
Instruments**

Docket No. UE-070725

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL JOINT TESTIMONY OF
ERIC E. ENGLERT, SANDRA M. SIEG, DANIELLE O. DIXON,
ANN E. GRAVATT, AND CHARLES M. EBERDT**

FEBRUARY 18, 2010

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket Nos. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

PUBLIC COUNSEL DATA REQUEST NO. 003

PUBLIC COUNSEL DATA REQUEST NO. 003:

What are estimated annual customer benefits which are expected to be derived from PSE's proposed use of REC and CFI (REC Proceeds) to subsidize low-income renewable energy and energy efficiency programs?

Response:

The goal of the proposed programs is to enhance the installation of energy efficiency in low-income homes by overcoming significant barriers to that installation, providing additional funding for energy efficiency measures, and expanding the proliferation of renewable technologies in low-income residential locations.

For the purpose of Puget Sound Energy, Inc.'s ("PSE") Response to Public Counsel Data Request No. 003, "benefit" is defined as something that aids or promotes well-being by the undertaking of energy efficiency improvements.

Renewables

For these proposed renewable energy projects, Joint Parties believe that renewable energy should not be limited to customers who can afford the up-front costs. The low income facilities will directly benefit by reduced electric bills, and the agencies will benefit from the training and hands-on experience. There are also broader benefits for all customers, including reduced electricity consumption, cleaner air, a more efficient use of the electric distribution system, a more efficient use of generation resources, reduction in peak capacity demand, and improved system reliability (please see Joint Testimony, Exhibit No. ____ (JOINT-1T), pages 18 and 19).

Energy Efficiency

With regard to low-income energy efficiency, benefits (including health and safety, increased units served, and increased energy efficiency measures installed) would be derived from the comprehensive weatherization and repair of low income units that would otherwise not occur without this funding. In particular, the proceeds would fund

repairs that are necessary before weatherization measures can be installed, thus allowing for the additional annual benefit of the energy efficiency measures.

If funding is approved, application of funds is estimated to result in the following repairs:

- Mechanical ventilation (20%)
- Roof repair (20%)
- Repair of under floor leaks (20%)
- Wiring Repair (including knob and tube replacement (20%)
- Furnace repair and replacement (6%)
- Water tank replacements and repair (4%)
- Vapor barriers (5%)
- Other (5%)*

*Includes repairs such as combustion safety testing, carbon monoxide detector, in-home education, space heater replacement, door sweeps/weather stripping, smoke alarms, and some energy efficiency measures such as insulation.

As stated, the top four repair categories include: mechanical ventilation, roof repair, repair of under floor leaks, and electrical. Historically, program funding has been inadequate to fund three of the four major sets of repairs listed above (roof repairs, floor repairs, and electrical). Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 003, please find a summary page of estimated application of funding. Estimates show that 60% of the additional repair funding would be applied to those repair categories currently underfunded.

In addition to increased energy efficiency benefits (described in detail below), the following health and safety benefits are achieved when the above repair measures are completed:

- Mold and mildew abatement,
- Carbon monoxide safety,
- Structure preservation,
- Electrical safety.

The existence of adequate repair funds also creates some administrative efficiency for the serving agency because they do not experience the cost of qualifying a client and assessing a unit that results in stranded measures or walking away entirely.

Estimated Energy Efficiency Benefits resulting from these repairs:

The historical distribution of repair funds reflects an application of funds guided by the presence of other funding sources for repair, but the lack of repair funding has always been a barrier to energy efficiency measure installation. As noted above, future allocation of repair dollars, if approved, would reflect more investment in wiring, roof,

and flooring/under floor related repair. When installation of a major measure, such as ceiling insulation and sealing, cannot be performed because repair funds are not available, agencies are left with the choice of delaying installation of any measures until some indeterminate future date when repair funds are available, or stranding that particular measure. In the latter case there is no guarantee the stranded measure will be recovered because the administrative and implementation (travel, set up, etc.) costs may be too great to justify returning for a single measure.

Additional funding for repairs would allow for an increased installation rate of the following measures in the PSE Residential Low-Income Program:

- Ceiling Insulation,
- Floor Insulation,
- Duct Insulation,
- Structure Sealing (Air Sealing),
- Wall Insulation,
- Window Replacement.

Estimated energy savings benefits: 425,299 kWh to 827,269 kWh per year.

Please see Attachment A to PSE's Response to Public Counsel Data Request No. 004 for calculations supporting such energy savings.

**Attachment A to PSE's Response to Public
Counsel Data Request No. 003**

Measure Category	2008 Dollars Spent	2009 Dollars Spent	Average Dollars Spent	2008 % Total Dollars Spent on Energy-Related Repairs	2009 % Total Dollars Spent on Energy-Related Repairs	Average % Total Dollars Spent on Energy-Related Repairs
Mechanical Ventilation	\$62,834	\$88,581	\$75,707	50%	73%	62%
Ground Vapor Barrier	\$13,415	\$11,292	\$12,353	11%	9%	10%
Water Heater Repair and Replacement	\$13,730	\$5,261	\$9,496	11%	4%	8%
Furnace Repair and Replacement	\$18,379	\$8,663	\$13,521	15%	7%	11%
Other	\$17,487	\$7,429	\$12,458	13%	7%	10%

Top needed repairs, in addition to mechanical ventilation, for which funding has been inadequate:

Measure Category
Floor Repair
Electrical
Roof Repair

Summary: Estimated Application of Funding by PSE Residential Low Income Program
80% of the funding applied to floor repair, electrical, roof repair, and mechanical ventilation

Measure Category	Frequency
Mechanical Ventilation	20%
Ground Vapor Barrier	5%
Water Heater Repair and Replacement	4%
Furnace Repair and Replacement	6%
Floor Repair	20%
Electrical	20%
Roof Repair	20%
Other	5%
Total	100%