

Exhibit No. \_\_\_\_ (NEH-11)

Docket No. U-072375

Witness: Nancy E. Hirsh

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Joint Application of**

**PUGET HOLDINGS LLC**

**and**

**PUGET SOUND ENERGY, INC.**

**For an Order Authorizing Proposed Transaction**

**Docket No. U-072375**

**EXHIBIT TO TESTIMONY OF**

**NANCY E. HIRSH**

**ON BEHALF OF NW ENERGY COALITION**

*PSE Greenhouse Gas Policy*

**June 18, 2008**

**PSE Greenhouse Gas Policy Statement<sup>1</sup>**  
**March 2007**

Puget Sound Energy (PSE) recognizes and concurs with the growing concern that increased atmospheric concentrations of greenhouse gases contribute to climate change and that such change can have global adverse economic and social consequences. While motor vehicles and the transportation industry emit a significant amount of all such greenhouse gases, PSE also recognizes that most of the world still relies on fossil fuels for much of its electric power and heating needs. Further, affordable electric power is essential to the long term growth and income prospects for the peoples of the world, including the PSE service territory. Accordingly, it is crucial that climate change policies balance a number of competing short-term and long-term interests to moderate the growth in greenhouse gas emissions while encouraging growth of the economy.

PSE believes that climate change is a very important issue that requires careful analysis and reasoned responses from policy makers. To that end, PSE advocates a national strategy that achieves both short-term measures designed to lessen the growth of greenhouse gas emissions and long-term strategies that will ultimately manage greenhouse gas emissions to appropriate levels in a cost-effective, scientifically sound, and sustainable fashion. In furtherance of the strategy that reduces near-term growth of greenhouse gases, PSE's policy is to take cost-effective measures to mitigate and/or offset greenhouse gas emissions from our energy activities while maintaining a dependable, cost-effective and diverse energy portfolio mix that will sustain our customers' needs now and into the future. The specific near-term strategies PSE will continue to explore and implement include the following:

1. Pursuit of a diverse energy portfolio mix of resources that includes renewable generation;
2. A pledge to work with our partners in the utility industry, state government and national government to explore and evaluate opportunities to reduce greenhouse gas emissions;
3. Continue and develop a strong energy efficiency program;
4. Support the advancement of scientific understanding of climate change;
5. Support a market-based national system (e.g., "cap and trade" or carbon tax) or subnational system that covers a large enough area to prove cost effective and useful;
6. A call for the removal of barriers and disincentives to the advancement of the aforementioned recommendations (e.g., governmental facilitation of transmission from renewable energy projects), and
7. Government incentives that will foster the development of renewable generation and other greenhouse gas reducing technologies.

Energy drives the economy. Sustainable energy is an essential component of sustainable development. Global and national problems ultimately require global and national solutions. However, PSE believes it is taking and will continue to take appropriate steps to meet the goal of providing cost effective and reliable energy while decreasing the impact on climate change through the implementation of these measures.

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<sup>1</sup> <http://www.pse.com/energyEnvironment/renewableenergy4/Pages/policyGreenhouseGas.aspx>