



Puget Sound Energy
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Records Management
 Nov 15, 2024

November 15, 2024

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Jeff Killip
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

**Re: Dockets UE-230892 and UG-230893
 2025 Annual Conservation Plan**

Dear Executive Director Killip,

Consistent with WAC 480-109-120(2), Puget Sound Energy (PSE) presents its 2025 Annual Conservation Plan (ACP), which provides updates and revisions to its 2024-2025 Biennial Conservation Plan (BCP). The ACP discusses adaptive management steps that PSE applied to its Energy Efficiency programs, operational processes, and systems. This focus on continuous improvement in each department is designed to meet PSE’s customer expectations, achieve energy conservation goals, and prudently apply Conservation Rider funds that customers entrust to PSE.

This Plan complies with the recently passed Washington Initiative 2066 Natural Gas Policies Measure by including residential natural gas equipment rebates that were previously set to be removed on Jan. 1, 2025, by House Bill 1589. Prior to the passage of Initiative 2066, PSE prepared a draft filing removing certain programs pursuant to HB 1589. These draft filings were reviewed by the Advisory Group and they were made aware of PSE’s intent to reinstate the programs in the filed version should Initiative 2066 pass. Table 1 below shows the savings and budgets reinstated in the filed plan that were removed from the draft filing.

Table 1: Residential Natural Gas Rebates Reinstated in the ACP

Residential Natural Gas Rebates			
Program	Impact to Budget	Impact to Savings (therms)	Rebates reinstated from draft documents
Low Income Weatherization	\$ 311,783	5,402	Furnaces, Water heaters
Single Family Existing Water Heat	\$ 472,413	56,012	Tankless water heater
Single Family Existing Space Heat	\$ 974,556	162,414	Furnaces
Residential Midstream HVAC and Water Heat	\$ 540,146	76,404	Tank water heaters, Space heat boilers
Multifamily Retrofit	\$ 52,000	4,500	Furnaces, Water heaters
Total change	\$ 2,350,898	304,732	

The ACP consists of several documents:

- ACP Overview
- Exhibit 1: Savings and Budgets
- Exhibit 2: Cost-Effectiveness Calculations
- Exhibit 3: Program Details
- Exhibit 5: NEEA’s 2025 Planned Activities Report
- Exhibit 5, Supplement 1: NEEA Cycle 7 Natural Gas Business Plan Value Delivery for PSE

The ACP Overview contains extensive discussions on the key drivers of saving and budget revisions that were originally indicated in the 2024-2025 BCP. Additionally, Exhibit 1 contains a page that compares original 2025 numbers to updates on a program-by-program basis.

Table 2 provides 2025 Portfolio savings and planned expenditures for both electric and natural gas sectors with comparisons to the originally indicated values. PSE is currently on track to exceed its two-year electric and natural gas conservation targets.

Table 2: 2025 Energy Efficiency Savings Goals and Budgets

2025 Energy Efficiency						
Portfolio Amounts						
	Originally Indicated		Updated ACP Values		Revised TRC	Revised UCT
	Savings	Budgets	Savings	Budgets		
Electric	207,614 MWh	\$126,776,073	206,521 MWh	\$136,419,201	1.61	1.97
<i>Percent Change</i>			<i>-0.5%</i>	<i>7.6%</i>	<i>(BCP: 1.73)</i>	<i>(BCP: 2.12)</i>
Natural Gas	3,460,204 Therms	\$29,071,274	3,829,765 Therms	\$35,574,179	1.47	1.43
<i>Percent Change</i>			<i>10.7%</i>	<i>22.4%</i>	<i>(BCP: 1.25)</i>	<i>(BCP: 1.35)</i>
Total Budget		\$155,847,346		\$171,993,379		
<i>Percent Change</i>				<i>10.4%</i>		

Consistent with WAC 480-109-110(3), PSE provided an electronic version of ACP files to its Conservation Resource Advisory Group (CRAG) on Oct. 15, 2024.

The entire Annual Report package consists of:

- UE-230892-UG-230893-PSE-2025-ACP-Annual-Conservation-Plan.pdf
- UE-230892-UG-230893-PSE-2025-ACP-Exh-1-Savings-and-Budgets.xlsx
- UE-230892-UG-230893-PSE-2025-ACP-Exh-2-Cost-Effectiveness.xlsx
- UE-230892-UG-230893-PSE-2025-ACP-Exh-3-Program-Details.pdf
- UE-230892-UG-230893-PSE-2025-ACP-Exh-5-NEEA-2025-Planned-Activities-Report.pdf

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- UE-230892-UG-230893-PSE-2025-ACP-Exh-5-Supp-1-NEEA-Cycle-7-Natural-Gas-Business-Plan-Value-Delivery-for-Puget-Sound-Energy.pdf

Please contact Dan Anderson at (425) 424-6837 for additional information about this filing. If you have any other questions, please contact me at (425) 462-3051.

Sincerely,

/s/ Wendy Gerlitz

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Enclosures

cc: Tad O'Neill, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Annual Report Package (Listed above)