

January 31, 2025

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Jan 31, 2025

***Filed Via Web Portal***

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

**Re: Puget Sound Energy Targeted Electrification Strategy (TES) Compliance Filing  
Dockets UE-220066, UG-220067, and UG-210918 (*consolidated*)**

Dear Executive Director Killip,

Puget Sound Energy (PSE) respectfully submits the attached compliance filing – PSE’s Targeted Electrification Strategy (TES) – pursuant to the Washington Utilities and Transportation Commission’s (Commission) Final Order 24/10,<sup>1</sup> which accepted PSE’s 2022 general rate case (GRC) Settlement Agreement terms in Stipulation O at ¶65 and ¶68.<sup>2</sup>

In ¶16 of Order 33/19,<sup>3</sup> the Commission amended Section 68 of the Settlement Agreement as follows:

68. Targeted Electrification Strategy. PSE will use the information and analysis from the Targeted Electrification Pilot together with the updated decarbonization study to develop a Targeted Electrification Strategy for its electric service territory ~~in its next Natural Gas Integrated Resource Plan or Progress Report following the completion of the Decarbonization Study and Targeted Electrification Pilot, and will file the Targeted Electrification Strategy as a compliance filing in this docket by January 2025, and its 2025 Gas IRP.~~ The Targeted Electrification Strategy will be based on findings from the Decarbonization Study, and the Targeted Electrification Pilot.

PSE details the specific requirements of the Settlement Agreement Stipulation O ¶68 sub-parts (a)-(i) in Table 5 of the attached TES report and states how PSE has addressed each provision within the TES report.

<sup>1</sup> *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-220066, UG-220067, & UG-210918 (*consolidated*) (*Dockets UE-220066 et al.*), Final Order 24/10, 19, ¶65(20) (Dec. 22, 2022) (Final Order 24/10).

<sup>2</sup> *Dockets UE-220066 et al.*, Appendix A to the PSE 2022 GRC Final Order 24/10 - Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and Green Direct (Aug. 26, 2022), Stipulation O, 35 and 40-42, ¶65 and ¶68 (the Settlement Agreement).

<sup>3</sup> *Dockets UE-220066 et al.*, Order 33/19, 3-4, ¶16 (Jul. 11, 2024).

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Input from interested parties and persons helped shape the TES. Throughout the process of developing the TES, PSE met with Settlement Parties and the Conservation Resources Advisory Group (CRAG) to provide progress updates and receive feedback on the direction of the TES. A summary of the meeting topics and feedback is provided in Appendix A of the report.

Stipulation O of the Settlement Agreement requires the use of a Decarbonization Study and a Targeted Electrification Pilot to inform the development of the TES. Concurrently with this TES compliance filing, PSE is also filing a Decarbonization Study Summary Report and a Targeted Electrification Pilot Report as separate compliance filings.

While PSE has no requirement to implement the TES, PSE proposed a Targeted Electrification Pilot Phase 2 in its 2024 GRC filing to implement many components of the Targeted Electrification Strategy filed herein. In the recent 2024 GRC Final Order 09/07 issued on January 15, 2025, the Commission declined to approve the proposed pilot Phase 2 for PSE's 2025-2026 multi-year rate plan.<sup>4</sup> Consequently, at this time PSE does not have any plans to implement the TES elements which were not approved by the Commission.

With this filing, PSE respectfully requests the Commission make a determination finding PSE's Targeted Electrification Strategy report to be compliant and consistent with Final Order 24/10, Appendix A (the Settlement Agreement) ¶¶65 and ¶¶68, and Order 33/19 ¶¶16-17.

Please contact Kelima Yakupova, State and Regional Policy Consultant in PSE Regulatory Policy, at (425) 462-3588 or [Kelima.Yakupova@pse.com](mailto:Kelima.Yakupova@pse.com), and Jennifer Coulson, Manager of Resource Planning and Analysis, at [Jen.Coulson@pse.com](mailto:Jen.Coulson@pse.com) for additional information about this filing. If you have any other questions, please contact me at (425) 462-3051.

Sincerely,

*/s/ Wendy Gerlitz*

Wendy Gerlitz  
Director, Regulatory Policy  
Puget Sound Energy  
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cc: Service List

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<sup>4</sup> *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-240004, UG-240005, & UE-230810 (consolidated) (Dockets UE-240004 et al.), Final Order 09/07, 108-112, ¶¶349-350 (Jan. 15, 2025) (Final Order 09/07).

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Attachments:

PSE's Targeted Electrification Strategy Report

Attachment A – Stipulation O - Settled Parties Meetings

Certificate of Service