

Description of the Options the Company is Offering its Customers

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 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, residential customers purchase \$7.00 of green power per month and commercial customers participate at an average of just over \$32.00 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 one million kWh or more and make a purchase commitment for a minimum of one year. Twenty-five businesses and government agencies have joined the program using this large volume rate.

Notable Marketing Activity:

- In late 2008, PSE signed a performance-based contract with 3Degrees -- an outreach firm dedicated to advancing renewable energy markets. The purpose of the contract is to help significantly increase residential participation in PSE's Green Power Program. Specifically, our goal is to move from a two percent participation rate (the national average) to four percent within three years. 3Degrees outreach support officially began in January, 2009.
- In February and September 2009, PSE conducted a direct mail campaign to increase enrollments. Data analysis was utilized to select the customers to receive the letter. Mailings included a postage paid business reply card in order to sign up. Alternatively, customers could enroll online or by calling a PSE Energy Advisor. The February letter yielded positive results with a nearly 2 percent response rate. We are still awaiting results from the September mailing.
- PSE and 3Degrees along with Whidbey Island municipalities have been running the Whidbey Green Power Challenge. The municipalities are buying green power as a portion of their electricity use and encouraging residents to join the program as well. The challenge launched on Earth Day 2009 and continued through Labor Day 2009. While we are still awaiting final results, we know that participation has increased by over 30 percent, earning Whidbey Island a \$20K grant for a solar demonstration project. If the final tally shows a 50 percent increase, PSE will increase the grant to \$25K.
- Beginning in April, 3Degrees began hiring and training PSE Green Power Program outreach staff to attend local area fairs and events as well as tabling at area retail locations and libraries. Community outreach staff has attended numerous events which typically accounts for about 200 hours per month.
- In September, PSE, working with 3Degrees, launched a door-to-door Courtesy Knock program whereby Green Power Program outreach associates will visit up to approximately 2,000 homes throughout PSE's service territory educating residents about the program. Each resident will receive a postcard approximately one week prior to a visit by a program representative announcing PSE's intention to visit. A door-hanger will be left if the resident is not home when the program representative knocks.
- In addition to the campaigns listed above, PSE continued to communicate to existing and potential customers through bill inserts, newsletters sent out twice a year, a coupon book featuring green power businesses, newspaper advertisements featuring leading green power businesses and at community events in the region.

Green Power Program Rate of Customer Participation

24,192 Customers Total

23,221 Residential (electric meters)  
971 Commercial (electric meters)

Amount of Qualified Alternative Energy Resources Purchased by Green Power Customers between September 1, 2008 and August 31, 2009.

298,104 Megawatt Hours ("MWh") Total

146,772 Residential  
151,332 Commercial

Amount of Utility Investment in Qualified Alternative Energy Resources

For the period September 1, 2008 through August 31, 2009, PSE paid \$1,499,115 for renewable energy credits (RECs). Sources of those RECs included the Bonneville Environmental Foundation for wind, biomass and solar RECs; VanderHaak Dairy for animal waste to energy RECs; Qualco Energy for animal waste to energy RECs; Nooksack Falls for qualified, low-impact hydro RECs; and Grays Harbor Paper LP for the RECs associated with biomass energy produced from wood waste.

Other Renewable Investments

In 2009, PSE provided a \$20,000 grant to a community group on Vashon Island which was used to leverage additional community funding for two small-scale solar energy demonstration projects installed on non-profit facilities on the island this summer. The funding came from the Green Power Program in recognition of Vashon having the highest rate of community participation in the program.

Results in Pursuing Aggregated Purchasing Opportunities

N/A