

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 bill inserts in 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, participating residential customers purchase over \$7.00 of green power per month and commercial customers participate at an average of just under \$30.00 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 1,000,000 kWh or more and make a purchase commitment for a minimum of one year. Twenty-four businesses and government agencies are currently enrolled in this program under the large volume rate.

Notable Marketing Activity

- PSE is now in its second full year of a performance-based contract with 3Degrees -- an outreach firm dedicated to advancing renewable energy markets. Stated in the contract with 3Degrees is a goal to move from a two percent participation rate (the national average) to four percent within three years. We hope to be at three percent by the end of 2010.
- In February 2010, 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 1 percent response rate. A second direct mail campaign will launch in early October.
- 3Degrees hired and trained PSE Green Power Program outreach staff to attend local area fairs and events as well as tabling at retail locations and libraries. Between April and August of this year, outreach staff obtained between 150 and 200 enrollments a month.
- In early 2010, PSE and 3Degrees partnered with Sustainable Vashon to conduct a Vashon Green Power Community Challenge. The goal was to enroll 110 new green power customers in the year 2010. Vashon Islanders reached their goal in June, well ahead of schedule and earned a \$10,000 grant from PSE Green Power for a solar project on the island. The goal has also been increased to 200 enrollments in 2010, for another \$5,000 in grant funding if they succeed.
- In April, PSE worked with 3Degrees and Celilo Media to launch the Green Power Rewards pilot program in Thurston County. Residential green power customers received plastic cards good for discounts at approximately 20 participating green power businesses in Thurston County. PSE is currently undergoing a review of the program to determine if it will be rolled out in the remainder of our territory as a replacement to the annual Green Power Coupon Book in 2011.
- In May and June, PSE ran a bill insert offering a stainless steel water bottle to each customer who enrolled in the Green Power Program. This promotion was also advertised through the Green Power Report, EnergyWise newsletter, the Green Power Program website and PSE's Energy Advisors. The campaign was considered a success, resulting in 1,093 enrollments.
- In August, PSE and 3Degrees partnered with the Bellingham Food Co-op to increase enrollments in green power in Whatcom County, while raising funds for the Co-op Farm Fund. For every person who enrolled in the Green Power Program, the Co-op Farm Fund received a \$10 donation. The campaign resulted in 41 enrollments.

- 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

28,756 Customers Total

27,834 Residential (electric meters)
922 Commercial (electric meters)

Amount of Qualified Alternative Energy Resources Purchased by Green Power Customers between September 1, 2009 and August 31, 2010.

302,612 Megawatt Hours (MWh) Total

170,918 Residential
131,694 Commercial

Amount of Utility Investment in Qualified Alternative Energy Resources

For the period September 1, 2009 through August 31, 2010, PSE paid \$1,794,321.44 for renewable energy credits (RECs). Sources of those RECs included the Bonneville Environmental Foundation and 3Degrees for wind, biomass and solar RECs; VanderHaak Dairy, Qualco Dairy, and Farm Power Rexville 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. In addition, we are sourcing some out-of-region wind RECs from the South Dakota Tatanka Wind Farm for our large volume customers.

Other Renewable Investments

In late 2009 early 2010, PSE provided a \$20,000 grant to the City of Ellensburg for phases IV and V of its community solar project. PSE's Green Power Program will take the RECs generated for 20 years from nearly seven kilowatts of thin-film PV modules. In addition, PSE provided a \$25,000 grant to the Whidbey Council of Governments, which will be used to leverage additional community funding for a community solar project to be installed at the Greenbank Farm (Port of Coupeville property) in 2011. The funding came from the Green Power Program in recognition of Whidbey Island having achieved a 50 percent increase in participation during the Whidbey Green Power Challenge.

Results in Pursuing Aggregated Purchasing Opportunities

N/A