

**PUGET SOUND ENERGY**  
**Natural Gas Tariff**

**SCHEDULE 183**

(T)

**Natural Gas Conservation Service (Continued)**

4. **DEFINITIONS:** Unless specifically indicated, the following terms when used in this schedule and in Energy Efficiency Schedules numbered between 200 and 299 shall have the meanings given below.
- a. **Avoided Cost**, also known by the terms Conservation Cost Effectiveness Standard or Energy Efficiency Cost Effectiveness Standard herein for Conservation/energy efficiency activities and/or Measures is based on forecast gas commodity market prices and includes the credits for avoided pipeline capacity and transport costs and avoided storage and distribution costs.
  - b. **Building Commissioning** is the process of verifying and documenting that the performance of building systems meets the design intent or the owner's current operational requirements.
  - c. **Conservation** means any reduction in natural gas energy consumption resulting from increases in the efficiency of energy use, production or distribution; or from demand response, load management or efficiency Measures that reduce peak capacity demand. Energy Efficiency Programs in this tariff are for the purpose of achieving Conservation. (C)  
(C)
  - d. **Energy Code** refers to the currently effective Washington State Energy Code, as amended, including amendments by local jurisdictions.
  - e. **Energy Efficiency Cost Effectiveness Standard** -- see Avoided Cost.
  - f. **Energy Efficiency Programs** are programs described in Schedules of this tariff numbered between 200 and 299.
  - g. **Environmental Attribute** is the quantifiable benefit to society associated with reduced natural gas energy use by employing the practice of energy efficiency/Conservation.
  - h. **Force Majeure** means factors, events or conditions beyond the control of the Company that negatively impact Customer participation in its Energy Efficiency Programs, such as, but not limited to, a local economic recession or natural disaster.
  - i. **Incremental Measure Cost** is the incremental cost of a natural gas efficient Measure in excess of the cost of a Measure required to satisfy existing codes or conform with existing construction practices.

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**Natural Gas Tariff**

**SCHEDULE 183**  
**Natural Gas Conservation Service (Continued)**

(T)

4. **DEFINITIONS:** (Continued)

(T)

j. **Low Income** means those residential, as prescribed in RCW 19.405.020(25), household incomes that do not exceed the higher of eighty percent of area median household income or two hundred percent of federal poverty level, adjusted for household size.

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k. **Market Transformation** means effecting permanent changes in the markets for targeted, cost-effective, energy efficiency products and services that will result in sustainable market penetration, without the need for long-term utility incentives. Market Transformation is a temporary market intervention with a clear expectation that involvement will end.

l. **Measure** is a product, device, piece of equipment, system or building design or operational practice used to achieve greater energy efficiency. Unless otherwise enumerated in a specific Energy Efficiency Program, all Measures, proposed by Customers or otherwise, shall meet or exceed the efficiency standards set forth in the applicable energy codes, or, where none exists, "standard industry practice" as determined by the Company. Measures will meet common construction practices, and meet industry standards for quality and energy efficiency.

m. **Measure Cost** is the known and measurable costs to all parties of purchasing and installing an energy-efficiency Measure at a Customer's facility, not to include the Company's administrative costs.

n. **Measure Life** is the expected life (in years) of the savings of a Measure.

o. **Non-quantifiable Benefits (or Costs):** Benefits (or costs) of undertaking energy efficiency improvements, as determined by society and the utility. Benefits (or costs) may include, but are not limited to: legislative or regulatory mandates, support for regional Market Transformation programs, low income health and safety, low income energy efficiency or experimental and pilot programs. The Company may use these Non-quantifiable Benefits (or costs) to demonstrate cost-effectiveness based on the Total Resource Cost Test.

p. **Optimization** refers to improving the energy efficiency performance of existing buildings and in existing processes, typically through low-cost operational and maintenance strategies.

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**SCHEDULE 183**

(T)

**NATURAL GAS CONSERVATION SERVICE (Continued)**

- 6. **ANALYSES (Continued):** For incremental Measures, energy savings estimates will use Energy Code requirements or, where no such code exists, standard industry practice as determined by the Company to determine minimum baseline energy use.

Measure savings used by the Company are based on, but not limited to:

- a. Company-approved Prescriptive Basis Measure savings estimates.
- b. Energy savings analyses performed on a Site-Specific Basis using Company-approved engineering analysis methods.
- c. Company-approved Performance Basis methods.

- 7. **MEASURES:** In addition to meeting the definition of Measure in Section 4, a Measure must reasonably be expected to satisfy the Total Resource Cost Test and the Utility Cost Test. The Company may, at its sole discretion, review and implement Customer-proposed Measures that meet all Measure evaluation criteria. The Company may, at its sole discretion, provide payments, funding or other remuneration that may be less than the maximum allowed under the Energy Efficiency Cost Effectiveness Standard, based on market conditions and/or available funding.

- 8. **ENVIRONMENTAL ATTRIBUTES OWNERSHIP:** Environmental Attributes, reporting rights as well as the therm savings associated with these Conservation/energy efficiency Measures installed under the Company's Energy Efficiency Programs will accrue to the ownership and beneficial use of the Company.


9. **SPECIAL CONDITIONS:**

- a. Low Income: An implementing agency approved by the Washington State Department of Commerce will receive funding up to one hundred percent of the Measure Cost for Measures that are determined by the implementing agency to be cost-effective consistent with either the Weatherization Manual maintained by the Washington State Department of Commerce or when it is cost-effective to do so using utility specific avoided costs. However, this does not prohibit an implementing agency leveraging other funding sources in combination with the Company's funding to fund Low Income Conservation projects. Measures identified through the priority list in the Weatherization Manual are considered cost-effective. In addition, an implementing agency may receive funding up to one hundred percent of repairs, administrative costs, and health and safety improvements associated with cost-effective Low Income Conservation Measures. (C)
- b. Regional Market Transformation: Northwest regional programs include projects aimed at advancing new promising technologies or changes to standards, codes and practices, which are anticipated to be cost-effective from a Total Resource Cost Test perspective over time. (C)

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