



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

March 23, 2017

Re: *Puget Sound Energy's 2016 Energy and Emissions Intensity Report*
Docket UE-160785

Ken Johnson
Director, State Regulatory Affairs
Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

On June 1, 2016, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) its first annual Energy and Emissions Intensity (EEI) report in accordance with WAC 480-109-300. Section (1) of the rule states, in part, that:

A utility must report metrics of energy and emissions intensity to the commission on or before June 1st of each year. The report must include annual values for each metric for the preceding ten calendar years.

The Commission acknowledges PSE's efforts in complying with this new reporting requirement. The Company filed the report in a timely fashion, provided solid, well-reasoned data to support its report, and the report itself was well-written, with clear, concise and accessible language.

PSE demonstrates some interesting trends, which the Commission recognized through analysis of the data provided in its report.

- The Company shows flat or decreasing energy use per-capita in its service territory.
- Emissions trends for PSE show that a business-as-usual approach is unlikely to achieve the Company's pro-rata share of the state policy goal to reduce total CO₂ emissions to 1990 levels by 2020, as described in RCW 70.235.020.

In analyzing and comparing the companies' reports, Staff identified some unanticipated differences in how PSE and other companies accounted for emissions from energy transactions, both purchases and sales. After requests from Staff, the companies, including PSE, submitted revised or supplemental reports. The Commission appreciates the PSE's efforts, as the revisions allowed Staff to more easily compare and evaluate the reports.

In addition, WAC 480-109-300(4) provides that the "energy and emissions intensity report must include narrative text and graphics describing trends and an analysis of the likely causes of changes, or lack of changes, in the metrics." In this first set of reports, the companies did not provide the quality and depth of the narrative analysis as expected – though PSE's report did include a useful analysis of the relationship between emissions intensity and precipitation. The Commission highlights this as an area for improvement in the 2016 reports, to be filed by June 1, 2017.

The Commission encourages PSE and Staff to continue working together to increase the uniformity and consistency of reporting going forward. The Commission applauds the collaborative efforts of Staff and the companies, including their recently convened technical work session.

If PSE has any questions on this matter, or wishes to discuss the contents of this letter, please contact Dave Nightingale at (360) 664-1154 or at dnightin@utc.wa.gov, or Kyle Frankiewich at (360) 664-1316 or at kfrankie@utc.wa.gov.

Sincerely,

STEVEN V. KING
Executive Director and Secretary