

PUGET SOUND ENERGY
Natural Gas Tariff

SCHEDULE 183
NATURAL GAS CONSERVATION SERVICE (Continued)

(T)

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:** Low Income Customers are qualified by government agencies, using federal low income guidelines. Approved Low Income agencies may receive Measure funding equal to the lesser of one hundred percent (100%) of the Measure Cost or the value that will result in a Total Resource Cost Benefit/Cost ratio of a minimum of 0.667. Measures will be deemed to be cost-effective if they meet either the Department of Commerce Weatherization Guide cost-effectiveness requirements, or meet a Total Resource Cost test of 0.667, whichever provides the greater assistance to qualifying Low-Income Customers. Funding is in accordance with funding described in Natural Gas Energy Efficiency Schedule No. 201. (D)
 - 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. (D)

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SCHEDULE 183
NATURAL GAS CONSERVATION SERVICE (Continued)

- c. Pilot Programs/Demonstration Projects: Pilot programs and demonstration projects may be undertaken to determine whether certain strategies and Measures are cost-effective over an extended period of time. Pilots are employed to test cost-effective ways to demonstrate market opportunities for energy efficiency. Pilots may include tests of Measure Cost and performance, Customer acceptance or delivery methods. Pilots are not subject to achieving energy savings sufficient to demonstrate cost-effectiveness in the short term.
10. **Expenditures:** For years 2020 and 2021, the Company has budgeted \$36.2 million to implement and affect cost-effective energy efficiency Measures/Conservation initiatives to achieve natural gas Conservation objectives mutually agreed to by the Company and the Conservation Resource Advisory Group ("CRAG"). (C) (I)
11. **General Rules and Regulations:** Service under this schedule is subject to the general Rules and Regulations contained in this tariff.
12. **Termination:** Programs under this tariff will terminate
- a. When any of the following or similar conditions exist or arise, with 30 days written notice to the CRAG:
- Regional economic downturn, resulting in the cancellation of all or a portion of energy efficiency projects,
 - Force Majeure, such as events affecting the environment, regional economy, infrastructure, etc.,
 - Lack of Customer participation due to either of the above or other conditions beyond the Company's influence,
 - Lack of qualified contractors to install approved Measures,
 - The Company has achieved significant market penetration.
- b. When the program is no longer cost effective; or
- c. December 31, 2021, whichever comes first. However, commitments entered into prior to termination will be honored. (C)

(Continued on Sheet No. 1183-H)

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SCHEDULE 201 (T)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Residential Low-Income

1. **Availability:** This schedule is available for Low Income Weatherization (“LIW”) projects that may (T) (O)
qualify for Matchmaker funds under an agreement with the Washington State Department of (T)
Commerce (“Commerce”). Some services under this schedule may be provided through Commerce (O)
and approved local low income agencies (“Agencies”) under contract with the Company. Eligible
Customers include owners, or tenants with appropriate owner consent, of single family, multi-family,
manufactured or mobile homes where the occupant of the structure is Low Income. Low Income
multi-family structures are eligible for service under this Schedule.

Customer income eligibility and other requirements are published in the current U.S. Department of (C)
Energy – Washington State Low-Income Weatherization Manual (*Weatherization Manual*) prepared
by Commerce. Customers must receive bundled natural gas service under natural gas tariffs of the
Company. To be eligible for HVAC or building Thermal Improvements Measures referred to in
Section 2. below, natural gas must be the primary source of space heating. To be eligible for hot
water savings measures, natural gas must be the primary source of water heating.

2. **Measures:** The Company will maintain and make available a list of natural gas funding information (T)
and cost-effective efficiency Prescriptive Basis Measures as well as Site-Specific Basis Measures.
The Prescriptive Basis Measure list may be updated as market conditions change. Some
Measures, reliant on Non-Quantifiable Benefits (or Costs) may apply. Measure category headings
may include, but are not limited to:

HVAC
Controls
Process Efficiency Improvements
Building Thermal Improvements, including insulation and/or duct sealing
Water Heating Improvements
Building Commissioning
Appliance Upgrades

(Continued on Sheet No. 1201-A)

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**SCHEDULE 201 (T)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Residential Low-Income (Continued)**

3. **Funding:** Funding for some LIW measures will be agreed to with approved LIW agencies 1) within (N)
limits of the Total Resource Cost Test and/or 2) consistent with the procedures in *the Weatherization* (N)
Manual, pursuant to WAC 408-109-100(10)(a) . Some Low Income Measures may qualify for (N)
Matchmaker funds under agreements with Commerce.

The Company, at its sole discretion, may inspect installations prior to fulfillment of the incentive. Costs of Low Income incentives, Measures, grants or other remuneration may be recovered through, but not limited to: Schedule No. 120, Bonneville Power Administration ("BPA") credits, Special Contracts, federal or state government programs, Company funds or other approved sources.

A portion of Schedule No. 120, or Special Contract funding available under this Schedule can be applied to necessary energy-related repairs in which the total spending of the particular funding source is subject to the Total Resource Cost Test.

4. **Administrative Payments:** Approved local agencies may be paid a fee based on a percentage of the Measure Cost, the percent of the fee will be determined by the Company. Commerce may be paid a flat annual administrative fee for services such as Agency inspections and monitoring.
5. **Schedule No. 183:** Service under this schedule is subject to the provisions of Schedule No. 183, Natural Gas Conservation Service, contained in this tariff.
6. **General Rules and Regulations:** Service under this schedule is subject to the rules and regulations contained in this tariff.

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**PUGET SOUND ENERGY
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SCHEDULE 219

(N)

**NATURAL GAS TARGETED DEMAND SIDE MANAGEMENT PILOT
Residential Single Family, Multifamily and Commercial and Industrial**

1. **AVAILABILITY:** This schedule applies to Customers located within targeted Deferral Project areas receiving retail, bundled Natural Gas Service under Natural Gas Tariff of the Company. Targeted Demand Side Management (TDSM) may be conducted for residential, commercial, and industrial classes of Customers. Customers on Schedules 85, 86 and 87 with interruptible service, and Schedule 171, are not eligible for Demand Response Incentive rebates, as defined in Schedule 249A, Section 2(c), offered under this schedule.

2. **DEFINITIONS:**
 - a) **Non-Pipe Alternatives (NPA):** A natural gas distribution system investment or project that uses non-traditional solutions, such as, but not limited to, Targeted Energy Efficiency (TEE) and Targeted Demand Response (TDR) to defer, delay or eliminate the need for specific natural gas distribution facilities and equipment. These facilities include new, reinforced, modified or upgraded pipeline systems and related pipeline infrastructure components and units of property.
 - b) **Targeted Demand Side Management (TDSM):** Energy Efficiency and Demand Response measures and services deployed in a localized area as part of an NPA solution.
 - c) **Targeted Energy Efficiency (TEE):** Energy Efficiency measures and services deployed as part of an NPA solution.
 - d) **Localized Avoided Cost:** The Avoided Cost, as defined in Schedule 183, of natural gas specific to an NPA infrastructure deferral, delayed or eliminated project.
 - e) **Localized Incentives:** Energy Efficiency measure incentives specific to a NPA solution with cost-effectiveness calculated using localized Avoided Costs.
 - f) **Targeted Demand Response (TDR):** Demand Response initiatives deployed specific to an NPA solution to reduce Customer peak loads with load shifting or curtailment.
 - g) **Bonus Incentive:** Targeted Energy Efficiency incentive, based on cost-effectiveness using localized avoided cost, offered in addition to incentives offered on standard energy efficiency measure.
 - h) **Deferral Project:** An identified infrastructure improvement need where a NPA solution proved more cost effective than a traditional infrastructure solution. Deferral Project periods are typically between two and ten years.

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SCHEDULE 219

(N)

**NATURAL GAS TARGETED DEMAND SIDE MANAGEMENT PILOT (Continued)
Residential Single Family, Multifamily and Commercial and Industrial**

3. **PURPOSE:** Targeted Demand Side Management (TDSM) works to support the Company's natural gas infrastructure planning teams, specifically as related to Non Pipe Alternatives (NPA). TDSM will identify localized Conservation and Demand Response potential, develop plans to achieve a defined percentage of that potential, then implement those plans to deliver identified energy efficiency and capacity savings.
4. **MEASURES:** The Company will maintain and make available a list of cost-effective natural gas efficiency and Demand Response Prescriptive-Basis Measure categories as identified in Conservation Schedules 214, 215, 217, 250 and 251.
5. **SERVICES:** The Company will offer information, saving estimates, incentive application forms and may offer referral services and training to encourage cost-effective investments in energy efficiency as identified in Schedules 214, 217, 250 and 251. The Company may calculate, and apply, localized Avoided Cost of energy for use in cost-effectiveness calculations and measure incentive-setting.
6. **FUNDING:** Prescriptive Basis Measure funding will be prepared and updated as markets change and will be available from the Company. The Company, at its sole discretion, may inspect installations prior to fulfillment of the incentive. Schedule 120 of this tariff implements surcharges to collect all costs incurred in providing the service and programs of this Schedule except those costs recovered from other sources that are described in this section.
7. **SCHEDULE 183:** Service under this schedule is subject to the provisions of Schedule 183, Natural Gas Conservation Service, contained in this tariff, except that these pilot programs are not subject to demonstration of cost-effectiveness in the short run.
8. **GENERAL RULES AND PROVISIONS:** Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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**SCHEDULE 249A (N)
NATURAL GAS ENERGY EFFICIENCY PROGRAM
Demand Response Pilot Programs**

1. **AVAILABILITY:** Any Customer receiving bundled natural gas service under a schedule of the Company's natural gas tariff. Demand Response Pilots may be conducted for residential, commercial and industrial classes of Customers. Different strategies may be tested on different Customer classes as appropriate. Eligible Customers will voluntarily enroll in pilots, and have options to participate in demand events. Qualification for participation in a pilot program will be at the discretion of the Company.

2. **DEFINITIONS:**
 - a. **Demand Response Programs or DR:** Activities designed to encourage Customers to reduce natural gas Demand on the Company by modifying patterns of natural gas usage, including the timing and amount of Demand. DR covers a broad range of load-shaping strategies ranging from the Company directly having control of systems or equipment, modifying the amount of Energy the Customer demands at any given time, to using messages and public appeals to get Customers to voluntarily modify their natural gas Demand during Peak Demand periods. DR is deployed to avoid natural gas system disruptions, and to allow the Company to dispatch natural gas resources for economic benefit.

 - b. **Direct Load Control or DLC:** A DR activity by which the Company or program operator remotely shuts down, regulates, or cycles a Customer's natural gas equipment (e.g. forced air furnace, water heater) on short notice.


 - c. **Incentive-Based Programs:** Programs where Customers are offered incentives, financial or other, to reduce natural gas Demand during peak Demand periods on the Company's system.

 - d. **Peak Demand:** Natural gas Demand for the Company-wide system typically associated with a very cold winter morning. Peak Demand may also refer to natural gas Demand on a specific portion of the Company's system, such as downstream of a specific pipe, regulating station, or other key system points of capacity constraint..

 - e. **Peak Information Programs:** Various types of DR programs involving the Company informing Customers about natural gas use during peak periods on the Company's system for the purpose of encouraging Demand reduction during those periods. The duration of peak periods is typically several hours during a peak day. Incentives may be used to encourage Customer enrollment.

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SCHEDULE 249A (N)
NATURAL GAS ENERGY EFFICIENCY PROGRAM (Continued)
Demand Response Pilot Programs

3. **PURPOSE:** Pilot programs under this schedule are conducted to evaluate DR options applicable to the Company's system. Pilot attributes to evaluate include technology requirements and performance, Customer behavior and preferences, impacts and integration of DR to Company operations, program costs, Demand reductions achieved, Energy savings achieved, and potential localized distribution system benefits. The Company seeks experience with DR technologies, greater understanding of Customer acceptance and tolerance of Demand control, the need for Customer incentives (financial or other), Demand reduction effectiveness and reliability, energy savings impacts, and acquisition and management of resulting data. This experience will help determine cost-effectiveness of further efforts in DR.
4. **PILOT PROGRAMS:** Pilot Programs utilizing DLC may involve technology installations on the Company's natural gas system and at the Customer premise for purposes of controlling end-use loads, including space heat, domestic water heat, appliance and/or process loads. Pilot Programs may also involve Peak Information Programs where Customers are provided information regarding peak periods. Customers will continue to be billed under approved rates. Such pilots may require systems to communicate with Customers to provide and display natural gas consumption information during Company system peak periods in a form that encourages participating Customers to voluntarily respond by reducing their Demand during peak periods. All pilot programs may be incentive-based programs.
5. **FUNDING:** The pilots offered under this schedule may be incentive-based programs where the Company provides Customer incentives for participation. Costs of pilot programs may be recovered through, but not limited to: Schedule 120, other federal and state government programs, Company funds, or other approved sources.
6. **CUSTOMER OBLIGATIONS:**
Customers must agree to be willing participants and understand and accept any risks or uncertainties association with participation. Participants must agree to provide the Company with feedback in the form of release for use of energy-use data for evaluation purposes, completed surveys or interviews related to participation.

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