



Puget Sound Energy
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PSE.com

March 1, 2021

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Advice No. 2021-05
PSE's Electric Tariff Filing - Filed Electronically**

Dear Mr. Johnson:

Puget Sound Energy ("PSE") hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

- 29th Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 30th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 31st Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 28th Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 26th Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 26th Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 10th Revision of Sheet No. 120-F - Electricity Conservation Service Rider (Continued)
- 7th Revision of Sheet No. 120-G - Electricity Conservation Service Rider (Continued)

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission's order in Docket UE-970686 (the "Order"); the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket UE-100177; and the Commission's Order 01 in Docket UE-190905 ("Order 01").

In Order 01 the Commission approved PSE's 2020-2021 Total Utility Conservation Goal of 476,468 MWh, as reported at the customer meter. That approved Goal represented the total available conservation resources that are cost-effective, reliable and feasible, that PSE could expect to acquire in the 2020-2021 biennium.

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This filing revises the Electricity Conservation Rider charges for all schedules except for customers under Schedules 448, 449, 458 and 459 (“Transportation Customers”), in order to reflect a decrease in the amounts budgeted for the upcoming year, along with the true-up (and approval) of actual costs, and actual collections over the past year.

The amount of revenue requirement requested in this filing is \$79 million. This amount is lower than the \$94 million requested in last year’s filing under Docket UE-200142 by a total of \$15 million for the following reasons: a \$6 million increase due to the increased budget for the 2021 program year, and a decrease of \$21 million in the true-up for spending, load variances and revenue sensitive fees and taxes, compared to 2020.

The COVID-19 pandemic had a major negative influence on 2020 operations and consequently underspending of the 2020 budget was the primary reason for the \$21 million decrease. At the onset of the pandemic, and in response to state restrictions and guidelines, all onsite activities were halted in March. This effectively shut down program operations. In order to resume operations, program staff developed COVID-19 safety protocols and transitioned to no-contact or virtual formats where possible. Despite adaptive measures to resume program operations, there were continuing impacts of COVID-19 across sectors and the pandemic greatly influenced the overall marketplace. In many building sectors, construction timelines continued to be put on hold or significantly altered throughout the year, compounded by increased safety requirements, labor allocations and supply constrictions on key measures like LED lamps. And in the case of restaurants, theaters, and fitness centers, some businesses closed permanently or re-opened with dramatically reduced capacity. Additionally, energy use analysis was made especially challenging as businesses that implemented telecommuting guidelines had reduced energy use due to lower occupancy. Program staff continued adaptively managing programs through the end of 2020.

Many costs were below their anticipated spending levels, in part because of implementation delays and project holds due to COVID-19. For instance, the Low Income Weatherization program was 40 percent below budget, which can be attributed to the temporary shutdown of the program between March and June at the onset of COVID-19 and then further hindered by subsequent production delays later in the year. Similarly, the Smart Thermostats program ended the year 42 percent under budget primarily due to COVID-19 and related economic impacts to residential customers which influenced purchasing behavior. Other factors also played a role in lower than expected spending. The Single Family New Construction program, for example, ended the year 84 percent below spending budget. Lower spending was partially due to COVID-19 and delays in rater verification due to related safety protocols, however there was also lower uptake due to challenges incentivizing builders above the Washington State Energy Code.

Overall, this proposal represents a revenue requirement decrease and an average decrease in overall bills of 0.58% for customers affected by this tariff change. For example, the typical residential customer on Schedule 7 using 900 kWh per month would experience a decrease of \$0.75 per month. However, customers with service under Schedules 29 and 46 would see a small increase.

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The tariff sheets described herein reflect an issue date of March 1, 2021, and effective date of May 1, 2021. Posting of proposed tariff changes, as required by WAC 480-100-193, is being accomplished by posting the proposed tariff sheet on the PSE web site coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-100-194 will be provided within 30 days of the requested May 1, 2020 effective date.

Please contact Julie Waltari at (425) 456-2945 or julie.waltari@pse.com, or Veronica Martin at (425) 457-5624 or veronica.martin@pse.com for additional information about this filing. If you have any other questions, please contact me at (425) 456- 2142.

Sincerely,

/s/ Jon A. Piliaris

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Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:

Electric Tariff Sheets (listed above)
Revenue Requirement Work Paper
Cost of Service Work Paper