



Puget Sound Energy  
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PSE.com

April 9, 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: Dockets UE-190905 and UG-190913  
2020 Annual Report of Energy Conservation Accomplishments**

Dear Mr. Johnson,

Consistent with requirements outlined in WAC 408-109-120(3) and WAC 480-07-140(5) Puget Sound Energy (“PSE or the Company”) provides an electronic version of its 2020 Annual Report of Energy Efficiency Conservation Accomplishments (Annual Report).

Results outlined in the Annual Report indicate that PSE programs achieved 221,001 Megawatt-hours (MWh), or 25.2 average Megawatts (aMW) of electric conservation and 4.103 million therms of natural gas conservation in 2020. These figures fell short of the 2020 goals by 25.3 percent and 11.4 percent, respectively. Indicated electric conservation savings include 12,702 MWh reported by the Northwest Energy Efficiency Alliance (NEEA).

Electric expenditures to acquire cost-effective energy conservation for the entire Portfolio were \$67.3<sup>1</sup> million or 31.1 percent lower than anticipated 2020 spending. Natural gas program expenditures were 13.3 percent below the original projection, finishing 2020 at \$15.1 million. PSE provides detailed expenditure and saving figures for electric and natural gas conservation programs in the Annual Report’s Exhibit 1: Savings and Expenditures.

Throughout 2020 PSE’s energy efficiency programs worked to mitigate the wide-reaching impacts of the COVID-19 global pandemic. Programs faced many challenges to achieving savings goals due to a variety of pandemic related issues, including building load revisions, construction delays, labor furloughs, customer premise entry restrictions, product shortfalls, and

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<sup>1</sup> It is important to note that the total electric expenditures also include Net Metering administrative and distribution system expenses. In 2020, these expenses represented \$2.0 million of the overall Portfolio.

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significant economic impacts to customers. Energy Efficiency program teams implemented extensive adaptive management strategies to address these barriers to participation, including a near doubling of marketing expenditure, extensive measure incentive increases, and cross utility collaborations. Extensive discussions regarding the impacts and adaptive management techniques used within each program can be found in the Annual Report.

Despite PSE deploying significant creative strategies to increase participation, the overall portfolio of savings ended 2020 below target. PSE calculates that if 2021 anticipated savings levels are achieved and all excess from the past two biennia are utilized, biennium savings are projected to be extremely close to the 2020-2021 Energy Independence Act (EIA) Penalty Threshold. PSE will continue to implement innovative customer participation strategies and adaptive management techniques throughout the biennium; however, a petition to adjust PSE's EIA Penalty Threshold may be necessary in 2021 to avoid an unprecedented penalization.

As of the filing of the 2020 Annual Report, a new bill has passed both chambers of the Washington State Legislature. If signed into law, House Bill 1446 will provide utilities flexibility when not meeting their targets in special circumstances outside of the utility's control. If enacted, House Bill 1446 would add language to the EIA (RCW 19.285.040) allowing a qualifying utility to be considered in compliance with its biennial conservation target if it is able to demonstrate that events beyond the reasonable control of the utility prevented it from meeting its conservation target.

The entire Annual Report package consists of:

UE-190905-UG-190913-PSE-2020-ARpt-Of-Conservation-Accomplishments-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-1-Savings-and-Expenditures-2020-(4-9-21).xlsx  
UE-190905-UG-190913-PSE-Exh-1-Suppl-1-2020-Actuals-vs-Budgets-(4-9-21).xlsx  
UE-190905-UG-190913-PSE-Exh-1-Suppl-2-2020-Significant-Measure-Counts-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-2-2020-Cost-Effectiveness-Results-(4-9-21).xlsx  
UE-190905-UG-190913-PSE-Exh-2-Suppl-1-NEI-Narrative-2020-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-5-2020-Prescript-Measures-(4-9-21).xlsx  
UE-190905-UG-190913-PSE-Exh-6-Suppl-1-C&I-Retrofit-Program-Cply-Rpt-and-ERR-2018-2019-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-6-Suppl-1-HER-2018-Savings-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-6-Suppl-1-HER-2019-Savings-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-6-Suppl-1-Large-Power-User-Program-Cply-Rpt-and-ERR-2018-2019-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exh-6-Suppl-1-Multifamily-New-Construction-Program-Evaluation-2019-2020-(4-9-21).pdf  
UE-190905-UG-190913-PSE-Exhibit-9-2020-2021-Requirement-Cply-Matrix.pdf  
UE-190905-UG-190913-PSE-Exhibit-10-NEEA-Rpt-2020-Activities.pdf

Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Report to its Conservation Resource Advisory Group (CRAG) on March 1, 2021.

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Please contact Chris Schaefer at (425) 456-2932 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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Enclosures

cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachment: UE-190905-UG-190913-PSE-ARpt-(Complete-Filing)-(4-9-21).zip