

**BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Petition of)	
PUGET SOUND ENERGY, INC.,)	DOCKET NO. UE-070725
For an Order Authorizing the Use of)	
the Proceeds from the Sale of)	Declaration of
Renewable Energy Credits and)	Charles Eberdt in Support of
Carbon Financial Instruments)	Petition for Reconsideration

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I, Charles Eberdt, make the following declaration:

1. I am the Director of the Energy Project, which is a partnership between the State Department of Commerce and the Washington State Community Action Partnership. One of my duties is to advocate for funding and program designs that will enhance the provision of energy efficiency services among low-income households. The overall goal is to improve the efficiency of the buildings in which they live, reduce their energy consumption, lower the burden that home energy bills put on their limited incomes, while at the same time improving the livability and durability of the dwelling.
2. In 2007 Puget Sound Energy petitioned the Commission in this docket for an accounting order for the use of proceeds from the sale of Renewable Energy Credits (RECs) and Carbon Financial Instruments (CFIs). The Energy Project was not involved at that time, but later entered into discussions with the utility, the Northwest Energy Coalition, and the Renewable Northwest Project. Our initial discussions revolved around applying some portion of these funds to capture more

energy efficiency in low-income homes, overcoming a significant hurdle to getting savings in many homes – the need for repairs, and advancing the implementation of small scale renewable energy resources since renewable energy resources were the source of the greatest share of the funds.

3. A year and a rate case have gone by since those initial discussions. PSE submitted an Amended Petition on October 2009. The Commission ruled on that Petition on May 20, 2010.

4. The Energy Project appreciates very much the Commission's approval to use part of these proceeds to augment our efforts providing energy efficiency services to low-income homes. The provision of low-income energy efficiency is more often a case of blending funds from various sources than simply taking utility funds to install all measures in a home, so these funds will be very useful in increasing the number of low income homes that can receive efficiency measures.

5. While the prospect of additional funds was always a very important part of the discussion, equally important to the Energy Project and its constituents was the idea of having a fund that would extend across several years. The Joint Testimony requested that the funds be spent over seven years. Having the certainty of funding over several years is extremely useful because it smoothes out the volatility of funding from multiple sources which may provide sufficient funds one year, but not the next. Absent funding commitments for several years, agencies might have to recruit additional staff or contractors in one year, let them go in the following year, and then have to , re-recruit, re-hire and retrain additional personnel in the future when

funding again became available. One result is agencies have much more difficulty establishing consistent production of completed units.

6. Accordingly, we request the Commission revise its order by extending the date by which these funds must be spent to December 31, 2013.

7. There are additional reasons to extend the termination date. First, this request is made because of unexpected receipt of funds from the Enron case that the Attorney General's Office designated to be used for low-income ratepayers. We did not know about the possibility of these funds at the time the Amended Petition and Joint Testimony were filed. These funds in the amount of \$2,000,000 are required to be spent by the end of this year.

8. Second, the Joint Parties' intention is to use some of these funds to perform work in units we previously could not have served because they would have consumed too much of the available funds. Because of the greater investment allowed, agencies can be more deliberate and careful in their assessment of optimal projects in which to apply the funds. Half of the 2010 program year has passed and it will probably be a couple of months before the agencies could begin to apply this money. A more flexible time frame will facilitate this more careful process, which in turn will result in greater benefits for each dollar that is spent.

9. Third, PSE's service territory is served by eight very different agencies that face different challenges in recruiting sufficient, trained personnel who can complete the work properly, as well as in selecting the housing stock that will provide the most energy savings for the expenditure of these funds. Unless the Commission modifies the time limit as requested in our Petition for

Reconsideration, not all agencies serving Puget's territory will be able to take the same advantage of the opportunities these funds create. Ultimately, the most effective use of these funds will result from the flexibility to spend them out over a longer period to optimize the energy savings that can be achieved to the benefit of all ratepayers and so more agencies can effectively participate.

I declare under the penalty of perjury of the laws of the State of Washington that the foregoing is true and correct.

Dated this ^{27th} day of May, 2010, at Bellingham Washington.



Charles M. Eberdt,
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