



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

April 15, 2020

Via Web Portal

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

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

**RE: PSE’s Petition to Modify its 2020-2021 Electric Savings Targets
Docket UE-190905**

Dear Mr. Johnson:

Pursuant to WAC 480-109-120(1) and condition (1)(b) in Appendix A of Order 01 in Docket UE-191905, (hereinafter referred to as “conditions”, or “requirements”¹) Puget Sound Energy (“PSE” or “Company”) submits this petition to revise its 2020-2021 electric savings Targets and Thresholds, as originally indicated in its 2020-2021 Biennial Conservation Plan (“BCP” or the “Plan”), filed on November 1, 2019 in Docket UE-190905. Provided for filing with the petition are three exhibits as outlined in more detail later in this letter.

Background

Pursuant to Order 01 in Dockets UE-180607 and UG-180608,² PSE calculated the above-noted savings targets based on data from its 2017 Integrated Resource Plan (“IRP”). Based upon requirements outlined in Commission Staff’s draft Appendix A: Conditions for 2020-2021 Puget Sound Energy Electric Conservation, PSE is to file a petition to revise those targets by April 15, 2020. The revisions must account for updated data that accounted for the social cost of greenhouse gas emissions (also referred to as “social cost of carbon”), as required by the Clean Energy Transformation Act (“CETA”).

¹ Sections A through J and Section L of the Electric Settlement Agreement, Docket UE-100177, and the 2001 Rate Case Stipulation Agreement, Exhibit F in Docket UG-011571 remain in effect. PSE reports compliance with these requirements in Exhibit 9: Condition Compliance Checklist.

² Order 01: “Order”, part (2), ¶ 24, pg 5 – “Puget Sound Energy is authorized to use data from its 2017 Integrated Resource Plan to set the energy efficiency target for its 2020-2021 Biennial Conservation Plan.”

Referencing new avoided cost calculations that resulted from PSE’s draft interim 2019 IRP analysis, PSE reviewed its suite of conservation programs from the bottom-up, with the intention of developing updated savings Targets where possible, in applicable programs.

Revised Electric Savings Targets and Thresholds

Based upon the updated avoided costs resulting from the inclusion of the social cost of carbon, PSE will increase its 2020-2021 EIA Penalty Threshold by 22 percent, the EIA Target and Decoupling Threshold by 21 percent, and its Total Utility Conservation Goal electric savings by 10 percent: 49,576 Megawatt-hours (“MWh”), or 5.7 average megawatts (“aMW”). The below table presents the Targets, Thresholds, and commensurate two-year budget revision summary. PSE provides detailed discussion on the derivation of these values in its petition,

The 2020-specific effect³ of the increased electric savings was reflected in an approximate \$7 million adjustment in PSE’s April 1 update filing of its Schedule 120 Conservation Rider, detailed in Docket UE-200142.

Electric Category	Savings (MWh) November, 2019	Revised Savings (MWh) April, 2020	Percent increase/ (decrease)
10-Year Conservation Potential	1,799,149	Range of from 1,900,920 to 3,258,720	6% - 81%
CPA Pro-Rata Share/EIA Target	359,861	434,197	21%
EIA/Penalty Threshold	336,297	410,633	22%
Decoupling Threshold	17,993	21,710	21%
Total Utility Conservation Goal	476,468	526,044	10%
Total Portfolio Budgets	\$176,471,707	193,876,789	10%

Compliance

The petition complies with condition (1)(b) of Attachment A, Order 01, Docket UE-191905. Consistent with WAC 480-109-110(3), PSE collaborated with the Conservation Resource Advisory Group (“CRAG”) and Commission Staff since the beginning of January 2020. PSE participated in a January 16 workshop on IRP development, and conducted a special CRAG meeting, detailing its 2019 IRP analysis results. Consistent with WAC 480-109-120(3), PSE provided the CRAG with a draft version of the petition package on Friday, March 13. Most recently, PSE met with the CRAG on March 18 to review its draft petition package.

The petition points out that all savings adjustments required by the Commission were made prior to the outbreak of the Covid-19 pandemic. During the March 18 CRAG meeting, there was

³ The indicated \$17 million budget difference indicated in the above table is a two-year figure, whereas the Schedule 120 recovery is filed annually.

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general consensus among the members that the petition should clearly make that point, and not make adjustments for the social or economic impacts of the pandemic.

Petition Organization

The 2020-2021 savings revision petition consists of several documents, which are presented as the petition itself and Exhibits and organized for logical reference. Listed below are the four documents that are being filed with this cover letter and which provide the revision information required, consistent with key requirements outlined in WAC 480-109-120(1), and Appendix A of Order 01 in Docket UE-190905:

- Petition To Modify the Biennial Conservation Target, Penalty Threshold, Decoupling Commitment and Ten-Year Potential
- Exhibit 1: Savings and Budgets (revised)
- Exhibit 1, Supplement 5: Savings Revision Details
- Exhibit 2: Program Cost Effectiveness Estimates (revised)

BCP Publication

Exhibits 1 (including Supplement 5) and Exhibit 2 will be posted on the PSE website (www.PSE.com) within 30 days of Commission approval. Due to the size of the file, the posted Exhibit 1 will be limited to the 2020-2021 portfolio view only. These exhibits will replace documents currently posted, which will then be added to the website's historical archive. Tariff sheet revisions will not be posted alongside the other Exhibits, as tariff sheets are posted in a separate section of the website at <https://pse.com/aboutpse/Rates/Pages/default.aspx>.

Please contact Kara Durbin at (425) 456-2377 for general information about this filing, or contact Andy Hemstreet at (425) 424-6918 for additional information about the Plan. Please contact Bob Stolarski at (425) 456-2585 for policy related questions about this submittal. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
425-456-2142 / Jon.Piliaris@pse.com

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Attachments:

190905-PSE-Petition

190905-PSE-BCP-2020-2021-Exhibit-1-Savings-Budgets

190905-PSE-BCP-2020-2021-Exhibit-1-Supplement-5-Savings-Revision-Details

190905-PSE-BCP-2020-2021-Exhibit-2-Cost-Effectiveness

cc: Lisa Gafken, Public Counsel