

Exhibit VII, Demand-Side Resources RFP – Glossary and Acronyms

Administrative Costs includes costs associated with planning, project management, program support, etc., such that the Implementation Cost, the Installed Measure Cost and the Administrative Cost combined represent the total costs of the proposal.

Annualized kWh Savings for the proposal is the sum of the one-year's kWh savings from all measures installed.

Average Life of Savings is the assigned life of the conservation measure or measures, based on documentation and/or field experience. Where multiple measures or measure types are involved, an average measure life value, derived by weighting each measure by the amount of savings it contributes to the total, is assumed for the program life.

Average Megawatt (aMW) is a measure of energy – not capacity – and is calculated as number of megawatt-hours divided by the total number of hours in a year (8,760).

C&RD: Conservation and Renewables Discount

Conservation Cost Effectiveness Standard (CCES): The avoided cost of conserved energy, calculated as prescribed by the PSE Rate Case Conservation Agreement described in Section 1.4 of the RFP. See Exhibit IV, Tables IV-A and IV-B.

Customer refers to a residential or business entity which purchases (or, in the case of new construction, intends to purchase) electricity from Puget Sound Energy.

Customer Cost is the best estimate of the installed measure cost paid by the customer. This may be less than the full measure cost where incentives are provided. Where available, copies of customer invoices collected to verify installation provide reliable information on measure total cost. Estimates may be based on historical program data, and trade ally information.

Demand Savings (kW) where quantified, are only used to calculate customer payback; it is not used explicitly to calculate either utility cost or resource cost.

EES: Energy Efficiency Services Department at Puget Sound Energy.

End-use refers to the application for which the electricity is used, e.g. heating, vs. lighting. Each end-use has a different load shape for purposes of calculating the value of the energy savings.

Fee for Service Collected is any customer payment for services provided as authorized for the program.

Implementation Cost is the expected cost for all services delivered through the program, including the costs of staff, overheads, program materials, marketing and incentive payments, not including the Installed Measure Cost.

Installed Measure Cost is the cost of the physical equipment measure, plus any labor, materials, and incidental costs associated with installing the measure at the customer's site.

Low Income means those residential households served by the Company that meet income and other requirements that are published in the current U.S. Department of Energy – Washington State Low-Income Weatherization Assistance Plan prepared by OCD.

Market Transformation means activities effecting permanent changes in the markets for targeted, cost-effective, energy efficiency products and services that will result in sustainable market penetration, without the need for long-term utility incentives. Market Transformation is a temporary market intervention with a clear expectation that involvement will end.

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M&V: Measurement and Verification

Measure is used to denote a product, device, piece of equipment, system, building design feature or operational practice used to achieve greater energy efficiency.

Non-Quantified Benefits are the non-energy-savings related benefit(s) of the installed measure, without attempting to assign a dollar value, which are cited by participants. PSE requires a listing to document additional customer benefits. These are not quantified other than by the understanding that customers deem them sufficient to make their investment in the measure.

Operations and Maintenance (O&M) Measures are periodic, on-going tasks and activities to enable equipment (e.g. HVAC, Lighting, etc.) to function in accordance with occupants' needs and usage patterns at the facility throughout the equipment's useful life. It is recognized that O&M activities typically strive to insure occupants' comfort and convenience, and do not necessarily seek to optimize energy efficiency of the system(s).

Other Third-Party Contributions are costs covered by other than the vendor, Puget Sound Energy and its ratepayers, or the participating customer. For example, Low-income weatherization agencies may have matching funds from State or Federal funding sources for weatherization of low-income customer homes.

Quantified Non-Energy Savings Benefits are based on information from customers where available and able to be generalized. Estimates are the annualized \$ value of other, non-energy benefits received by the customer (e.g., reduced maintenance costs). Like annual energy savings, these benefits may recur on an annual basis over the life of the measure or on a one-time basis. Quantified Non-Energy Savings must be clearly labeled and described. These are used in calculating the benefit/cost ratio for Puget Sound Energy's Total Resource Cost test.

RTF: Regional Technical Forum **TRC**: Total Resource Cost, see Exhibit IV.1

Type of Savings determines the appropriate Cost Effectiveness Standard for analyses, based on the load shape of the end-use and is required for Puget Sound Energy's Cost Effectiveness Standard. See Exhibit IV-3 and Table IV-A.

Units show the appropriate basis for reporting participation. In many cases, units equal numbers of customers. In programs targeting a specific measure, units may equal number of measures. The type of units must be specified.

UC: Utility Cost. See Exhibit IV.1

WAC: Washington Administrative Code

WUTC: Washington Utilities and Transportation Commission