

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

Amended Petition of

PUGET SOUND ENERGY, INC.

**For an Order Authorizing the Use of the
Proceeds from the Sale of Renewable
Energy Credits and Carbon Financial
Instruments**

Docket No. UE-070725

**NW Energy Coalition's Answer to The
Energy Project's and Staff's Petitions
for Reconsideration**

I. Introduction

1. Pursuant to Judge Moss's Notice dated June 3, 2010, the NW Energy Coalition (Coalition) files this Answer to The Energy Project's and Staff's Petitions for Reconsideration. We do not take a position on the Petition for Reconsideration filed by Puget Sound Energy, Inc. (PSE).

II. The Energy Project's Petition

2. In Order 03, the Commission authorized and required PSE to use REC proceeds to "increase funding for the current (*i.e.*, 2010-2011) low income conservation period by \$4.57 million in order to capture additional cost-effective conservation."¹ The Energy Project now seeks an extension of the date by which these funds must be spent, to December 31, 2013.²

3. We believe that The Energy Project's request is a reasonable one. As The Energy Project argues, a time extension to the end of 2013 would allow for additional energy

¹ Order 03 at ¶ 95.

² Energy Project Petition at ¶ 1.

savings to be obtained in low-income households.³ Further, the joint parties had originally proposed a multi-year time frame for the expenditure of funds in order to provide a stable funding source. Given the funding level that the Commission approved in Order 03, and further considering that the year 2010 is almost half over, a time extension until 2013 is reasonable both to effectively plan for the expenditure of these funds and to enable agencies to take into account the vagaries of funding from other potential sources.

4. For these reasons, the extension that The Energy Project requests comports with Order 03's underlying objective, *i.e.*, to "capture additional cost-effective conservation." The Energy Project's Petition should be granted.

III. Staff's Petition

5. Staff claims in its Petition that the increase in conservation funding represents an "undue preference."⁴ This argument, though, is nothing more than a rehash of the position that Staff took in its Brief. The Commission already considered that position, in Order 03, and concluded that the funding increase is appropriate "in order to capture additional cost-effective conservation." The Commission need not revisit this issue.

6. Staff also claims that the "low income advocates" had a duty to disclose the availability of the Enron settlement funding. Regarding this point, Staff refers to a Declaration from The Energy Project and a PSE press release. Thus, The Energy Project and PSE are the appropriate parties to respond to Staff's claim.⁵

³ Energy Project Petition at ¶ 6.

⁴ Staff Petition at ¶¶ 4-6.

⁵ Staff Petition at ¶ 9. In referring to the "low income advocates," Staff includes the Coalition with PSE and The Energy Project in terms of foreknowledge regarding the Enron settlement funding. But Staff offers no evidence to suggest that the Coalition knew anything about this funding before or during the hearings. In fact, the undersigned (Mr. Johnson and Ms. Dixon) did not know about the Enron settlement funding until Mr. Eberdt filed his Declaration on May 28.

7. We do have one observation to make, though, regarding the relief that Staff seeks in its Petition. Order 03 directed PSE to use \$4.57 million in funding from the REC proceeds “in order to capture additional cost-effective conservation.” The Joint Parties had originally sought a significantly higher funding level in order to meet the demonstrated need in the low-income community for additional conservation services.

8. Now Staff wants the Commission to chop yet another \$2.1 million from the conservation funding – a reduction of almost 50 percent. We do not believe that this draconian reduction is appropriate. Even if the Commission determines that The Energy Project and PSE should have disclosed the Enron settlement, the proceeds from that settlement should not be applied to offset the conservation funding that the Commission has already approved. The only persons who would be harmed by such an offset are PSE’s low-income customers – customers who otherwise stand to gain from the funding that the Commission authorized in Order 03.

DATED: June 15, 2010

NW ENERGY COALITION

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