

**Puget Sound Energy’s Compliance with WAC 480-109-010(3)
Report Identifying PSE’s Ten-Year Achievable Conservation Potential and
Biennial Conservation Target**

Report for 2010 and 2011

Section 1

This report is submitted in compliance with WAC 480-109-010(3), which requires that: “On or before January 31, 2010, and every two years thereafter, each utility must file with the commission a report identifying its ten-year achievable conservation potential and its biennial conservation target.”

Section 2

This section meets the requirements of WAC 480-109-010(3), which requires that PSE file: “a report identifying its ten-year achievable conservation potential...”

- PSE's ten-year achievable conservation potential: 1,871,908 MWh

Section 3

This section meets the requirements of WAC 480-109-010(3), which requires that PSE file: “a report identifying its ... biennial conservation target.”

- PSE's biennial conservation target for 2010 and 2011: 369,796 MWh

Section 4

This section meets the requirements of WAC 480-109-010(3)(b), which requires that: “This report must identify whether the conservation council’s plan or the utility’s IRP and acquisition process were the source of its ten-year conservation potential.”

- The Northwest Power and Conservation Council (Conservation Council) plan is the source of PSE’s ten-year conservation potential. The current Conservation Council’s plan is the 5th Plan.

Section 5

This section meets the requirements of WAC 480-109-010(3)(b), which requires that: “[t]he report must also clearly state how the utility prorated this ten-year projection to create its two-year conservation target.”

- PSE created its two-year conservation target by using the two specific years (2010 and 2011) as listed on the Conservation Council’s calculator.
- Using the Conservation Council’s 5th Plan Conservation Target Calculator (posted on the Conservation Council’s website on January 27, 2010), PSE has chosen to use Option #2 in calculating the cumulative ten-year potential and the biennial conservation target. Option #2 is described by the Conservation Council as “target based on utility share of total regional retail sales by sector.”
- This projection is also consistent with WAC 480-109-010 (1)(b)(ii) which allows the ten-year projection to be derived from and reasonably consistent with: “[t]he utility’s proportionate share, developed as a percentage of its retail sales, of the conservation council’s current power plan targets for the state of Washington.” The biennial conservation target range is not lower than a pro rata share of PSE’s ten-year cumulative achievable conservation potential.
- The PSE calculation using the Conservation Council Target Calculator is attached as Attachment A.

Section 6

This section meets the requirement of WAC 480-109-010(3)(a), which requires that: “[t]he report must outline the extent of public and commission staff participation in the development of these conservation metrics.”

- PSE involved the commission staff and the public in the development of the ten-year conservation potential and the two-year conservation target over the period of several years. Public discussions of development of conservation potentials and targets have taken place since April of 2008. The form of discussions has been varied: public meetings, public IRPAG meetings, CRAG meetings, WUTC Open Meetings, WUTC-hosted public meetings, meeting with WUTC Staff and emails to interest groups. The chart below summarizes the various meetings.
- PSE participated in the public meeting hosted at the WUTC on September 3, 2009. In that meeting the use of the Conservation Council’s targets was explained. PSE notified interested public parties via email on December 31, 2009 of the projection of a ten-year potential. In that email PSE shared a projection of a ten-year potential based on the most recent IRP and the Conservation Council’s current (5th) plan targets. On January 25, PSE notified interested public parties via email about further refinements to its identification of targets and potentials. As the result of this public involvement process, the Conservation Council updated the Conservation Target Calculator on its website on January 27th. On January 27th PSE convened a meeting to review the final development of its potential and target. This meeting had public participation with representatives from the Conservation Council, Northwest Energy Coalition (NVEC), Northwest Energy Efficiency Alliance (NEEA), Northwest Energy Efficiency Council (NEEC), Industrial Customers of Northwest Utilities (ICNU), the Energy Project, and PacifiCorp.

Type of Meeting/Communication	Date	Commission Staff	Public
Public IRPAG meeting	April 3, 2008	X	X
Public IRPAG meeting	Nov. 20, 2008	X	X
Public IRPAG meeting	Jan. 22, 2009	X	X
Public IRPAG meeting	April 23, 2009	X	X
Public IRPAG meeting	June 25, 2009	X	X
CRAG meeting	June 25, 2009	X	
Public WUTC meeting	Sept. 3, 2009	X	X
IRP comment period	Aug. 28, 2009	X	X
Public Open Meeting	Sept. 10, 2009	X	X
CRAG meeting	Sept. 15, 2009	X	
CRAG meeting	Oct. 14, 2009	X	
WUTC meeting	Nov. 17, 2009	X	
Public IRPAG meeting	Dec. 15, 2009	X	X
Email to IRPAG and CRAG	Dec. 31, 2009	X	X
Email to IRPAG and CRAG	Jan. 25, 2010	X	X
Conservation Council provides updated 5 th Plan Calculator on its public website	Jan. 27, 2010	X	X
Public meeting to review development	Jan. 27, 2010		X

Attachment A: Copy of worksheet of Conservation Council's 5th Plan Conservation Target Calculator (Posted on Conservation Council's website on January 27, 2010).

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