



Puget Sound Energy
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Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Dockets UE-210822 and UG-210823
2022 Annual Report of Energy Conservation Accomplishments**

Dear Ms. Maxwell,

Consistent with requirements outlined in WAC 408-109-120(3) and WAC 480-07-140(5), Puget Sound Energy (“PSE”) provides an electronic version of its 2022 Annual Report of Energy Efficiency Conservation Accomplishments (“Annual Report”).

Results outlined in the Annual Report indicate that PSE programs achieved 244,343 megawatt-hours (“MWh”), or 27.9 average megawatts (“aMW”), of electric conservation and 4.67 million therms of natural gas conservation in 2022. These figures fell short of the 2022 goals by 18.2 percent and 26.1 percent, respectively. Indicated electric conservation savings include 14,311 MWh reported by the Northwest Energy Efficiency Alliance (“NEEA”).

Electric expenditures to acquire cost-effective energy conservation for the entire portfolio were \$99.16¹ million or 19.7 percent lower than anticipated 2022 spending. Natural gas program expenditures were 1.6 percent below the original projection, finishing 2022 at \$24.51 million. The incongruity between savings and expenditure in natural gas was largely due to several programs producing lower than expected therms per dollar. Further details about these programs are located in the report.

Throughout 2022, PSE’s energy efficiency programs worked to mitigate the continued difficulties associated with the pandemic’s lingering economic effects. Programs faced many challenges to achieving savings goals due to persistent macro-economic trends including

¹ It is important to note that the total electric expenditures also include Net Metering administrative and distribution system expenses as well as targeted Demand Response and Demand Response pilot expenses. In 2022, these expenses represented \$3.7 million of the overall portfolio.

inflation, rising interest rates, continued supply chain issues, and skilled labor shortages. Federal and local code changes also reduced savings opportunities.

Customer Energy Management program teams implemented extensive adaptive management strategies to address these barriers to participation, including increased incentives across many programs; development of a Clean Buildings Accelerator program to aid building owners in compliance with The Clean Buildings Law; streamlining of the business lighting workbook; and additional Schedule 258 large power user competitive phases to encourage savings. Extensive discussions regarding the impacts and adaptive management techniques used within each program can be found in the Annual Report.

In an effort to advance the company's equity goals and meet the requirements of the Clean Energy Transformation Act, PSE focused on bringing its programs and incentives to Named Communities: highly impacted communities and vulnerable populations. PSE developed an internal dashboard to identify participation in these communities, and it is leveraging the data to adapt offerings and ease barriers to participation. Additionally, Customer Energy Management hired a full-time product manager of equity to advance this work.

PSE is continuing to develop creative new services, is working to remove customer barriers to participation in 2023, and is pushing to meet the 2022-2023 biennial targets.

The entire Annual Report package consists of:

- UE-210822-UG-210823-PSE-2022-Annual-Report-Of-Conservation-Achievements.pdf
- UE-210822-UG-210823-PSE-Exhibit-1-2022-Savings-and-Expenditures.xlsx
- UE-210822-UG-210823-PSE-Exhibit-1-Supplement-1-2022-Actuals-vs-Budgets.xlsx
- UE-210822-UG-210823-PSE-Exhibit-2-2022-Cost-Effectiveness-Results.xlsx
- UE-210822-UG-210823-PSE-Exhibit-2-Supplement-1-2022-Cost-Effectiveness-Overview-and-Non-Energy-Impacts.pdf
- UE-210822-UG-210823-PSE-Exhibit-4-2022-Prescript-Measures.xls
- UE-210822-UG-210823-PSE-Exhibit-5-NEEA-Report-2022-Activities.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-CSEM-2020-2021-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-Enervee-Product-Guide-Site-Evaluation-Results-Report.pdf
- UE-210822-UG-210823-PSE-Exhibit-7-2022-2023-Requirement-Compliance-Matrix.pdf

Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Annual Report to its Conservation Resource Advisory Group on March 15, 2023.

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Please contact Chris Schaefer at (425) 456-2932 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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Enclosures

cc: Lisa Gafken, Public Counsel
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Attachment: UE-210822-UG-210833-PSE-ARpt-(Complete-Filing)-(4-17-23).zip