2015

Annual Conservation Plan

Overview

PSE PUGET SOUND ENERGY

The Energy To Do Great Things

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Executive Summary

Consistent with condition (8)(a) outlined in Attachment A of Commission Order 01 in Docket number UE-132043,[1] PSE presents this 2015 Annual Conservation Plan (the Plan or ACP), which builds on concepts and strategies outlined in PSE's 2014-2015 Biennial Conservation Plan (BCP).

Pursuant to condition (8)(a), the Company requests that the Commission allows the plan to become effective on January 1, 2015, and acknowledge PSE's 2015 electric goal of 277,600 Megawatt-hours, (MWh) or 31.7 Average Megawatts (aMW). It is also important to note that, consistent with the Commission's October 2013 Policy Statement on the Evaluation of Gas Cost-Effectiveness, this document incorporates PSE's 2015 gas portfolio conservation plan as well. PSE's 2015 gas savings goal is 3.1 million therms.

2015-Specific Savings, Budgets and Total Resource Costs

Table 1a presents PSE's Portfolio budgets and savings goals planned for its 2015 electric programs. Electric savings totals and budgets are divided into elements that comprise the total 2015 savings and their corresponding 2015 PSE budget amounts. As detailed in the 2014-2015 Biennial Conservation Plan, PSE's EIA biennial electric savings target of 485,770 MWh, or 55.5 aMW, is comprised of programs that (1) are directly attributable to PSE-managed programs (noted as "Total less NEEA, Includes Pilots" below), and (2) minus Energy Information pilots (noted as "PSE-Specific Savings less Pilots". These pilots are excluded from the EIA, as verifiable savings values are still to be determined.)

These three values comprise PSE's total 2015 electric savings goal. This breakdown aligns with the summary lines presented in PSE's Exhibit 1: Savings and Budgets Portfolio View. The portfolio-level Total Resource Cost (TRC) estimate is also presented in Table 1a. Please note that the TRC calculation excludes non-conservation programs: Net Metering and Electric Vehicle Charger Incentives.

Table 1b presents PSE's 2015 Portfolio gas savings goal, budget and estimated TRC. This table reflects $738,000 allocated for PSE's regional gas market transformation participation, which was not originally planned for 2015 in the 2014-2015 Biennial Conservation Plan.

[1] It should be noted that, although PSE's 2014-2015 Biennial Conservation Plan was also filed into Docket No UG-132044, no Order was issued in that Docket.

Table 1a: 2015 Energy Efficiency Electric Savings Goals, Budgets and TRC

2015 Electric Goal Classifications	Energy Efficiency Portfolio		TRC
	Savings	Budgets	
2015 Total Savings	277,600 MWh 31.7 aMW	$ 99,300,000	1.5
PSE-Specific Savings *(Total less NEEA, Includes Pilots)*	255,300 MWh	$ 94,550,000	*Cost-effectiveness calculations apply to entire* **conservation-specific** *portfolio.*
PSE-Specific Savings less Pilots	247,000 MWh	$ 93,282,000	*Includes 10% conservation credit*
		(All totals include $2.88 million **non-conservation** *EV Charger Incentives)*	

Table 1b: 2015 Energy Efficiency Gas Savings Goals, Budgets and TRC

Energy Efficiency Portfolio		TRC
Savings	Budgets	
3,081,000 Therms	$ 13,322,000 *(Includes $738,000 Gas Market Transformation funding)*	1.02 *No conservation credit*

Table 2a in Chapter 2: *2015 Conservation Plan Introduction*, page 10, presents Sector summaries of conservation savings and budgets. Table 2b in Chapter 2 presents cost-effectiveness estimates by Sector on page 17. Each program built its savings achievement strategies and budgets from the bottom-up, as required by Section F.11[2] and condition (4).

[2] Sections A through J and Section L of the 2010 Electric Settlement Agreement, Docket No. UE-100177 remain in effect.

Developing the 2015 Conservation Goals

Customer Energy Management (CEM) Program Staff utilized all available management tools to examine and adapt to ever-evolving market conditions, customer demand, and revised measure UES values. PSE's policy of adjusting its UES values annually put significant pressure on savings goals. Although not required by regulatory order, this industry-leading practice ensures the highest degree of savings reporting accuracy, and is important to PSE's resource planning. PSE anticipated that this policy would create these challenges however, and has consistently responded appropriately.

Several measures; including LED, air sealing, weatherization, and some appliances saw sizeable reductions by the RTF for UES values in late 2014. PSE also put into place applicable savings value revisions suggested by evaluation studies and the 2012-2013 Biennial Electric Conservation Achievement Report (BECAR). In order to maximize its savings goal in spite of these revisions, CEM Program Staff made innovative and creative program modifications. They added new cost-effective and feasible measures, bundled measures to maximize the measure mix, and emphasized Total Quality Management (TQM) adaptive process improvements that will sustain customer engagement and satisfaction with energy-efficiency offerings.

The continued low gas avoided costs also led to downward pressure on gas savings potential. To sustain its 2015 gas savings goal, CEM Program Staff incorporated Total Resource Cost (TRC) test modifications contained in the Commission Policy Statement on the Evaluation of the Cost-Effectiveness of Natural Gas Conservation Programs[3] where possible. They also incorporated Non-Energy Benefits whenever possible, and utilized provisions in Schedules 183 that allow a TRC of 0.667 where there are non-quantifiable energy benefits. Consistent with the principles outlined in the Commission's Policy Statement, some of PSE's Business Energy Management programs will provide custom grants for projects that may achieve a TRC of less than 1.0, as long as the Utility Cost Test achieves a 1.0 benefit-to-cost ratio or above.

Thanks to the Program Staff's efforts, PSE is well-positioned to meet its 2015 natural gas conservation goal. Similar to the innovative management applied to electric programs facing lower UES values, gas program offerings will see additional bundling of measures, new measure delivery mechanisms, and additional emphasis placed on marketing and customer communications.

[3] Docket No UG-121207.

Cost Effectiveness Considerations

In the 2015 cost-effectiveness calculations, PSE applied Non-Energy Benefits based on RTF standards to all applicable programs; both electric and gas.

Electric

PSE estimates that the aggregate of 2015 electric programs will achieve a Utility Cost (UC) benefit-to-cost ratio of 2.03 and a Total Resource Cost (TRC) benefit-to-cost ratio of 1.50 at the Portfolio level. Four programs; one in the Residential Sector, two in the Business Sector, and one Pilot program fall short of a TRC ratio of 1.00. Only the Home Energy Reports and Residential Energy Information Expansion pilot fall below a TRC ratio of 0.667. Electric TRC and UC ratios presented in Exhibit 2 include the prescribed 10 percent conservation credit.

Gas

The overall 2015 Portfolio estimated gas TRC benefit-to-cost ratio will be 1.02 (indicated without a 10 percent conservation credit). Gas programs will, in aggregate, achieve an overall UC of 1.62. Cost-effectiveness calculations indicate that only four gas programs, including two in the Residential Sector and two in the Business Sector will yield TRC benefit-to-cost ratios of less than 1.0. With the exception of Single-Family Weatherization, all are above a TRC ratio of 0.667.

Regulatory Compliance

This Plan is consistent with several specific conditions and requirements. Chapter 10: *Compliance*, includes an extensive discussion of condition background, and conditions met with the filing of this Plan. The Plan is also consistent with applicable deliverables enumerated in the 2001 General Rate Case Settlement Stipulation Agreement, Exhibit F, Docket No. UG-011571. PSE regularly exceeds regulatory requirements in consistently providing an exceptional level of background and details in its filing documents and CRAG-related materials.

CRAG Engagement and Reporting

Consistent with condition (8)(a), PSE mailed an electronic copy of the 2015 ACP to the Conservation Resource Advisory Group (CRAG) on October 30, 2014. PSE reviewed summary points of the ACP contents during its October 9 CRAG meeting. This review was consistent with condition (3)(b). PSE ensured that the CRAG was engaged throughout the 2015 ACP planning cycle, and sought input on the design of the Plan structure and layout.

Report Chapters

In the following ACP Overview chapters, PSE outlines a variety of updates to existing programs, functions, and activities, as well as new customer offerings it is putting into place to effectively manage expenses, provide exemplary stewardship of Ratepayers' funds, exceed customer expectations, and meet the 2015 electric and gas conservation goals. These updates clearly demonstrate PSE's application of TQM adaptive management principles and its commitment to constantly enhancing its suite of conservation offerings. Program detail chapters follow the Exhibit 1: Savings and Budgets structure.

The most detailed level of information is contained in the attached Exhibits. They contain savings and budgets by program, cost-effectiveness calculations by program, program details, measure and incentive offerings, the Northwest Energy Efficiency Alliance (NEEA) 2015 update, and any 2015 conservation tariff revisions.

With this 2015 ACP, PSE continues its principle of providing a wide range of business information in a form that meets Stakeholder needs with a high degree of transparency. As a courtesy to Stakeholders, PSE actively solicits, welcomes, and incorporates comments and suggestions on all of its filing documents.

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2015 Conservation Plan Introduction

This 2015 Annual Conservation Plan (ACP or Plan), will discuss revisions, updates and improvements to its Commission-approved 2014-2015 Biennial Conservation Plan. The ACP fulfills the requirements of condition (8)(a), which indicates that PSE must include discussions of any changes to program details, and provide detailed budgets and tariff revisions for review. In accordance with the intent of condition (8)(a), PSE requests that the Utilities and Transportation Commission (WUTC, UTC, or Commission) acknowledge[4] the 2015 electric goal of 277,600 MWh, or 31.7 aMW, with an effective date of January 1, 2015.

From this total, PSE subtracts NEEA electric savings of 22,340 MWh. Although PSE funds 2015 NEEA activities, NEEA savings are excluded from those attributable to PSE specifically. Next, the sum of PSE Energy Information pilot programs; 8,220 MWh, is subtracted, as those pilot program savings have not yet been verified. The total electric savings of 247,040 MWh will count toward the achievement of PSE's biennial EIA target of 485,770 MWh or 55.5 aMW.

The ACP fulfills the requirement outlined in Section H.21 of Exhibit F of the Settlement Stipulation in Docket No. UG-011571, [5] which prescribes annual filings for gas targets. It is also consistent with a recommendation in the Commission's Policy Statement on the Evaluation of the Cost-Effectiveness of Natural Gas Conservation Programs,[6] which recommends that utilities establish a standard format and schedule of planning documents. The 2015 gas goal is 3.081 million therms.

Where there are notable differences, or where it is applicable, electric initiatives will be discussed separately from gas initiatives. Where there is not a distinction, the Energy Efficiency Program Staff will apply similar strategies and focus to both fuel type programs.

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[4] From Docket No UE-132043, Order 01, Attachment A, (8)(a): "(…) The Annual Conservation Plan may be acknowledged by placement on the Commission's No Action Open Meeting agenda. (…)"

[5] Inclusion of PSE's natural gas plans is consistent with Section H.21 of the 2001 Rate Case Stipulation Agreement, Docket No. UG-011571, which states in part (emphasis added):

> *"… After the first year,* ***PSE's conservation targets for*** *both* ***natural gas*** *and electric efficiency* ***programs will be revised periodically*** *and determined by the updated conservation supply curves, current avoided cost values, program experience, and other relevant factors. These targets will direct development of the mix of cost-effective programs that will establish the budgets for efficiency programs and once that mix has been developed, the targets will be determined.* ***The Company will submit these targets through annual filings for Commission approval."***

[6] Docket No UG-121207.

Many discussions will reference and summarize supporting Exhibits, which provide a substantial amount of detailed, important information.

The 2015 ACP will focus on strategies that PSE will employ in order to encourage customers to participate in energy-efficiency programs, prudently use the funds that they've entrusted to PSE, and be proactive in adapting to an ever-evolving energy-efficiency environment while achieving its Commission-approved savings goals.

Drivers of the plan, discussed in further detail in the program-specific sections to come, include customer participation and feedback, updated avoided cost calculations, Conservation Resource Advisory Group (CRAG) recommendations, updated measure Unit Energy Savings (UES) values,[7] technology updates, and trade ally support, among others.

Throughout this Plan, references to UTC conditions may be sited where applicable within program or function discussions. These include conditions enumerated in Attachment A of Order 01 in Docket No. UE-132043, approving Puget Sound Energy's 2014-2023 Achievable Conservation Potential, and 2014-2015 Conservation Target Subject to Conditions; Sections A through J of the 2010 Electric Settlement Agreement, Docket No. UE-100177; and applicable Sections of Exhibit F in the 2001 General Rate Case Stipulation Agreement, Docket No. UG-011571.

This discussion and the Glossary of Terms chapter contain the only citation of the complete, formal name of those orders and conditions. In the following discussions, the report will only reference "Section", "condition", or "order" to avoid unwieldy repetition and unnecessary redundancy.

2015 Sector-Level Savings Goals and Budgets

Table 2a presents the overall savings goals and budgets for both electric and gas portfolios by Program and Sector groupings. Detailed savings goals and budgets worksheets by Program are presented Exhibit 1: *Savings and Budgets*.

[7] It is important to note that PSE aligns its RTF Deemed (UES) savings values to those outlined in the most recent version of RTF tables annually, rather than biennially, in order to reflect actual conservation savings in the most accurate manner. This practice is detailed in PSE's *Measure Revision Guidelines*.

Table 2a: 2015 Energy Efficiency Conservation Goals and Budgets by Exhibit 1 Sector Grouping

Savings and Budgets Stated in MWh and $1,000s	Electric	Gas Therms, 1,000s
Residential	131,900 MWh	1,469
	$47.67 Million	*$6.95 Million*
Business	112,100 MWh	1,612
	$32.67 Million	*$4.00 Million*
Pilots	8,200 MWh	0
	$1.27 Million	*$0.23 Million*
NEEA + T&D	25,300 MWh	0
	$4.77 Million	*$0.74 Million*
Portfolio Support		
	$5.49 Million	*$0.91 Million*
Research & Compliance		
	$3.81 Million	*$0.48 Million*
Other Electric Programs		
	$3.64 Million	
Totals	277,500* MWh 31.7 aMW *$99.32 Million*	3,081 *$13.32 Million*
	$112.64 Million	

** This total differs slightly from that illustrated in the Executive Summary due to sub-total rounding. Actual totals are presented in the Portfolio View of Exhibit 1: Savings and Budgets.*

2015's Significant Challenge

The updated 2015 savings and budget figures are substantial in light of continued downward revisions of many prescriptive measure UES values, both electric and gas. Customer Energy Management (CEM) Program Staff demonstrated creativity and adaptive management in developing innovative solutions and services that will sustain 2014's momentum.

Very few programs; both in Residential Energy Management (REM) and Business Energy Management (BEM), were unaffected by these UES value revisions. To varying degrees, adjustments included LED lamps, several appliance types, insulation, window, and air-sealing measures, as well as some measures adjusted as a result of evaluations and the 2012-2013 Biennial Electric Conservation Achievement Report (BECAR). Some adjustments resulted in measures becoming cost-ineffective. These measures were put on hiatus and will not be offered in 2015. Prescriptive measure elements are noted in the program detail pages of Exhibit 1.

As has been stated in many Energy Efficiency documents and reports, these UES value adjustments would not be a concern if not for Energy Efficiency's Measure Revision Guidelines. Without the guidelines, PSE would continue tracking and reporting the prescriptive savings values that were established at the start of the 2014-2015 biennium. However, the guidelines indicate that when a prescriptive measure's UES value is adjusted in one year, PSE will align to that value, which will be tracked and reported by Energy Efficiency, in the following year until it is able to develop a PSE Deemed value that is consistent with condition (6)(c).

This policy is unique; to PSE's knowledge, it is the only Washington utility to follow this guideline. It is noteworthy that PSE was not required by the Commission or the CRAG to implement such a policy. It did so because the policy is sensible; for the Company's resource planning needs and to ensure that its savings reporting is as accurate as possible.

PSE was aware that the current circumstances were a possibility when it implemented its policy in 2008 and is prepared to adapt to the change in conditions—as is demonstrated in the following program discussions. PSE appreciates the Stakeholder recognition that its policy is a trend-setter, and particularly appreciates the CRAG's support and acknowledgement of the challenges that such policies create.

Adaptive Management Work in Customer Energy Management

To proactively adapt to potential shortfalls, CEM Program Staff added new measures where appropriate, applied bundling techniques in some programs, and broadened the measure offerings (such as additional LED lamps or categories of clothes washers). They will build on marketing and outreach efforts implemented in 2014 to reach more customers in different segments of the PSE service territory and at a variety of events. Additional details are discussed in the following program chapters as well as in Exhibit 3: *Program Details*.

PSE will also pursue the conversion of as many prescriptive measures as possible to PSE Deemed status. As this effort progresses, Program Staff will apply all steps necessary to ensure complete documentation of savings calculations, in compliance with condition (6)(c).

In order to maximize the scope of its gas program offerings, Program Staff will apply Non-Energy Benefits to enhance the program's Total Resource Cost (TRC) where possible, while operating in accordance with condition (10)(a) [8] and Section C.6 of the 2001 Rate Case Settlement Stipulation Agreement.[9]

They will incorporate Schedule 183's TRC test allowance that allows a benefit-to-cost ratio of 0.667 in some cases,[10] as well as concepts outlined in the Commission's Policy Statement on the Evaluation of the Cost-Effectiveness of Natural Gas Conservation Programs.

CEM recognizes that continuous improvement and innovative process design is critical to meeting savings goals while prudently using its customers' funding. CEM Program Staff will continue to innovate and apply performance metrics, market research, and TQM adaptive management principles to produce iterative and robust program management decision-making. As customers are the primary focus of all conservation programs, Program Staff will continue to emphasize the maximization of customer participation and approval of its offerings at every customer interaction.

This continuous improvement emphasis will extend to CEM's engagement with partnering utilities, trade allies, retailers and resellers, manufactures, communities, and third-party administrators.

[8] Although condition (10)(a) applies only to electric programs, PSE has consistently applied the conditions related to the EIA to its natural gas programs when appropriate. The condition does not specifically indicate that the overall portfolio must achieve at least a TRC of 1.0, it is generally understood that "… Puget Sound Energy's portfolio must pass the TRC test. …" means a TRC benefit-to-cost ratio of at least 1.0.

[9] Section C.6, Exhibit F, Docket No. UG-011571 indicates that "In general, each individual energy efficiency program shall be designed to be cost-effective. […]"

[10] Schedule 183, Section 4, #y: *"[…] Where there are a significant amount of No-quantifiable Benefits (or Costs), then total Resource Cost may be up to 150 percent (150%) of the Energy Efficiency Cost Effectiveness Standard, with a Total Resource Cost benefit/cost ratio of 0.667 or greater.* The same definition is contained in the electric Schedule 83, Section 4, #aa.

Continuously Improving Business Management

As discussed with the CRAG on June 5, 2014, the Customer Energy Management organization re-aligned several operations in order to create efficiencies and more effectively serve PSE customers. These revisions were made in 2014 with the understanding that their full impact will be realized in 2015. The key customer-facing impacts are felt in the Dealer Channel and Energy Efficiency Outreach.

Services that PSE provides for contractors and developers in the Business sector were moved into the Dealer Channel, as this organization's constituency had a fairly significant overlap. This increases efficiencies and provides a more seamless interface for PSE business partners who provide services for both residential and commercial customers.

The Energy Efficiency Outreach organization now includes both Energy Efficient Communities and Energy Efficiency Events, as the groups quite often serve the same or similar constituents. Internally, the CEM reporting and analysis group was also re-assigned to the Programs Support organization to provide a broader range of services to all CEM sectors. Business Sector rebate processing and Residential Sector rebate processing was also brought together in a single group, where CEM expects to gain efficiencies throughout 2015.

By consistently applying TQM adaptive management principles throughout the year, PSE expects to realize continued improvement in department operations, with the intention of maximizing customer participation and conservation savings in 2015.

Another element of this re-alignment is evident in the 2015 budget views in Exhibit 1: Savings and Budgets. The organizational improvements resulted in a re-alignment of expenditures, rather than an increase in the overall 2015 expenditures.[11] Data and Systems Services and Rebate Processing will report their expenditures directly in 2015, rather than assessing to the REM and BEM departments.[12]

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[11] There may be cases where department budgets increased as a result of higher incentives, additional marketing, etc. Any apparent increases, however, were not the result of re-aligning organization structures.

[12] A key example is the Rebates Processing group, which provides services for both Residential and Business Sectors. In 2014, the rebate processing staff's labor was assessed across the applicable programs (Weatherization, Space/Water Heat, Commercial Kitchens, etc.). For 2015, readers will notice a new labor budget line in applicable programs' Exhibit 1 detail pages; "Rebates Processing". This line does not represent an incremental expense; only a re-classification of an existing expense.

In 2015, the Contractor Alliance Network (CAN) will move to the Conservation Rider. As is discussed in further detail in the Trade Ally Support section on page 52, this revision is appropriate, as the CAN drives increases in conservation savings, both electric and gas.[13] The program is revenue-neutral, and will thus have little effect on overall 2015 budgets while driving increased efficiencies and savings.

Exhibit Revisions

Exhibit 1

As a courtesy to Stakeholders, PSE continued its practice of simplifying Exhibit 1 navigation by adding hyperlink buttons to some pages (as the workbook now consists of over 100 tabs).

Business Rebate programs are now detailed separately. The organizational re-alignment discussed on page 20 provided an opportunity to break out program budgets by order number (listed in the Sector View pages of Exhibit 1). The former Schedule 262 Business Rebates pages (that combined programs such as Commercial HVAC, Commercial Kitchens, Commercial Lighting, Hospitality, etc., and fell under the Schedule 262 Business Rebates group) is now located at the end of the Exhibit 1 workbook. Those individual programs are all still a part of Schedules E and G 262 (similar to the residential programs that are a part of E and G 214).

On those two pages, PSE added a summary table, with links to the new budget detail sheets. This will provide a quick reference comparison of the original 2015 budget versus the updated program-specific Schedule 262 budgets.

The individual Schedule 262 programs are also broken out on the Sector Level page of Exhibit 1, similar to Schedule 214: Single Family Existing in the Residential Sector. However, unlike the Single Family Existing programs, the separate Business Rebate programs roll up to a single Business Rebates line in the Portfolio View.

Exhibit 5

Exhibit 5: Prescriptive Measure Values, is excluded from the ACP, as its focus is more of a look-back, rather than forward-looking, planning document. Exhibit 5 is created from Source of Savings Database extracts.

[13] CAN-participating contractors effect an approximate 49-51 ratio of electric-gas projects.

As measures are not entered into the Source of Savings database until they are effective, Exhibit 5 lends itself to be included in PSE's Annual Conservation Accomplishments Reports, rather than the BCP or ACP. Readers will still have a high degree of measure value information available, though, as Exhibit 1 program detail pages contain measure tables for all programs that utilize prescriptive measures.

Many include "2014 values -vs- 2015" values details. Others, such as the Business Rebates programs, had only summary values presented in the original 2014-2015 BCP, so there is no comparison of values available.

Lastly, some programs' measure tables, such as Multifamily Existing, were too large to add a comparison. In these cases, a single, updated 2015 table was inserted. Many contain "revised 2015" columns that will facilitate comparison.

Exhibit 9

Another Exhibit revision implemented with the ACP is the omission of Exhibit 9: Condition Compliance Checklist. As this is another "backward-looking" document, PSE will include it with each Annual Report of Conservation Accomplishments. PSE also shares the Checklist with CRAG member regularly throughout each program year to ensure that the CRAG is current with PSE's compliance progress.

2015 Continuous Improvements

Some examples of additional business enhancements that PSE has put into place—or will in 2015—that will have a positive impact on Energy Efficiency's success, include:

- Re-aligning the Contractor Alliance Network funding to the Conservation Rider.
- Enhancing reference links between measure tracking databases to improve reporting accuracy.
- Increasing the exposure of energy-efficiency programs to a wider range of PSE employees who interact with customers.
- Broadening the scope of efficiency outreach efforts, including direct customer interaction, community awareness and Energy Advisor outbound calling.
- Engaging an events contractor to ensure that all events have maximum impact.
- Continued analysis and evaluation of a single-source energy-efficiency data management system.

Portfolio Cost Effectiveness

Table 2b presents the projected 2015 electric and gas program cost-effectiveness estimates, as measured using the Utility Cost (UC) test and Total Resource Cost (TRC) test. It is important to note that cost effectiveness calculations performed for planning purposes rely on measure cost, customer incentive, and savings projections. Definitive cost-effectiveness rates are finalized only after actual costs are accumulated and reported.

The first year actual cost-effectiveness results, based on 2014-2015 biennial estimates presented in PSE's Biennial Conservation Plan, will be provided in the 2014 Annual Report of Conservation Accomplishments in March, 2015.

Cost Effectiveness and the Effect of Revised Savings Values

As will be mentioned often through the 2015 ACP, adjustments to prescriptive UES values; both electric and gas, have a substantial impact on savings goals, which in turn, affects program cost-effectiveness.

Table 2b indicates that the overall electric and gas Portfolio benefit-to-cost ratios exceed an estimated TRC of 1.0, consistent with the principle of condition (10)(a) and Section C.6. The Portfolio-level electric TRC is estimated to be 1.50, and the gas overall TRC is calculated to be 1.02.[14] While the overall Portfolio continues to meet PSE's cost-effectiveness objectives and regulatory requirements, some individual programs' cost-effectiveness were affected by prescriptive UES value revisions. All programs are listed in the summary tables, page 1 of Exhibit 2: *Cost-Effectiveness Estimates.*

Four electric programs: Home Energy Reports (legacy program, at an estimated TRC of 0.50), High-Voltage/Self-Directed (TRC of 0.76), Lighting to Go (Business Lighting Markdowns; with a TRC of 0.98), and the Residential Home Energy Report Expansion pilot (a TRC of 0.46), are estimated to have a TRC of less than 1.0 in 2015. Gas programs that PSE estimates will have a TRC of less than 1.0 in 2015 include Low Income Weatherization (0.76), Residential Single Family Weatherization (0.44), Small Business Direct Install (0.73), and Commercial HVAC (0.95). If a 10 percent conservation credit were applied, the Commercial HVAC program would achieve a gas TRC of over 1.0.

[14] The electric TRC ratio is presented with the addition of the prescribed 10 percent conservation credit. Although this credit is excluded from the applicable tables in this ACP Overview, the "Gas CE" table in Exhibit 2: Cost-Effectiveness Estimates contain the TRC ratios with and without this credit applied.

Maintaining these programs is consistent with the TRC allowance of 0.667 noted in Schedules 83 and 183, and the Commission's gas Cost-Effectiveness Policy Statement, as discussed in the previous *Adaptive Management Work in Customer Energy Management* section. It is also important to sustain these offerings to ensure trade ally support and customer participation. CEM Program Staff will closely monitor their measure mix to ensure that program TRCs do not adversely affect the overall Portfolio.

Table 2b: 2015 Energy Efficiency Cost Effectiveness Estimates, Sector View

Sector	UC	TRC*
Energy Efficiency Portfolio		
Electric	2.03	1.50
Gas	1.62	1.02
Residential		
Electric	2.44	1.62
Gas	1.98	0.99
Business		
Electric	2.03	1.51
Gas	1.95	1.61

** Electric programs have a conservation credit of 10% applied, while gas programs do not. Exhibit 2's Gas CE tab, though, provides a column illustrating what the TRC ratio would be if a credit was added.*

2015 Annual Conservation Plan Layout

In this Plan, PSE references six Exhibits that provide additional details about key elements of Energy Efficiency operations. In order to present these in a logical filing structure that is manageable for Stakeholders, the 2015 ACP package is divided into two parts. Part 1 is the 2015 Plan Overview. Part 2 includes of all of the Exhibits. This naming principle will assist Stakeholder in their filing comments or data request references. The hard-copy binders are further organized into two Volumes. The smaller Volume 1 will provide Stakeholders easy access to critical, often-referenced information, while the detailed Exhibits are in the larger Volume 2.

The volumes are organized accordingly (In the USB flash drive, the Exhibits are presented in their entirety, rather than a summary of Exhibit 1 for Volume 1, etc.):

Volume One

Part 1

- Plan Overview

Part 2

- Exhibit 1: 2015 Savings and Budgets, Portfolio and Sector views only,
- Exhibit 2: Cost-effectiveness summary electric and gas tables.

Volume Two

Part 2, continued

- Exhibit 1: 2015 Savings and Budgets, complete workbook
- Exhibit 2: 2015 Cost-Effectiveness estimates, program-level electric and gas tables,
- Exhibit 3: 2015 Program Details,
- Exhibit 4: 2015 Energy Efficiency List of Measures, Incentives and Eligibility revisions,
- Exhibit 10: 2015 Northwest Energy Efficiency Alliance (NEEA) Plan,
- Exhibit 11: 2015 Conservation Tariff Updates.

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Residential Energy Management Programs

The following discussions provide, by Program (following the organization of Exhibit 1's Portfolio View), 2015 details of Residential Energy Management's (REM's) strategic initiatives that will be put into effect in order to meet PSE conservation targets.

2015 Labor Revisions

Key labor allocation updates to its 2015 operations affected REM's budgets: (1) the transfer of the Systems Channel Staff to the Programs Support group and (2) the Rebate Processing group is now separately budgeted.

This re-alignment did not result in an increase in planned expenditures. Readers must keep in mind, though, that as a result of several ancillary factors; including increases in savings and incentives in some programs, increased costs associated with lower UES values, unplanned initiatives, etc., it isn't possible to directly reconcile the original 2015-specific budget to this ACP.

For instance, if REM's originally-stated 2015 total planned expenditures were $40,000,000 (hypothetically), and the 2015 ACP's planned expenditures for Data and Systems Services is $1,000,000 (which, as noted below, no longer assesses to REM), it wouldn't be accurate to directly conclude that REM's updated, 2015 ACP total would be $39,000,000 as a result of the re-alignment. It would be accurate to conclude, though, that the overall Portfolio budget did not increase by $1,000,000 as a result of the re-alignment.

Readers will find the expenses that these two groups formerly charged to REM (with a small portion also allocated to Business Energy Management) are now detailed in Exhibit 1: Savings and Budgets. Referencing the electric or gas Sector Views (using the hyperlinks at the top of the electric and gas columns in Exhibit 1's Portfolio View), these are listed as "Programs Support – Data and Systems Services" and "Rebates Processing", respectively. Both are located in the Portfolio Support section of Exhibit 1.

PSE identifies these expenses in this way to maximize transparency and emphasize the due diligence with which the REM Program Staff manages its operations.

2015 UES Value Revisions

It is important to note that PSE's policy of updating prescriptive measure UES values annually—a policy that PSE initiated and implemented without regulatory requirement—causes some significant challenges at this mid-point of the biennium.

As is highlighted in the program-specific discussions, many measures' UES values were decreased for 2015. In some cases, the adjustment is substantial enough to cause PSE to put the affected measure on hiatus, as the new value now causes the measure to become cost-ineffective.

The overall effect is a substantial increase in pressure to creatively manage program portfolios in order to minimize savings losses, maximize the number of overall units, and increase the number of new and innovative measures in 2015. REM Program Staff adapted to these revisions utilizing TQM principles in every facet of their 2015 program planning.

Low Income Weatherization

Schedules E/G 201

PSE added $500,000 in funding to its baseline Low Income Weatherization budget for 2015, consistent with Order 07, Docket Nos. UE-121697 and UG-121705, granting PSE's decoupling petition. PSE Shareholder contributions of $400,000 will also be made available to low-income agencies, reflecting the required $100,000 annual incremental funding.[15] The commensurate savings forecasted is reflected in the LIW 2015 savings goals.

Electric savings in the Low Income Weatherization program will increase slightly in relation to its original 2015 plan, outlined in the 2014-2015 BCP. This is despite the elimination of CFL lamps and fixtures, which became cost in-effective with the program's direct-install delivery method. Overall program savings are affected by various measure savings adjustments, including insulation, air sealing, and window measures. The program will compensate for these adjustments by focusing on high-demand appliance and higher-value (R-0 baselines, rather than R-11, R-19, etc.) insulation measures. LIW will also offer air sealing measures in multifamily structures in 2015.

LIW's gas program will realize a slight decrease in savings from its original 2015 plan. Some low-value insulation measures will no longer be offered, while the higher-value (with a resulting higher savings value) insulation measures will be emphasized. The program also plans to emphasize high-efficiency furnace installations and air sealing as well.

PSE will continue to fully fund selected, mission-critical measures while state and federal funding declines, allowing agencies to ensure consistent production levels, regardless of funding type.

[15] It is noteworthy that these amounts are not incremental year-over-year.

Single Family Existing

Schedules E/G 214

This Sector group is the largest contributor of savings in REM and is made of these programs:

- Direct-to-Consumer Channel
    - Residential Lighting,
    - Home Appliances,
    - Showerheads,
    - Home Energy Reports.
- Dealer Channel
    - Space and Water Heat,
    - Weatherization,
    - HomePrint™,
    - Fuel Conversion.[16]

The overall electric savings for this group is planned to be slightly lower than the 2015 figure noted in the original 2014-2015 Biennial Conservation Plan. Gas savings for the group is also anticipated to decrease slightly from the original 2015 plan.

Direct-to-Consumer Channel

In late 2014, the "Retail Channel" revised its name to better reflect its focus on PSE consumers, rather than a specific delivery mechanism. This focus is on consumers that participate in their programs in a variety of means and not solely due to retail purchases. This name change now incorporates measures and programs such as, but not limited to; refrigerator & freezer decommissioning, refrigerator & clothes washer replacement, Home Energy Reports, and Lighting to Go.

[16] Fuel Conversion is included in PSE's Schedule 216. The management of the program is conducted within the Dealer Channel.

In 2015, the Direct-to-Consumer Channel's continued focus will be on the quality of measures and initiatives over the quantity of measures. The Channel will continue its highly effective energy-efficiency campaigns, utilizing market research intelligence, measuring success, assessing, refining, and testing.

Retail Lighting

Many savings values for both LED and Retail CFLs have been reduced for 2015. In spite of the challenges these adjustments present, the program plans to achieve savings that are higher than the value originally indicated for 2015 in the 2014-2015 BCP.

The Residential Lighting team will accomplish this by building on the momentum established in 2014 and expanding the scope of LED offerings—including the new T8 LED lamp—and optimizing lighting incentives for LEDs and CFL incentives. In 2015, LEDs will comprise the majority of the program savings. Occupancy sensors are removed from the 2015 offerings as a result of cost-effectiveness concerns stemming from increased LED saturation.

PSE will continue its highly-focused marketing and promotional plan[17] that includes:

- Collaboration with Partners; utility roundtable groups,
- Simplify the in-store buying process, focusing on point-of-sale materials,
- Increase awareness of the variety of products and reviews, providing customers online resources,
- Education on the most energy-efficient lighting available,
- Store merchandising; including prime store real estate as an energy-efficiency "destination",
- Get customers to buy by creating limited-time offers in collaboration with retailers and manufacturers.

PSE's Lighting to Go program, successfully implemented in 2014, will continue in 2015. Although savings are reported in the Business Rebates program and the majority of customers are businesses, the program is managed with a focus on retail establishments, where Lighting-to-Go point-of-sale incentives are issued. The program is also noted in the Business Rebates section of this Plan.

[17] Detailed marketing plans are included in the Exhibit 3: Program Details discussions and Exhibit 7: Marketing Plans.

Appliances

UES savings values for many appliances were reduced late in 2014, including refrigerator and freezer decommissioning, thus affecting the Appliance Program's 2015 planned savings. A key contributor to an increase in the program's planned 2015 savings however, is a significant increase in certain clothes washer UES values.

PSE anticipates a broader distribution of clothes washer types in 2015, in addition to new measures, such as heat pump clothes dryers, for instance. Along with bundling some appliance purchases with engagement or leave-behind showerheads, the program plans on an increase in electric savings in 2015 over the planned figure noted in the 2014-2015 BCP.

Showerheads

2015 showerhead unit counts are anticipated to be lower than originally indicated in the 2014-2015 BCP. To proactively adapt, PSE broadened its offerings and added the new restrictor adaptors to its suite of offerings, resulting in overall program savings that are anticipated to be slighting higher than originally planned for 2015.

Gas savings are expected to exceed the total originally planned in the 2014-2015 BCP. This is a result of broader offerings and distribution among delivery methods, especially in the retail market.

Web-Enabled Thermostat

This offering is planned to complete 2015 on-target with its originally-forecast gas savings value, as noted in the 2014-2015 BCP.

Home Energy Reports

As a result of the measure's savings life and persistence attribution, electric savings will be a fraction of the overall 2014 program savings. There will be no Home Energy Reports gas savings in 2015. These plans are in keeping with the originally-reported 2014-2015 BCP values.

Savings Contribution

The Direct-to-Consumer Channel will contribute over 60 percent of the overall REM electric 2014-2015 savings, with Residential Lighting generating approximately 50 percent of the Sector total. The Channel will also provide over 15 percent of the overall REM 2014-2015 gas savings.

Dealer Channel

Space & Water Heat

Updated electric UES savings values will have a significant effect on these programs in 2015; overall value reductions of approximately 20 percent are anticipated. As a result, Tier 1 heat pumps will be put on hiatus in 2015. To offset this loss, the program will place a higher emphasis on tier 2 heat pumps, even though their UES values were reduced by over 50 percent. Forced air furnace-to-heat pump conversions and heat pump sizing & lockout controls UES values were also considerably reduced.

The program plan includes a high degree of emphasis on the measure mix, with a focus on marketing and channel management to ensure that cost-effectiveness and customer satisfaction is maximized. The program's gas portfolio remains on-track to meet its original 2015 savings projection.

In the Water Heat program, additional heat pump water heaters will help to increase the program's contribution over the originally-planned 2015 total. As has been the case since the development of the 2014-2015 BCP, no savings or expenditures are planned for the gas Water Heat program. The program will collaborate with trade allies to provide direct-install measures, and drive cross-channel opportunities within the Contractor Alliance Network (CAN).

HomePrint™

The program is also affected by lower LED UES values. Accordingly, the overall electric savings plan is slightly lower than originally represented for 2015 in the 2014-2015 BCP. To adaptively manage these losses, the program is adding measures, such as advance power strips. It will also reduce some electric incentives to maintain cost-effectiveness. PSE will continue a targeted/customized outreach campaign and follow-up mechanism with HomePrint™ Assessment recipients to increase customer participation in recommended efficiency retrofits. As was the case at the beginning of the 2014-2015 biennium, there are no gas savings planned for this program.

Manufactured Home Duct Sealing

PSE Deemed savings values for level 1-through level 3 duct sealing were revised for 2015, resulting in higher-than-originally planned program savings. The addition of direct-installed LEDs and showerheads also contributed to increased savings. No 2015 gas savings or expenditures are planned for the program.

Weatherization

A significant UES savings value reduction in many measures; including windows, insulation, and air sealing, will have a considerable impact on the program's electric savings, as related to the original 2015 plan. It is estimated that a reduction of more than 30 percent may result from the savings adjustments. The program added savings by engaging with WSU to implement a limited mobile home floor installation project in 2015. This will yield additional savings and help to minimize the negative savings effect.

The gas side of the program will see a similar decrease in savings, with reductions in windows and air sealing most prominent. As is the case in the Space Heat and Water Heat programs, Program Staff will closely manage the measure mix to ensure program cost-effectiveness and customer satisfaction.

Savings Contribution

PSE will pursue an initiative to convert as many of the adjusted measures noted in the above discussions as quickly as possible. To do so, though, will require engineering analyses, impact evaluations and other relevant data in order to substantiate revised savings figures. Consistent with condition (6)(c), PSE will ensure that these are put into effect prior to converting the RTF UES values to PSE Deemed.[18]

The Dealer Channel plans to contribute over 15 percent to the overall REM Sector 2015 electric savings and over 60 percent to the overall Sector gas savings.

[18] Consistent with its Measure Revision Guidelines, any revision recommended in 2015 will be effective January 1, 2016.

Single-Family Fuel Conservation

Schedule E 216

As part of the Dealer Channel, the Fuel Conversion program's 2015 savings are expected to be slightly higher than initially planned, thanks in part to an anticipated additional space heating measure units.

Residential Business-to-Business Channel

The third customer-focused Channel in the REM Sector is the Residential Business-to-Business (RB2B) Channel. This group's focus is on Low Income Weatherization (discussed at the beginning of the REM chapter), Multifamily Existing, and Residential New Construction. Residential New Construction is made up of Single Family and Multifamily New Construction groups.

Multifamily Existing

Schedules E/G 217

The most significant update to the 2014-2015 BCP is that a PSE-onsite vendor contract was entered into subsequent to the BCP publication. Consequently, quite a few measures were added to the current 2015 plan. The program will realize significant increases in advanced power strip installations, attic insulation, and in a variety of LED lamps. As is the case in other Residential programs, some LED, insulation, and window UES values will temper the savings gains. It is anticipated that Multifamily Existing electric savings will be slighting more than 10 percent higher than originally planned for 2015. This accounts for an approximate $1.3 million increase from the originally-planned 2015 anticipated spending.

Additional measures will also result in a slight increase in Multifamily Existing gas savings as well, with a higher number of showerheads and showerhead restrictors installed. The increase will be slightly offset, though, by the decline in insulation UES values.

Residential New Construction

Schedules E/G 215 and E/G 218

This program designation was established in 2014 and will continue through 2015. Although the Conservation Schedules remain intact for both Single Family and Multifamily New Construction, customers won't need to know their specific rate schedule to determine whether their newly-constructed residential structure qualifies under terms of a particular program.[19]

For 2015, only Multifamily New Construction will contribute to electric and gas savings. The Channel, though, has budgeted a small amount of funding for the Single Family New Construction program as it places importance on maintaining its connection with the development community and the Master Builders Associations.

PSE anticipates that the program will realize a slightly lower-than-planned electric savings, relative to its original 2015 electric savings projections as a result of reduced UES values. These reductions cause the program to withdraw some of its appliance measures. As a result of reduced UES values, the program's gas savings are anticipated to finish 2015 slightly lower than originally planned.

Savings Contributions

The Residential Business-to-Business Channel plans to contribute over 20 percent to the overall REM electric savings in 2015. The Channel will also contribute over 18 percent to the Sector's gas savings total.

[19] There are sometimes instances when a single-family dwelling is constructed as part of a multifamily campus. In these instances, prior to this enhancement, those customers may have not known if they qualified for an energy-efficiency incentive under terms of the single family, or multifamily Conservation Schedule.

Business Energy Management Programs

The following discussions provide, by Program (following the organization of Exhibit 1's Portfolio View), details of Business Energy Management's (BEM's) strategic initiatives that will be put into effect in 2015 in order to meet PSE conservation goals. Where there are no updates from the original 2014-2015 plans, PSE will indicate its intention to proceed, with a focus on continuous improvement and adaptively managing as outlined in the individual program discussions.

In the 2015 Annual Conservation Plan, a key update from the 2014-2015 BCP is BEM's initiative to revise the minimum Total Resource Cost (TRC) cost-effectiveness test threshold for custom gas projects from 0.9 to 0.5. As discussed with the CRAG in its October 9th meeting, this change is in response to the dramatic decrease in incentivized gas projects over the past three years due to the decrease in gas avoided costs. The proposed change will increase customer participation, sustain trade ally engagement, and maintain a robust suite of gas measures.

It is anticipated that the application of this cost-effectiveness threshold will have only a slight effect on the overall Sector TRC. All projects will still meet a Utility Cost (UC) benefit-to-cost ratio of 1.0.

This strategy is consistent with PSE's adaptive management principles, as well as with the Commission's Policy Statement on the Evaluation of the Cost-Effectiveness of Natural Gas Conservation Programs.[20] Additionally, the revision aligns with PSE's Schedule 183, Section 4.y, which indicates that:

> "… Where there are a significant amount of Non-quantifiable Benefits (or Costs), then Total Resource Cost may be up to 150 percent (150%) of the Energy Efficiency Cost Effectiveness Standard, with a Total Resource Cost benefit/cost ratio of 0.667 or greater."

[20] Docket No UG-121207.

Commercial/Industrial (C/I) Retrofit

Schedules E/G 250

Electric

The C/I Retrofit group will continue with the plans outlined in the 2014-2015 BCP with very little modification. The team will continue to apply TQM principles, effecting improvements in operational effectiveness and customer satisfaction. In addition, the staff will provide evaluation support, participate on RTF subcommittees and NEEA advisory committees, and provide data for the 2014-2015 Biennial Electric Conservation Achievement Review (BECAR) and 2015 Commercial Energy Efficiency Program Evaluation.

The C/I Retrofit program will continue its engagement with three contracted programs leveraging expertise of third party providers in the following specialty sectors: grocery, industrial/manufacturing, and data centers. PSE will pay the contractors administrative fees and will pass-through incentive payments; the contractors will use Ratepayer funds furnished by PSE to pay applicable incentives to eligible customers.

BEM's 2014 initiative to streamline business lighting projects for customers has been enormously successful. The three elements of this initiative will continue for 2015. Custom Lighting projects are managed through the Standard and Enhanced lighting programs. Prescriptive lighting projects are facilitated through the Business Lighting Express program, which is managed in the Business Rebates (Schedules E/G 262) group. Projects facilitated through the Standard lighting program may include any combination of exterior or interior lighting solutions. The Enhanced program is a comprehensive evaluation of the entire structure's lighting measures.

Readers will note that custom lighting grants are now detailed in a separate detail page within Exhibit 1: Savings and Budgets. Although budgeted separately, the savings and expenses will continue to roll-up to the Commercial/Industrial Retrofit program, Schedule E250.

Lighting retrofit projects are anticipated to remain strong in 2015, with advancements in LED technologies and enhanced incentives for comprehensive lighting upgrades positively impacting these results. PSE will consider a tubular LED rebate program in 2015 based on the results of the E262 Business Lighting Markdown ("Lighting To Go") program. PSE's LED street lighting offering, started in 2014, will be fully operational in 2015.

The Comprehensive Building Tune-Up program is expected to grow in 2015, due in part to streamlined documentation requirements and an improved incentive payment structure. PSE will continue offering "regionally established" programs with which customers and trade allies located throughout the Northwest are familiar; these programs include comprehensive audit and implementation services in the grocery and industrial/manufacturing sectors.

The remainder of Commercial/Industrial Retrofit activity will be comprised of commercial non-lighting projects, predominately consisting of HVAC and controls upgrades, as well as data center energy efficiency measures. The majority of industrial savings will be mainly delivered via third-party programs and Schedule 258 Large Power User/Self-Directed activity.

Gas

Although natural gas retrofit projects have been in decline, application of the alternative TRC test threshold will maintain the strength of the program.[21] This change will increase the savings and budget for the program by incentivizing more projects. Additional savings are expected for the program due to a large project scheduled to close in 2015.

Savings Contribution

The C/I Retrofit Program will contribute the majority of BEM's overall electric savings; more than 50 percent. C/I Retrofit will also contribute approximately 20 percent of BEM's gas savings in 2015.

[21] As discussed in the BEM introduction on page 32.

Commercial/Industrial New Construction

Schedules E/G 251

The Commercial/Industrial New Construction program will continue to pursue savings strategies outlined in the 2014-2015 BCP. A key update, though, is the significant contribution of new horticulture lighting. PSE anticipates that this one measure type may generate over 6,000 MWh of savings in 2015.

PSE anticipates that several warehouse growers will switch from high-pressure sodium to LED plant lighting in 2015. These projects contribute large savings due to the high power density and long lighting hours. This new measure type is anticipated to increase the 2015 budget by approximately $1.2 million over the originally-planned amount.

As a result of the long planning and development timeline for new construction projects and recent resurgence in construction planning activities, much of Program Staff time in 2015 will be spent working on projects that will deliver savings in 2016 or beyond.

On the gas side of the program, PSE expects that a large gas project will be completed in 2015, resulting in higher-than-planned gas savings.

Savings Contribution

The C/I New Construction Program will contribute almost 9 percent of the overall BEM 2015 electric savings, while its gas savings contribution will be approximately 12 percent.

Resource Conservation Management

Schedules E/G 253

Electric

The RCM program is adaptively managing its portfolio of services through its consistent application of TQM principles. The program will continue to enroll additional customers in its Strategic Resource Management offering, where a third-party contractor provides on-site facilitation of RCM services directly to customers. These include mid-size customers with multiple facilities that do not meet square footage and energy usage thresholds for participating RCM customers. Program Staff will focus on the enrollments in 2015, which are slightly lower, due to a slower-than-expected participation ramp-up.

In response to the November 2013 SBW evaluation, the program will claim non-energy benefits (NEBs) as a percentage of the measure cost. The evaluation had two separate data points that validated a conservative approach:

1) The evaluation validated $1.47 million in NEBs for the 13 sites in the evaluation over the course of 1.5 years. The total measure cost during the time period for the entire program was $3.9 million. This validated that a minimum of 37 percent of the measure cost ($1.47 million / $3.97 million) was attributable to NEBs.

2) The second data point was based on survey results, which showed that RCMs dedicate 37 percent of their time toward water, waste water, solid waste, and other activities, which is found in Figure 24 of the evaluation.

As a result, PSE concludes that a deemed NEB value of 37 percent of the measure cost approach is conservative and appropriate given the evaluation results.

PSE will also modify the final RCM measure cost to be in alignment with actual savings. This approach better quantifies the cost of the RCM program and ensures the program can maintain cost-effectiveness requirements. For example, a large all-electric customer (20,000,000 kWh consumption across multiple sites) is expected to save 1,000,000 kWh per year at measure cost of $100,000. If the customer only saves 250,000 kWh, then the measure cost would be pro-rated down to $25,000, since it is assumed that the customer must have spent less time on the RCM program. This approach will be applied at the time of project closeout when the actual results of the program's performance is known.

Another adaptive management example is the implementation of PSE's new Community RCM offering. In partnership with the City of Bellevue, the program will engage a targeted group of downtown commercial buildings. The goal of the program is to provide building energy use information, technical support and training to augment the delivery of existing programs, and implement behavior-based initiatives. PSE anticipates that a savings ratio of 6 percent for targeted buildings is possible.

The new program, which will add approximately $1 million in planned spending, will undergo development and rollout in 2015, with savings expected to be realized starting in 2016. Some third-party entities are also contributing financially, offsetting some PSE expenses.

Gas

The RCM program expects slightly higher amount of gas savings in 2015 than what was planned in the BCP. The increase in savings is due to the addition of large gas customers to the RCM program and the continued strong performance of existing gas customers.

Savings Contribution

The RCM Program will contribute almost 15 percent of the overall BEM 2014-2015 electric savings, while RCM gas savings will comprise approximately 30 percent of the overall BEM amount.

Large Power User Self-Directed

Schedule E 258

The new Large Power-User/Self-Directed program cycle will begin with an RFP release in 2015 and will continue through 2019. A revised Schedule 258, reflecting the new program cycle and customer requirements, is included with this Plan in Exhibit 11. Program management will continue as originally planned in the 2014-2015 BCP, with program detailed outlined in the 2015 Plan's Exhibit 3.

Savings Contribution

As 2015 begins the new 4-year cycle, where the savings are traditionally the lowest, the Large Power-User/Self-Directed Program will contribute approximately 1 percent of the overall BEM 2014-2015 electric savings.

Technology Evaluation

Schedules E/G 261

PSE will continue the evaluation of Whole Building/EMIS software platforms as discussed in the 2014-2015 BCP. This technology evaluation has the potential to save approximately 1 million kWh annually, through identification of quantifiable operational savings activities, potentially beginning in 2015. Capital projects identified through utilization of Whole Building/EMIS Analysis Software will be funded through the C/I Retrofit program.

Commercial Rebates

Schedules E/G 262

A key improvement that Commercial Rebates put into place for 2015 was how it manages and reports budgets and savings. This added value provides Stakeholders with a more transparent view of the program's performance metrics and its Staff's due diligence in program planning.

In concert with the CEM re-organization, discussed earlier on page 13, savings and budget details--formerly outlined on a single detail tab in Exhibit 1: Savings and Budgets--are now enumerated on separate pages, according to the program group:

- Commercial Kitchens and Laundry,
- Commercial HVAC,
- Small Business Direct Install (SBDI),
- Commercial Lighting (Business Lighting Express),
- Commercial Direct Install (non-Small Business Direct Install),
- Small Business Direct Install,
- Lighting to Go (may also be referred to as "Business Lighting Markdowns").[22]

To assist readers, PSE has provided a comparison of originally-indicated 2015 program savings and budgets to the equivalent updated 2015 groupings in Exhibit 1. To be clear, these separate groups roll-up to the single Business Rebates line in the Portfolio view.

The program will continue its increased emphasis on direct-install offerings as well as further leveraging key trade allies and retail partners to drive enhanced customer service. Rebate process improvement strategies will continue in 2015 to further expedite customer payments while simultaneously freeing up PSE in-house Program Staff to better support program management, marketing, outreach, verification and evaluation activities.

The group's reduction of almost $1.5 million in electric and $180,000 in gas anticipated spending is commensurate with lower anticipated savings.

[22] As discussed in the Direct-to-Consumer Channel, Retail Lighting section, the Lighting to Go program is managed within the Direct-to-Consumer Channel, but the savings and expenses are recognized in the Business Rebate program.

Electric

As noted in the Commercial/Industrial Retrofit program discussion, the innovative business lighting offerings: Enhanced, Standard and Business Lighting Express, were successfully launched in 2014. The Enhanced and Standard offerings are managed as custom grants.

Business Lighting Express is prescriptive in nature, has an incentive limit, and applies to screw-in LEDs, exit signs, and T12 to T8 retrofits. Customers and contractors have embraced the program, as it doesn't require pre-approval, and the customer is allowed to install the product and submit the application and invoices for payment after installation. PSE will continue to implement improvements, enhance processes, and educate customers and contractors on this program in 2015. Prescriptive LED savings are affected by reduced UES values, similar to circumstances facing PSE's Residential Channels.

PSE expects that Pre-Rinse Spray Head installations through the Commercial Direct install program will reach saturation in 2015. The program will augment the initially-expected savings through the addition of a low-flow showerhead measure.

PSE will continue to utilize the Contractor Alliance Network (CAN) to boost implementation of the Commercial HVAC Retrofit and Premium HVAC Service programs for participating customers.

PSE also expects to incorporate expanded outreach and cross promotional efforts in 2015 to reach those making purchasing decisions associated to the Commercial Kitchen/Laundry programs. This may include enhanced sales associate training, point-of-sale visibility and participation in industry related trade associations and events.

The Small Business Direct Install program will continue its emphasis on the hard-to-reach customer segment of medium-to-small businesses, providing no-cost energy assessments and direct installation of cost-effective measures. The program will continue its partnership with the Energy Efficiency Outreach organization to conduct targeted "blitzes" in various communities throughout 2015.

Gas

Three programs within the group will be implemented by third-party contractors; Premium HVAC Service, Commercial Direct Install, and Small Business Direct Installs. Additionally prescriptive rebates for Commercial HVAC retrofit, Commercial Kitchen/Laundry programs will be provided, leveraging the 2015 strategies as noted in the Electric section above.

Savings Contribution

The Commercial Rebate Program will contribute almost 20 percent of the overall BEM 2015 electric savings. The Commercial Rebates group will also contribute almost 31 percent of the Sector's gas savings.

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Pilots

Schedules E/G 249

Residential Energy Management

PSE will continue its Home Energy Report expansion pilot to determine potential savings in rural, high relative use and electric-only customer segments.

Similar to PSE's Home Energy Reports program, savings values will be approximately 10-to 20 percent incremental of the 2014-reported values,[23] reflecting the measure's life and persistence rates. Each segment has a different savings value, ranging from 180 kWh to 415 kWh.

Detailed assumptions about each customer class is provided in Exhibit 3: *Program Details*.

Business Energy Management

While the objectives of the pilot remain consistent with the 2014-2015 BCP BEM pilot discussion, BEM's Small-to-Midsize Business Energy Reporting pilot experienced a delay in implementation due to data migration issues.

The goal of the pilot is to evaluate the operational savings achievable in this sector through energy reports, as well as increase participation in commercial efficiency programs while improving the relationship between PSE and Small-to-Midsize Business customers.

It is planned that selected customers will also have access to a web portal. The pilot is planned to provide 10 reports over an 18-month period (November 2014 to May 2016). PSE anticipates that approximately 10,000 Small-to-Midsize Business customers will be selected to receive energy reports in this opt-out program.

PSE forecasts that the pilot will result in quantifiable electric energy savings, but will be subject to a rigorous evaluation which may impact the planned design and implementation of this pilot.

[23] Natural gas savings will be zero for the second year of the measure life.

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Regional Programs

This grouping includes services provided by the Northwest Energy Efficiency Alliance (NEEA) and conservation efforts focused on PSE generating and distribution facilities.

Northwest Energy Efficiency Alliance

Schedules E 254

NEEA's updated operational plan for 2015 is included in this ACP as a standalone document, Exhibit 10. PSE extends its appreciation to the NEEA Staff for their gracious cooperation and the additional effort and resources expended to develop this content.

The 2015-2019 NEEA program cycle funding was revised by the NEEA Board to better reflect its focus on high-value initiatives that will generate regional electric savings while building on economies of scale and cost-control. This emphasis resulted in an approximate $400,000 annual reduction in PSE electric programs funding.

In 2015, PSE will be a major funder of the gas market transformation Collaborative, facilitated by NEEA. PSE's contribution to this initiative is represented in the Regional section of the Exhibit 1: Savings and Budgets, Portfolio View in the amount of $738,000. Although PSE committed its support to gas market transformation by the time the original 2014-2015 BCP was filed with the Commission in November 2013, the noted expense was unplanned, and thus is indicated as an incremental amount to the 2015 gas budget.

NEEA will manage the development of five measures in 2015. One, the gas-fired heat pump water heater pilot, began in 2014 and will continue through the majority of 2015. Consistent with the development of electric regional market transformation, it is expected that these measures will generate very little to no gas savings in 2015. It is expected, though, that the measures will generate significant savings in the long-term.

PSE will maintain a close engagement with NEEA and the CRAG to ensure prudent funding decisions and an appropriate level of utility participation.

Distribution Efficiencies

Schedule E 292

The program's objectives and management remain consistent with the 2014-2015 BCP discussion. BEM Program Staff will apply adaptive management principles to ensure that the slightly lower-than-originally planned savings goal is met. The slight reduction in savings compared to the BCP was attributed to change in substations selected to implement Conservation Voltage Reduction (CVR).

Portfolio Support

Readers will notice that, as mentioned in the Residential Energy Management introduction, the Rebate Processing team budgets were relocated for 2015. Formerly, the team's expenses assessed to the various programs (mainly in the Dealer Channel, but the team also processes requests for other programs that offer rebates).

This treatment of the group's budget is much more transparent, and is consistent with PSE's TQM adaptive management approach. The Rebate Processing Team's functions have not changed as a result of this revision, however, as is discussed in the following section.

Another shift is the relocation of the Programs Support group's budgets into the Portfolio Support area of Exhibit 1 (formerly located in the Research and Compliance section). This shift more accurately reflects the group's main role; analytic and systems support of all Customer Energy Management activities and goals. The team now includes the members of the former Systems Channel, (now designated as Data and Systems Services) which also formerly assessed over REM and BEM programs. Now, they are separately budgeted and reported along with Programs Support's second team, Program Development. These enhancements are also discussed in the following section.

Customer Engagement & Education

The Customer Engagement & Education section is comprised of four organizations; Energy Advisors, Events, Brochures, and Education. Each function is focused on providing information on a broad range of energy-efficiency topics, rather than program-specific information (although energy advisors have a high degree of expertise in the majority of REM and BEM programs).

Energy Advisors

Consistent with plans outlined in the 2014-2015 BCP, the Energy Advisor department will continue to locate EA Staff in local PSE offices, in addition to the Bellevue-based team; including Olympia, Bellingham and South Whidbey Island. The organization's budget is slightly lower than the original 2015 plan, as staff turnover has yielded a slightly lower average salary.

Events

The Energy Efficiency Events team will continue to manage requests from communities, trade shows, and other interested organizations for PSE's Energy Efficiency department. Various groups within Energy Efficiency plan to participate in approximately 200 events in 2015. Additional staffing is required to manage the increasing event demands. The Events Team will also engage a third-party contractor to assist in event staffing.

The team will provide materials and moving services for customer interactive displays, using a tracking database to ensure consistent and accurate logistical flow. Major events planned for 2015 include the Powerful Business conference.

Brochures

This Energy Efficiency department category includes brochures that are not program-specific; home improvements, controlling moisture, energy-savings tips, energy-savings appliances, and a variety of brochures for non English-speaking customers, for instance. This function will continue to re-print, replenish and distribute these brochures to customers using continuously-improving methodologies.

Education

Schedules E/G 202

The Education group will continue its long-standing relationship with the Independent Colleges of Washington, and will also focus on providing energy-efficiency information for PSE employees that directly interact with customers to enhance their knowledge of efficiency programs.

Customer Online Experience

The Customer Online Experience section is comprised of two teams that ensure that PSE customers are provided with fast and reliable access to energy-efficiency resources through a wide variety of internet vehicles. The functional groups are Web Experience and Market Integration.

Web Experience

In 2015, this function will continue its implementation of enhanced online customer tools, as outlined in the 2014-2015 BCP.

Market Integration

This budget grouping continues to represent staff labor associated with energy-efficiency marketing platforms.

Automated Benchmarking System: MyData

Now that the program is fully implemented, Program Staff will focus on continuous improvements in customer interfaces and data accuracy. MyData can be used to:

- Track energy usage for a portfolio of buildings,
- Track the results of energy efficiency projects,
- Help develop Energy Star ratings, and
- Comply with City of Seattle reporting requirements.

Programs Support

A key 2015 revision to the 2014-2015 Biennial Conservation Plan is the change in name from "Program Development" to "Programs Support". This revision better reflects the organization's primary function. And as noted in the Portfolio Support chapter introduction, the group's budget line was relocated from Research and Compliance to Portfolio Support.

As noted in the Residential Energy Management Sector introduction on page 20, the Programs Support group now includes the Data and Systems Services staff of the former Systems Channel (as it was known in 2014), as well as Program Development staff. This enhancement is reflected in the 2015 Exhibit 1: Savings and Budgets. There are now "Program Development" and "Data and Systems Services" detail pages that roll up to Programs Support in the electric and gas Portfolio views.

Although it appears that there is an incremental $1.2 million in electric and $171,000 in gas planned spending in the 2015 Exhibit 1: Savings and Budgets detail, (noted as a separate line item in the electric and gas Sector views, the Data and Systems Services and Program Development teams roll up to a single line—Programs Support—on the Portfolio View) these amounts represent expenditures that were formerly recognized as System Channel assessments; primarily to the REM and BEM programs. These amounts are not newly-planned expenses. In 2015, there is no change in the Data and Systems Support staffing level.

In 2015, the Programs Support group will provide program planning, development and support functions for both REM and BEM Program Staff. The Data and Systems Services team will provide critical savings and expenditure reporting, data systems support and analytics, and other crucial program metrics.

The Program Development team will provide NEEA-PSE savings attribution coordination, tracking and reporting, and will provide RTF subcommittee participation support. The Program Development team will also continue research and assessment of demand response and automated load control markets, technologies and opportunities.

Rebate Processing

As noted in the Residential Energy Management introductory discussion, the Rebates Processing team was another group that assessed its expenses over REM and BEM programs in 2014.

For 2015, in the spirit of transparency, PSE will recognize the Rebate Processing team's expenses in its own order numbers, which will be represented immediately following the Programs Support line in the Exhibit 1: Savings and Budgets Portfolio View.

This new line, indicating planned electric expenses of approximately $650,000 and gas expenses of approximately $110,000, is not indicative of incremental, new expenses. Similar to the Data and Systems Support team, the Rebates Processing team is not adjusting its staffing level for 2015. The team will continue its focus on process maximization and driving conservation customer satisfaction with Energy Efficiency's rebate fulfillments.

Energy Efficient Communities

In 2015, the Energy Efficiency Communities team will sustain the innovative outreach efforts launched in 2014, including an emphasis on proactive, direct residential and business customer outreach, focusing on in-person engagement. This strategy will augment the other forms of energy-efficiency exposure that customers receive, including telephone contact, internet (including social media), and print. The team will partner with other PSE organizations to promote energy-efficiency programs, including program-specific promotional campaigns.

Trade Ally Support

In 2015, PSE will move the Contractor Alliance Network (CAN) functions and activities to the Conservation Rider budget.

As the CAN-participating contractors contribute to a significant portion of both residential and commercial conservation savings goals, this revision is appropriate and is consistent with TQM adaptive management. As a key component in Energy Efficiency's Trade Ally network, it is suitable to locate CAN in the Trade Ally Support budget area.

An essential element of the CAN budget is that conservation expenses are offset by revenue generated when CAN-member contractors pay a referral fee to PSE. In order to transparently represent this accounting, readers will notice a new line in the Trade Ally Support budget page detail table in Exhibit 1: Savings and Budgets. Highlighted in orange cells, "CAN expenses" represent the conservation-specific 2015 estimates.

The offsetting revenues are represented in the last line of the detail table, and are indicated as a negative number.[24] Thus, the inclusion of CAN has no overall effect on the Trade Ally Support 2015 budget. This strategy is applied to both electric and gas Trade Ally Support budget pages.

In 2015, the Trade Ally Support budget has no substantive changes and continues paying annual membership dues for broad-based support organizations serving energy-efficiency programs, including:

- BOMA: Building Owners & Managers' Association,
- AESP: Association of Energy Services Professionals,
- CEE: Consortium for Energy Efficiency,
- Electric League,
- ESC: Energy Solutions Center,
- NEEC: Northwest Energy Efficiency Council.

[24] Since all positive figures in Exhibit 1 represent expenses or planned costs, negative numbers represent income, revenue, customer payments, etc.

Research & Compliance

As noted in the preceding chapter, the Program Development (now Programs Support) group was relocated from Research & Compliance to Portfolio Support.

All other groups remain intact for 2015.

Conservation Supply Curves

In 2015, the focus of this group will be to finalize the 2015 Integrated Resource Plan (IRP), ensuring a high degree of Stakeholder engagement and transparence.

Strategic Planning

The Strategic Planning group's 2015 budget remains consistent with that outlined in the 2014-2015 BCP. The group will continue to provide guidance and support for a variety of Energy Efficiency regulatory compliance proceedings.

Market Research

The Market Research activities include energy-efficiency customer satisfaction surveys and tactical program target-marketing support. The group will continue with initiatives outlined in the 2014-2015 BCP. The 2015 budget is slightly higher as a result of a mis-allocation of labor expenses for the 2014 period.

Program Evaluation

Relative to the 2014-2015 Exhibit 6: Evaluation Plan, the Evaluation electric budget is approximately $400,000 higher than originally planned for 2015. This is exclusively the result of additional outside services costs associated with third-party evaluations. Planned evaluations in the Residential and Business Sectors are estimated to be higher than originally estimated. There is also a follow-on evaluation scheduled for the Manufactured Home Duct Sealing program, and funds (approximately $250,000) were shifted from 2014 to 2015 for a Commercial and Residential Lighting study.

The gas Evaluation budget is slighting higher than that originally stated in the 2014-2015 BCP as a result of adding a Commercial aerators follow-on evaluation and budget refinements over original estimated costs.

Details are noted in the Exhibit 1: Savings and Budgets, Evaluation detail pages.

Verification Team

The Verification Team's operational direction and budget for both electric and gas sectors remain essentially unchanged from those outlined in the 2014-2015 BCP.

Other Electric Programs

"Other Electric Programs" is segregated from other Customer Solutions Electric and Gas Rider programs because they are not used in calculating cost effectiveness of the overall Portfolio.

New for 2015, the Electric Vehicle Charger Incentive program is included in this group. This is consistent with locating those programs that don't strictly generate conservation savings, but are funded through the Conservation Rider. This separation ensures that these programs don't affect the Portfolio's cost-effectiveness ratios.

Net Metering

Schedule E 150

It is anticipated that the regional interest in customer renewables, and net metering in particular will maintain the pace of 2014. As a result, it is necessary to increase the staff of the Net Metering program by 0.5 FTE in 2015 to ensure sustained customer support.

Electric Vehicle Charger Incentive

Schedule E 195

2015 will mark the first full year of operation for the EV Charger Incentive, which provides up to $500 to electric vehicle owners that install a Level-2 charger in their residence. The program is capped at 5,000 participants. It is anticipated that the program's 2015 spending will be approximately $2.8 million, the majority of which consisting of incentive payments. Program anticipated expenses are detailed in Exhibit 1: Savings and Budgets.

Program Staff will measure attributes such as the electric use of customer with electric vehicles to determine the amount of load and the load shape that electric vehicles put on the PSE system. PSE will market the incentives at the vehicle points of sale and also use online and outreach at electric vehicle-related events. Additional details are discussed in Exhibit 3: Program Details.

Commercial/Industrial Load Control

Schedule E 271

The 2012-2013 IRP Demand Side Resource RFP produced bids that were not competitive with supply-side capacity resources in the short term. PSE will continue to research and develop demand response and customer load control resources, including ancillary services on a trial basis, where appropriate. Budgets for Demand Response program development activities were suspended for the 2014-2015 biennium. Staff labor and related market awareness and assessment costs are accounted for, and further described in, the Programs Support - Program Development section.

Compliance

Energy Efficiency will continue to manage its conservation programs and customer offerings in a clear and transparent manner. The department will continue to engage the CRAG on key conservation initiatives, including the 2014-2015 Biennial Electric Conservation Achievement Report (BECAR), the Electric Vehicle Charger incentive program, the development of PSE's 2015 IRP, and all other conservation-related activities.

The 2016-2017 Biennial Conservation Plan will be developed in 2015. Accordingly, there will be an increased number of CRAG meetings; four will be on consecutive months, (July through October) corresponding with specific deliverables outlined in condition (8)(d).

RCW 19.285

RCW 19.285 makes no requirement for annual conservation plan filings.

WAC 480-109

PSE will comply with all WAC 480-109 rule revisions implemented in 2015. The Company will work with Regulatory Stakeholders in the spirit of collaboration to resolve any outstanding uncertainties as early in the process as possible, so as to allow a focus on program management and 2016-2017 BCP development.

Tracking the 2014-2015 Conditions Compliance

It is important to be mindful that all applicable conditions, Orders, Sections, and requirements outlined in four separate sets of Commission Orders are noted in Exhibit 9: *Condition Compliance Checklist*. These are highlighted separately in the Exhibit 9 checklist document and located adjacent to a similar electric condition, even though its numerical designation may be different.[25] Exhibit 9 will be updated throughout 2015 and PSE will provide the CRAG updated reports at regular intervals. The then-current Exhibit 9 will also be included as a part of the 2014 Annual Report of Energy Conservation Accomplishments, filed by March 1, 2015.[26]

[25] For instance, the requirements to publish a biennial customer report card are similarly located, even though the requirement is Section M.44 in the Stipulation Agreement and Section I of UE-100177, number (18).

[26] As Exhibit 9 is primarily a "looking-back" document, it is excluded from Annual and Biennial Plans.

Specific Conditions Applicable to the Annual Conservation Plan

In 2015, PSE will continue to proactively and adaptively manage its conservation programs under the guiding principle of condition (2):

> Nothing within this Agreement relieves PSE of the **sole responsibility** for complying with RCW 19.285 and WAC 480-109, which requires PSE to use methodologies consistent with those used by the Pacific Northwest Electric Power and Conservation Planning Council ("Council"). Specifically, the conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, **diminish neither PSE's operational authority** nor its **ultimate responsibility** for meeting the biennial conservation target approved herein.[27]

The ACP is submitted in compliance with condition 8(a).

> (8) Puget Sound Energy must file the following:
>
> (a) By December 1, of each even-numbered year, the following year's Annual Conservation Plan (ACP), containing any changes to program details and an annual budget with a requested acknowledgement date of January 1, of that following year. The Annual Conservation Plan may be acknowledged by placement on the Commission's No Action Open Meeting agenda. A draft will be provided to the CRAG by November 1, of the even-numbered year.

This 2015 ACP also addresses, completes, or initiates compliance with other Sections, Orders, and conditions specific to the ACP's contents. Table 10a provides highlights of deliverables with which this report complies, and in what section or chapter the compliance requirement is addressed.

[27] Emphasis added.

Table 10a: Key Conditions Addressed in the 2015 Annual Conservation Plan

Section/Condition Subject	Plan Chapter
F(11) – Annual detailed program budget	ACP Overview: Chapter 1: Executive Summary, Chapter 2: Introduction, Details – Exhibit 1
(3)(a)(v) – Review the need for Tariff modifications with the CRAG	Exhibit 11 – Tariff revisions
(3)(a)(vi)(2) – Review planning for measure & services incentives	Exhibit 4: Energy Efficiency Measures, Incentives & Eligibility
(3)(a)(ix) – Budget Review with the CRAG	ACP Overview: Chapter 1: Executive Summary, Chapter 2: Introduction, Details – Exhibit 1
(3)(c) – Provide the CRAG with electronic copies of tariff filing	Exhibit 11: Tariff Revisions
(4)(a) & (4)(b) – PSE must submit annual budget, with program detail	ACP Overview: Chapter 1: Executive Summary, Chapter 2: Introduction, Details – Exhibit 1
(5) – Program Details on file with UTC	Exhibit 3: Program Details
(6)(f) – PSE must spend a reasonable amount of its budget on EM&V	EM&V spending is highlighted and summarized in magenta in Exhibit 1.
(7)(a) – PSE must offer programs that reach each customer sector	Part 1: 2015 Annual Conservation Plan Overview, Exhibit 3: Program Details
(7)(b) – Outreach on programs, inform participants	Exhibit 1, sector views, Marketing cost element, Exhibit 3, Program Details
(7)(c) – PSE must offer incentives that are neither too high nor too low.	Exhibit 4: Energy Efficiency List of Measures, Incentives & Eligibility
(8)(a) - PSE must file its 2015 Annual Conservation Plan by December 1 of each even year, with a draft to the CRAG by November 1.	Parts 1 & 2, Volumes 1 and 2 of PSE's 2015 Annual Conservation Plan

Energy Efficiency Compliance Controls

In 2015, PSE will continue the implementation of controls that not only manage the compliance with the above-noted conditions. Consistent with TQM adaptive management principles, Program Staff will continually review and update their controls and procedures to ensure that programs are proactive in providing customers with the highest degree of security that their conservation funding contributions are prudently utilized.

Highlights of some of the most important compliance controls that PSE maintains and updates at regular intervals include:

- Clearly defined signature authority for invoice approval,
- Clearly defined delegation of commitment authority policies,
- Clearly defined measure guidelines, including implementation of new measures, revision of existing measures,
- Segregation of duties provide cross-checks and ensures that payments cannot be mis-appropriated,
- Compliance management staffing to oversee regulatory expectation compliance.

Glossary of Terms

Calculated Savings	This savings type is different than deemed values (described below). This term indicates that there is a pre-approved, stipulated input savings value (or cost) per measure. This value (or cost) is then multiplied by site-specific input values to arrive at the overall savings value (or cost).
Channel	Within an Energy Efficiency Residential or Business sector, an organization that is established to focus on the value chain—consisting of manufacturer distributor, dealer, contractor to the end-use customer—with the most similar market, delivery methods and ultimate purchasers or product users.
Conditions	Also "2010 Electric conservation Settlement Agreement Terms and conditions" or "Energy Independence Act conditions". Specific deliverables and stipulations by which the Company must operate or produce through the course of operating and managing energy efficiency programs. In addition to compliance requirements outlined in the Settlement Terms Sections A through J and L, the conditions are listed in Attachment A of Order 01, Docket UE-132043.
Custom Savings	This savings type applies to conservation projects where a PSE EME performs specific evaluation and review of a unique customer site to determine savings values—therms or kWh—that apply only for that site. For this type of measure, there is insufficient information, the occurrence is too infrequent or it cannot be specifically defined to justify development of a Calculated or Deemed protocol.
Deemed Measure	As in a measure's deemed savings value; A savings (or cost) value that applies to a unit of specific measure, regardless of where or how the measure is installed. Measures for which it is possible to "deem" per unit energy savings, cost and load shape based on program evaluation data and engineering estimates. (For instance, one residential interior CFL lamp has a deemed value of 24 kilowatt-hours per year.) This classification applies to both RTF and PSE deemed (noted on the following page). This term has been supplanted by "UES", defined below.

Glossary, continued

Direct Benefit to Customer (DBtC)	Rebates, grants, credits or services that are of value to customers. Services can include, but aren't limited to, credits on a monthly bill, upstream incentive provided to channel partners or trade allies—either within the PSE service territory or regionally—and free energy efficient devices available by mail.
Direct Install (or Directly Installed") Measure	A conservation measure that is installed by a PSE representative—rather than a PSE customer—into a qualifying structure.
Distribution	For the purposes of Schedule 292, means electrical facilities within the State of Washington that the Company owns or operates to convey electricity from the point of generation or purchase to the point of use by a Customer. Distribution includes transmission and distribution lines related substations and transformers.
I-937	An informal reference to the 2006 voter initiative, The Washington Clean Energy Initiative. The vote resulted in the creation of RCW 19.285 and WAC 480-109, which, by law, is now referred to as the Energy Independence Act ("EIA").
Measure	A product, device, piece of equipment, system or building design or operational practice used to achieve greater energy efficiency or to promote Fuel Conversion and Fuel Switching. Unless specifically enumerated in a specific Energy Efficiency Program, all Measures, proposed by Customers or otherwise, shall meet or exceed the efficiency standards set forth in the applicable energy codes, or, where none exists, "standard industry practice" as determined by the Company. Measures will meet common construction practices, and meet industry standards for quality and energy efficiency.[28] Measures should also meet cost-effectiveness standards.
Orders (see also Conditions)	Specific requirements and stipulations by which the Company must operate or produce through the course of operating and managing energy efficiency programs. In addition to compliance requirements outlined in the 2010 Settlement Terms Sections A through J and L, of Docket number UE-100177, 2014-2015 conditions are listed in Attachment A to Order 01, Docket No. UE-132043.

[28] Schedule 83, section 4, Definitions, #m. Schedule 183, section 4, #l.

Glossary, continued

Program	Programs may consist of a single measure, an assortment of related measures or a suite of measures that are related strictly by delivery type or customer segment. Some programs, such as the Business Rebates programs, also contain other groupings or programs, such as the Commercial Kitchen rebate program.
PSE Deemed	Relative to measure savings types (Custom, Calculated, PSE Deemed or RTF Deemed), these measures are supported by PSE engineering calculations or evaluation studies, in compliance with Settlement Agreement condition (6)(c).
RTF Deemed (see also UES)	A legacy term, only used in the Measure Metrics database. Relative to PSE savings types (Custom, Calculated, PSE Deemed or RTF Deemed), supported by RTF analyses, in compliance with order (6)(b) in Attachment A of Order 01 in Docket number UE-132043.
Savings	Savings (both natural gas and electric) are defined and reported as those recognized in the first year of a measure's total expected life. PSE reports the total savings for the year that the measure was implemented, regardless of when it is installed. Electric savings are counted at the customer meter, not the busbar. Gas savings are counted at the customer natural gas meter. It is important to note that all measures have an associated life, during which the noted annual savings accumulate. Each measure has a different life, as determined by rigorous evaluation. The average measure life per program can be found in the Energy Efficiency Cost-Effectiveness tables in Exhibit 2 of this report. As noted above, measures have associated savings beyond the first year; those savings continue to accrue to the benefit of PSE.
System	In this document, System may have the following meanings: 1) Any software program—supported by PSE's IT department or otherwise—or physical apparatus used to record, track, compile, report, archive, audit energy savings claims or financial data. 2) Electrical, and/or natural gas equipment that is either attached together or works in concert to provide space conditioning, plumbing functions or other end-uses associated with structures, such as HVAC systems, pumping systems, etc.

Acronyms

As used in the 2015 Annual Conservation Plan.

aMW	Average MegaWatt. An expression of energy (versus "power"). It is used to express very large amounts of energy. The term represents an average of power (Megawatts [MW]) used over time (the standard term being one year or 8,760 hours). Thus, 1 aMW = 8,760 MWh.
BCP	Biennial Conservation Plan
BEM	Business Energy Management
BOMA	Building Owner and Managers Association
CEM	Customer Energy Management. The Energy Efficiency group made up of Residential and Business Energy Management Sectors.
CFL	Compact Fluorescent Lamp
C/I (Also "CI")	Commercial/Industrial. References programs in the Business Energy Management sector.
CRAG	Conservation Resource Advisory Group
Energy Efficiency	The Customer Solutions, Energy Efficiency department within PSE
EE	Energy Efficiency
EIA	Energy Independence Act. A reference to the 2006 voter initiative, The Washington Clean Energy Initiative. The vote resulted in the creation of RCW 19.285 and WAC 480-109, which is now referred to as the Energy Independence Act. The EIA was also sometimes colloquially referred to as "I-937".
EME	Energy Management Engineer
EM&V	Evaluation, Measurement and Verification
ERR	Evaluation Report Response. A form used to complete an evaluation study's resultant actions.
FTE	Full Time Equivalent, in reference to PSE staffing levels
GIS	Geospatial Information System
HVAC	Heating, Ventilation and Air Conditioning
IRP	Integrated Resource Plan

Acronyms, continued

kWh	Kilowatt Hour. 1,000 watt-hours = 1 kWh, which is equivalent to 10 100-watt incandescent lamps being turned on for one hour.
LED	Light Emitting Diode (typically, a lamp type)
LIW	Low Income Weatherization (program)
MWh	Megawatt-hour. 1,000 kWh = 1 MWh
NEBs	Non-Energy Benefit, Quantifiable. Attributes having a direct cost-effectiveness correlation applicable to the Total Resource Cost test and Participant Cost Test. It is important to note that any reference to NEBs in any PSE document refers to those that are quantifiable. Any non-quantifiable benefits will be specifically noted.
NEEA	Northwest Energy Efficiency Alliance
O&M	Operations & Maintenance
RB2B	Residential Business to Business Channel. Comprised of Multifamily Existing, Multifamily New Construction, Low Income Weatherization, and the Single Family New Construction programs. Formerly referred to as the Multifamily Channel.
RCW	Revised Code of Washington.
REM	Residential Energy Management
RTF	Regional Technical Forum, an advisory committee and a part of the Northwest Power and Conservation Council. The RTF develops standardized protocols for verifying and evaluating conservation.
SBDI	Small Business Direct Install (program within the BEM Sector, Commercial Rebates).

Acronyms, continued

TRC	Total Resource Cost: The cost to the customer and/or other party costs to install or have installed approved Measures plus Utility Costs and minus Quantifiable Benefits (or Costs).[29]
TQM	Total Quality Management; the general business management principle established in the early 1980s that is focused on continuous improvement, consisting of (in the majority of models) Assess→Plan→Do→Verify. Also associated with the concept of adaptive management.
UC	Utility Cost: The Company's costs of administering programs included, but not limited to, costs associated with incentives, audits, analysis, technical review and funding specific to the Measure or program and evaluation.[30]
UES	Unit Energy Savings. Formerly "Deemed", the RTF updated the term in 2011.
WAC	Washington Administrative Code
WUTC, or UTC, or Commission	Washington Utilities and Transportation Commission

[29] Schedule 83, section 4, Definitions, #z. Schedule 183, section 4, #x.

[30] Schedule 83, section 4, Definitions, #bb. Schedule 183, section 4, #z.

Conclusion

This concludes Energy Efficiency's 2015 Annual Conservation Plan. PSE would like to extend its sincere thanks to its customers. PSE sincerely appreciates their acknowledgement of its efforts and trust that they put in the dedicated men and women of Energy Efficiency. It is a steward of their efficiency efforts to prudently use the funds that they provide and improve the environment for them and their children. PSE consistently strives to provide the highest level of customer service in the Northwest.

PSE acknowledges, and is very appreciative of the partnership with the CRAG and the collaboration that was cultivated with CRAG members throughout 2014. PSE looks forward to further success in 2015.

PSE additionally appreciates the input and cooperation of its regional partners, other PSE divisions, and its constituents. As PSE progresses through 2015, it will continue to keep its Stakeholders apprised of progress, program refinements, measure updates, and other adjustments as PSE utilizes its business management acumen to anticipate and stay ahead of regional conditions in moving towards achievement of its 2014-2015 biennial savings targets.

Energy Efficiency Staff look forward to a productive and constructive 2015!

Respectfully submitted,

PUGET SOUND ENERGY
The Energy To Do Great Things

Puget Sound Energy
Energy Efficiency Department

Exhibit 1

2015-specific PSE Conservation Rider Savings Goals and Budgets

Last revised: 11/10/14 9:43 AM

EnergyEfficiency

Titles are hyperlinks to 2015 Sector Views

Ref #	Schedule Nos. (Unless otherwise noted, applies to both electric and gas)	Program Name (All indented program or activity names are color-coded and comprise the totals of the above program or activity grouping. In some cases, there are sub-activities within another sub-grouping.)	MWh Savings	Electric Rider Budget	Therm Savings	Gas Rider Budget	Total Tariff Budget
		Residential Energy Management					
a	201	Low Income Weatherization	1,571	$ 3,318,140	18,815	268,098	$ 3,586,237
b	214	Single Family Existing	101,368	$ 31,570,261	1,195,517	$ 5,522,571	$ 37,092,832
c		*Residential lighting*	*66,609*	*$ 15,379,407*			*$ 15,379,407*
d		*Space heat*	*7,842*	*$ 4,061,640*	*531,650*	*$ 1,595,778*	*$ 5,657,418*
e		*Water heat*	*635*	*$ 400,630*	*0*	*$ -*	*$ 400,630*
f		*HomePrint*	*3,009*	*$ 1,811,236*	*0*	*$ -*	*$ 1,811,236*
g		*Home Appliances*	*11,386*	*$ 6,297,053*	*32,736*		*$ 6,297,053*
h		*Mobile Home Duct Sealing*	*4,666*	*$ 1,665,636*	*0*	*$ -*	*$ 1,665,636*
i		*Web-Enabled Thermostats*			*54,000*	*$ 323,443*	*$ 323,443*
j		*Showerheads*	*4,139*	*$ 574,710*	*145,116*	*$ 387,115*	*$ 961,824*
k		*Weatherization*	*2,610*	*$ 1,227,724*	*432,015*	*$ 3,171,545*	*$ 4,399,269*
l		*Home Energy Reports*	*473*	*$ 152,226*	*0*	*$ 44,691*	*$ 196,916*
m	215 & 218	Residential New Construction	1,057	$ 486,591	147,072	$ 657,848	$ 1,144,439
n	216	Fuel Conversion	2,063	$ 785,783			$ 785,783
o	217	Multi Family Existing	25,862	$ 11,513,537	107,542	$ 499,044	$ 12,012,581
p		**Total, Residential Programs**	**131,921**	**$ 47,674,312**	**1,468,945**	**$ 6,947,561**	**$ 54,621,873**
		Business Energy Management					
q	250	Commercial / Industrial Retrofit	62,260	$ 19,421,153	381,000	$ 2,044,680	$ 21,465,833
r	251	Commercial/Industrial New Construction	9,350	$ 2,987,974	150,000	$ 606,236	$ 3,594,210
s	253	Resource Conservation Manager	16,350	$ 2,744,361	500,000	$ 636,260	$ 3,380,621
t	E258	Large Power User - Self Directed Program	1,700	$ 1,667,723			$ 1,667,723
u	261	Energy Efficient Technology Evaluation	500	$ 210,710		$ 20,000	$ 230,710
v	262	Commercial Rebates	21,967	$ 5,641,008	580,881	$ 698,839	$ 6,339,847
w		**Subtotal, Business Programs**	**112,126**	**$ 32,672,929**	**1,611,881**	**$ 4,006,015**	**$ 36,678,944**
		Pilots					
x	249	Residential Pilots - Individual Energy Reports	3,219	$ 1,127,007	0	$ 233,902	$ 1,360,909
y	249	Business Pilots - Individual Energy Reports	5,000	$ 140,704	0	$ -	$ 140,704
z		**Subtotal, Pilots**	**8,219**	**$ 1,267,712**	**0**	**$ 233,902**	**$ 1,501,613**
		Regional Efficiency Programs					
aa	E254	NW Energy Efficiency Alliance	22,338	$ 4,771,922	0	$ 738,000	$ 5,509,922
ab	E292	Generation, Transmission and Distribution	3,000	$ -			$ -
ac		**Subtotal, Regional Programs**	**25,338**	**$ 4,771,922**		**$ 738,000**	**$ 5,509,922**
		Energy Efficiency Portfolio Support					
ad		Customer Engagement and Education		$ 1,752,121		$ 264,482	$ 2,016,603
ae		*Energy Advisors*		*$ 1,060,385*		*$ 158,556*	*$ 1,218,941*
af		*Events*		*$ 530,379*		*$ 81,547*	*$ 611,926*
ag		*Brochures, non program-specific*		*$ 80,222*		*$ 12,752*	*$ 92,974*
ah	202	*Education*		*$ 81,135*		*$ 11,627*	*$ 92,762*
ai		Web Experience		$ 928,838		$ 155,097	$ 1,083,935
aj		Customer Online Experience		$ 562,455		$ 84,045	$ 646,500
ak		*Web Development*		*$ -*		*$ -*	*$ -*
al		*Web content, maintenance + analytics*		*$ 104,400*		*$ 15,600*	*$ 120,000*
am		*Online customer tools*		*$ 435,000*		*$ 65,000*	*$ 500,000*
an		*E-news*		*$ 10,005*		*$ 1,495*	*$ 11,500*
ao		*Miscellaneous applications*		*$ 13,050*		*$ 1,950*	*$ 15,000*
ap		Market Integration		$ 298,797		$ 44,648	$ 343,445
aq		Automated Benchmarking System		$ 67,586		$ 26,404	$ 93,990
ar		Programs Support		$ 1,279,676		$ 171,099	$ 1,450,775
as		Rebates Processing		$ 654,327		$ 110,214	$ 764,541
at		Energy Efficient Communities		$ 814,516		$ 200,854	$ 1,015,370
au		Trade Ally Support		$ 60,333		$ 12,792	$ 73,125
av		**Subtotal, Portfolio Support**		**$ 5,489,811**		**$ 914,537**	**$ 6,404,348**
		Energy Efficiency Research & Compliance					
aw		Conservation Supply Curves		$ 196,761		$ 29,397	$ 226,158
ax		Strategic Planning		$ 158,393		$ 23,663	$ 182,056
ay		Market Research		$ 316,165		$ 47,246	$ 363,411
az		Verification Team		$ 457,749		$ 68,399	$ 526,148
ba		Program Evaluation		$ 2,567,563		$ 313,714	$ 2,881,277
bb		Biennial Electric Conservation Acquisition Review		$ 110,000			$ 110,000
bc		**Subtotal, Research & Compliance**	**0**	**$ 3,806,632**		**$ 482,420**	**$ 4,289,051**
bd		**Total MWh, Efficiency Programs Included in CE Calculations**	**277,605**	**$ 95,683,317**	**3,080,826**	**$ 13,322,435**	**$ 109,005,751**
		Other Electric Programs					
be	E150	Net Metering		$ 760,196			$ 760,196
bf	E195	Electric Vehicle Charger Incentive		$ 2,878,146			$ 2,878,146
bg		**Subtotal, Other Electric Programs**		**$ 3,638,342**		**$ -**	**$ 3,638,342**
bh		**GRAND TOTAL All Programs**	**31.7 aMW**	**$ 99,321,659**	**3,080,826**	**$ 13,322,435**	**$ 112,644,093**
bi		**Electric Total, less NEEA**	**255,267 MWh 29.1 aMW**	**$ 94,549,737**			
bj		**Electric Total, less (NEEA + Pilots)**	**247,048 MWh 28.2 aMW**	**$ 93,282,026**			

bk	Blue cells = use for 10% "info-only" calculation:	7.1%	8.6%

Add up all blue cells and divide by "Total, Efficiency Programs Included in CE Calculations" line.
HER-legacy program costs excluded from "info-only" calculation because savings will be measured.

bl	Purple cells = use to indicate a reasonable amt. spent on EM&V:	3.9%	3.5%

Add up the sum of "Program Evaluation" + "Verification" pink cells and divide by the Residential + Business pink cells.

Energy Efficiency 2015 Budgets, Sector View

Electric Programs

Press to return to Portfolio View

Go to Gas Sector View

Please see category descriptions at the bottom of the sector table.

Workbook Name	Schedule	Comment	Description	Order Number (Click on the order# below to link to the detail page)	Budget Category: Labor	Marketing Labor	Overhead	Marketing	Employee/Office Expense	Outside Services	Materials	Conservation-Specific Memberships, Sponsorships & Miscellaneous	DBtC	Revenue	Total Budget	Total Savings kWh
Residential Energy Management																
LIW Detail_REM E201_Elec	E201		Low Income Weatherization	18230611	$ 143,233	$ 17,159	$ 113,397	$ 19,800	$ 6,000	$ 10,000	$ -	$ -	$ 3,008,550	$ -	$ 3,318,140	1,571,214
HomePrint Detail_REM_E214 Ele	E214		HomePrint	18230625	$ 45,638	$ 22,134	$ 47,915	$ 93,750	$ 3,000	$ 25,000	$ 1,000	$ 2,000	$ 1,570,800	$ -	$ 1,811,236	3,009,000
WaterHea_Detail_REM_E214 Ele	E214		SF Existing Water Heat	18230626	$ 11,409	$ 6,036	$ 12,334	$ 78,750	$ 1,200	$ 4,000	$ 5,000	$ 2,400	$ 279,500	$ -	$ 400,630	634,500
Wx_Detail_REM E214 Elec	E214		SF Existing Weatherization	18230627	$ 53,166	$ 22,134	$ 53,237	$ 163,500	$ 5,302	$ 85,000	$ -	$ 15,000	$ 730,386	$ -	$ 1,127,724	2,315,959
ARRAWx_Detail_REM E214_Ele	E214		SF Existing Wx_Contracted	18230501	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 100,000	294,000
SpcHeat Detail_REM_E214 Elec	E214		SF Existing Space Heat	18230628	$ 53,461	$ 22,134	$ 53,446	$ 222,000	$ 7,200	$ 28,000	$ 17,200	$ 28,200	$ 3,630,000	$ -	$ 4,061,640	7,841,910
HmApppl_Detail_REM_E214 Ele	E214		Home Appliances	18230432	$ 112,500	$ 90,000	$ 143,168	$ 340,000	$ 5,000	$ 340,635	$ 8,000	$ 7,500	$ 5,250,250	$ -	$ 6,297,053	11,386,446
ShwrHead_Detail_REM_E214 Ele	E214		Residential Showerheads	18230435	$ 45,000	$ 13,500	$ 41,360	$ 65,000	$ 1,000	$ 40,000	$ 1,000	$ 500	$ 367,350	$ -	$ 574,710	4,138,680
Lighting Detail_REM_E214 Elec	E214		Energy Efficient Lighting Services	18230440	$ 315,000	$ 135,000	$ 318,150	$ 1,870,000	$ 11,000	$ 1,081,537	$ 8,250	$ 20,000	$ 11,620,470	$ -	$ 15,379,407	66,609,297
MHDS Detail_REM_E214 Elec.	E214		Mobile Home Duct Sealing	18230634	$ 39,037	$ 4,024	$ 30,444	$ 15,000	$ 402	$ 127	$ 508	$ 591	$ 1,575,503	$ -	$ 1,665,636	4,665,981
HER Detail_REM_E214 elec.	E214		Home Energy Reports	18230461	$ 5,250	$ 750	$ 4,242	$ -	$ 500	$ 75,474	$ 250	$ 100	$ 65,660	$ -	$ 152,226	472,500
SFNC Detail_REM E215 Elec	E215	P/O Res. New Construction	Single Family New Construction	18230405	$ 16,476	$ 3,295	$ 13,978	$ 30,000	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ 68,749	-
NCMfgHome Detail_REM E215 Ele	E215	P/O Res. New Construction	Energy Star Manufactured Home	18230433	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000	-
FuelConv Detail_REM E216 Elec	E216		Fuel Conversion Rebate	18230612	$ 54,072	$ 22,134	$ 53,877	$ 105,000	$ 1,200	$ 1,000	$ 1,000	$ 2,000	$ 545,500	$ -	$ 785,783	2,062,500
MF Retr Detail_REM E217 Elec	E217		Multi-Family Existing	18230407	$ 188,927	$ 63,880	$ 178,735	$ 74,293	$ 12,400	$ 1,046,267	$ 4,000	$ 1,500	$ 9,943,535	$ -	$ 11,513,537	25,861,860
MFNC Detail_REM E218 Elec	E218	P/O Res. New Construction	Multi-Family New Construction	18230486	$ 65,000	$ 3,000	$ 48,076	$ 10,000	$ 6,000	$ -	$ 800	$ -	$ 279,966	$ -	$ 412,842	1,057,399
			Total, Residential Energy Management		**$ 1,148,169**	**$ 425,180**	**$ 1,112,357**	**$ 3,092,093**	**$ 60,204**	**$ 2,737,039**	**$ 47,008**	**$ 84,791**	**$ 38,967,470**	**$ -**	**$ 47,674,312**	**131,921,246**
			Original 2015 Totals		*$ 1,388,186*	*$ 516,482*	*$ 1,325,649*	*$ 3,039,593*	*$ 58,144*	*$ 2,416,860*	*$ 74,858*	*$ 106,111*	*$ 37,687,593*	*$ -*	*$ 46,613,475*	*130,563,051*
Business Energy Managment																
CI Retr Detail_BEM E250 Elec	E250		Commercial/Industrial Retrofit	18230711	$ 429,996	$ 8,217	$ 313,200	$ 17,625	$ 33,944	$ 1,932,673	$ 8,679	$ 66,400	$ 5,831,917		$ 8,642,651	26,009,600
Bus Lgt Grnts_BEM E250 Elec	E250		Business Lighting Grants	18230724	$ 1,494,904	$ 16,683	$ 1,068,700	$ 35,785	$ 68,916	$ 20,000	$ 17,621	$ 12,000	$ 8,043,893		$ 10,778,502	36,250,000
CI NC Detail_BEM E251 Elec	E251		Commercial/Industrial New Construction	18230715	$ 240,000	$ 24,300	$ 186,900	$ 19,810	$ 4,410	$ 153,518	$ 1,130	$ 7,906	$ 2,350,000		$ 2,987,974	9,350,000
RCM Detail_BEM E253 Elec	E253		Resource Conservation Manager	18230723	$ 393,300	$ 20,700	$ 292,700	$ 17,736	$ 13,630	$ 326,759	$ 3,800	$ 30,236	$ 1,645,500		$ 2,744,361	16,350,000
LPSD_Detail_BEM E258 Elec	E258		High Voltage, Self-Directed	18230729	$ 306,300	$ -	$ 213,200	$ -	$ -	$ -	$ -	$ -	$ 1,148,223		$ 1,667,723	1,700,000
TechEval Detail_BEM E261 Elec	E261		Technology Evaluation	18230448	$ 9,200	$ -	$ 6,500	$ -	$ 11,100	$ 100,000	$ 8,910	$ -	$ 75,000		$ 210,710	500,000
Rebates Detail_BEM E262 Elec	*E262*		*Business Rebates (total of indented programs below)*	*(Indiv' order# no longer used)*	*$ 535,298*	*$ 63,170*	*$ 423,117*	*$ 126,655*	*$ 15,850*	*$ 236,875*	*$ 14,410*	*$ 8,000*	*$ 4,217,633*	*$ -*	*$ 5,641,008*	*21,966,715*
Comm Lgt Mkdn_E262 Elec	E262		Lighting to Go--also referred to as Business Lighting	18230714	$ 102,000	$ 20,000	$ 86,254	$ 32,627	$ 5,000	$ 90,000	$ 2,800	$ 5,000	$ 517,535	$ -	$ 861,216	6,166,728
Comm Kit-Laund_E262 elec	E262		Commercial kitchen and laundry	18230716	$ 39,667	$ 8,049	$ 33,735	$ 10,000	$ 1,200	$ 550	$ 110	$ 200	$ 70,170	$ -	$ 163,681	598,313
Comm DI_E262 Elec	E262		Commercial direct install (non-SBDI)	18230717	$ 10,818	$ -	$ 7,649	$ 2,000	$ 150	$ 125	$ 250	$ 50	$ 79,840	$ -	$ 100,882	702,730
Comm HVAC_E262 elec	E262		Commercial HVAC	18230718	$ 115,396	$ 8,049	$ 87,275	$ 18,000	$ 2,000	$ 60,000	$ 2,250	$ 1,200	$ 934,800	$ -	$ 1,228,970	3,332,530
Comm Lgt_E262 Elec	E262		Business Lighting Express	18230722	$ 140,000	$ 15,000	$ 109,585	$ 24,028	$ 5,000	$ 21,200	$ 3,600	$ 1,200	$ 892,500	$ -	$ 1,212,113	5,116,000
Sm Bus DI_E262 Elec	E262		Small Business Direct Install	18231134	$ 127,416	$ 12,073	$ 98,619	$ 40,000	$ 2,500	$ 65,000	$ 5,400	$ 350	$ 1,722,788	$ -	$ 2,074,146	6,050,414
			Total, Business Energy Management		**$ 3,408,998**	**$ 133,070**	**$ 2,504,317**	**$ 217,611**	**$ 147,850**	**$ 2,769,825**	**$ 54,550**	**$ 124,542**	**$ 23,312,166**	**$ -**	**$ 32,672,929**	**112,126,315**
			Original 2015 Totals		*$ 3,551,700*	*$ 102,100*	*$ 2,543,000*	*$ 210,656*	*$ 168,190*	*$ 3,162,103*	*$ 50,730*	*$ 320,322*	*$ 21,667,673*	*$ -*	*$ 31,776,474*	*112,162,600*
Pilots																
REM Pilots E249 Elec	E249		Residential Energy Report Expansion	18230522	$ 57,188	$ 7,000	$ 45,381	$ 16,200	$ 2,500	$ 566,124	$ 1,000	$ 1,000	$ 430,615	$ -	$ 1,127,007	3,219,475
BEM Pilots E249 Elec	E249		Business Energy Reports	18230506	$ 9,200	$ -	$ 6,504	$ -	$ -	$ 125,000	$ -	$ -	$ -	$ -	$ 140,704	5,000,000
			Total, Pilots		**$ 66,388**	**$ 7,000**	**$ 51,885**	**$ 16,200**	**$ 2,500**	**$ 691,124**	**$ 1,000**	**$ 1,000**	**$ 430,615**	**$ -**	**$ 1,267,712**	**8,219,475**
			Original 2015 Totals		*$ 64,888*	*$ 7,493*	*$ 50,376*	*$ -*	*$ 3,960*	*$ 691,124*	*$ -*	*$ 1,980*	*$ 477,802*	*$ -*	*$ 1,297,622*	*8,572,000*
Regional Efficiency Programs																
NEEA Detail_E254 elec	E254		Northwest Energy Efficiency Alliance	18230421	$ -	$ -	$ -	$ -	$ -	$ 1,431,577	$ -	$ -	$ 3,340,345		$ 4,771,922	22,338,000
T&D Detail_Reg E292 elec			Transmission & Distribution	18230711	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	3,000,000
			Total, Regional Efficiency Programs		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,431,577**	**$ -**	**$ -**	**$ 3,340,345**	**$ -**	**$ 4,771,922**	**25,338,000**
			Original 2015 Totals		*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 885,570*	*$ -*	*$ 692,623*	*$ 3,682,448*	*$ -*	*$ 5,260,640*	*25,438,000*
Energy Efficiency Portfolio Support																
Portf Suppt Cust Eng Elec Title	(Title pg)		Customer Engagement & Education													
Engy Adv Detail_PSCE Elec			Energy Advisors	18230610	$ 595,268	$ -	$ 420,854	$ -	$ 39,000	$ 913	$ 3,000	$ 1,350	$ -	$ -	$ 1,060,385	
Events Detail_PSCE Elec			Events	18230487	$ 240,451	$ -	$ 169,999	$ 13,050	$ 6,046	$ 96,048	$ 4,785	$ -	$ -	$ -	$ 530,379	
Brochures Detail_PSCE Elec			Brochures, non program-specific	18230482	$ 15,215	$ -	$ 10,757	$ 27,280	$ -	$ 2,175	$ 24,795	$ -	$ -	$ -	$ 80,222	
Educatn Detail_PSCE E202 Elec	E202		Education	18230621	$ 36,640	$ -	$ 25,905	$ -	$ 840	$ 8,800	$ 8,950	$ -	$ -	$ -	$ 81,135	
Port Suppt_Web Exp Elec Title	(Title pg)		Web Experience													
CustOnline Detail_PSWE_Elec			Customer Online Experience	18230408	$ -	$ -	$ -	$ -	$ -	$ 562,455	$ -	$ -	$ -		$ 562,455	
Mkt Intgn Detail_PSWE_Elec			Market Integration	18230466	$ 140,385	$ -	$ 99,252	$ -	$ -	$ 59,160	$ -	$ -	$ -		$ 298,797	
ABS Detail_PSWE_Elec			MyData *(Automated Benchmarking System)*	18230411	$ -	$ -	$ -	$ -	$ -	$ 67,586	$ -	$ -	$ -	$ -	$ 67,586	
ProgSvc-Systems R&C_ Elec			Programs Support - Data and Systems Services	18230745	$ 467,686	$ -	$ 330,654	$ -	$ 12,500	$ 15,000	$ -	$ -	$ -		$ 825,840	
ProgSvcs_Analytics_R&C Elec			Programs Support - Program Development	18230810	$ 187,074	$ -	$ 132,262	$ -	$ 19,500	$ 115,000	$ -	$ -	$ -		$ 453,836	
Rebt Prog Detail_Elec			Rebates Processing	18230507	$ 414,510	$ -	$ 207,192	$ -	$ 12,615	$ 15,660	$ 4,350	$ -	$ -		$ 654,327	
EEC Detail_PS_Elec			Energy Efficient Communities	18230811	$ 252,393	$ -	$ 178,442	$ 40,890	$ 65,000	$ 214,850	$ 60,941	$ 2,000	$ -		$ 814,516	
TradeAlly Detail_PS_ Elec			Trade Ally Support	18230730	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 235,922	$ -	$ (175,589)	$ 60,333	
			Total, Portfolio Support		**$ 2,349,623**	**$ -**	**$ 1,575,317**	**$ 81,220**	**$ 155,501**	**$ 1,157,647**	**$ 106,821**	**$ 239,272**	**$ -**	**$ (175,589)**	**$ 5,489,811**	
			Original 2015 Totals		*$ 1,280,088*	*$ -*	*$ 890,942*	*$ 81,220*	*$ 93,466*	*$ 882,511*	*$ 102,471*	*$ 55,533*	*$ -*	*$ -*	*$ 3,386,230*	
Research & Compliance																
SuppCrv Detail_R&C_Elec			Conservation Supply Curves	18230809	$ 99,333	$ -	$ 70,228	$ -	$ 200	$ 27,000	$ -	$ -	$ -		$ 196,761	
Strat Plan Detail_R&C_Elec			Strategic Planning	18230469	$ 91,560	$ -	$ 64,733	$ -	$ 2,100	$ -	$ -	$ -	$ -		$ 158,393	
Mktg Resch Detail_PS_ Elec			Market Research	18230437	$ 67,624	$ -	$ 47,810	$ -	$ 4,250	$ 195,131	$ 1,350	$ -	$ -		$ 316,165	
Eval Detail_R&C_Elec			Program Evaluation	18230802	$ 248,019	$ -	$ 175,349	$ -	$ 9,300	$ 1,938,395	$ -	$ 196,500	$ -		$ 2,567,563	
BECAR Detail_R&C Elec			Biennial Elec. Consv. Aquisitn. Review	18230624	$ -	$ -	$ -	$ -	$ -	$ 110,000	$ -	$ -	$ -		$ 110,000	
VTeam Detail_R&C_Elec			Verification Team	18230418	$ 207,255	$ -	$ 146,529	$ -	$ 5,655	$ 95,700	$ 2,610	$ -	$ -		$ 457,749	
			Total, Research & Compliance		**$ 713,791**	**$ -**	**$ 504,650**	**$ -**	**$ 21,505**	**$ 2,366,226**	**$ 3,960**	**$ 196,500**	**$ -**	**$ -**	**$ 3,806,632**	
			Original 2015 Totals		*$ 1,057,517*	*$ -*	*$ 736,032*	*$ -*	*$ 42,055*	*$ 1,850,808*	*$ 203,747*	*$ -*	*$ -*	*$ -*	*$ 3,890,159*	
Other Electric Programs																
Net Mtr Details_Oth Elec E150	E150		Net Metering	18230128	$ 195,007	$ -	$ 137,870	$ -	$ 12,320	$ -	$ 10,000	$ 405,000	$ -		$ 760,196	
ElecVehChgInctv_E195_Elec	E195		Electric Vehicle Charger Incentive	18230613	$ 121,885	$ 13,184	$ 95,494	$ 36,000	$ 9,950	$ 314,133	$ -	$ -	$ 2,287,500		$ 2,878,146	
			Total, Other Electric Programs		**$ 316,892**	**$ 13,184**	**$ 233,364**	**$ 36,000**	**$ 22,270**	**$ 314,133**	**$ 10,000**	**$ 405,000**	**$ 2,287,500**	**$ -**	**$ 3,638,342**	
			Original 2015 Totals		*$ 222,721*	*$ -*	*$ 155,014*	*$ -*	*$ 12,320*	*$ -*	*$ 10,000*	*$ 17,000*	*$ -*	*$ -*	*$ 417,055*	
			GRAND TOTAL, ELECTRIC PROGRAMS		**$ 8,003,859**	**$ 578,434**	**$ 5,981,890**	**$ 3,443,124**	**$ 409,830**	**$ 11,467,570**	**$ 223,339**	**$ 1,051,105**	**$ 68,338,096**	**$ (175,589)**	**$ 99,321,659**	**277,605,036** 31.69 aMW
			Original 2015 Totals		*$ 7,565,100*	*$ 626,075*	*$ 5,701,013*	*$ 3,331,469*	*$ 378,135*	*$ 9,888,975*	*$ 441,806*	*$ 1,193,568*	*$ 63,515,515*	*$ (175,589)*	*$ 92,641,655*	*268,163,651* 30.61 aMW

Budget Category Includes

Labor	Marketing Labor	Overhead	Marketing	Employee/Office Expense	Outside Services	Materials	Conservation-Specific Memberships, Sponsorships & Miscellaneous	DBtC	Revenue	Total Budget	Total Savings kWh
This is the main level of tracking expenditures and expenses in EES. Per FERC rules, all conservation order numbers start with a "1823nnnn", where "n" is some number. Cost elements apply to all order numbers (for instance, all conservation programs that	Energy Efficiency program staff labor. Average FTE cost including management assessments. This Budget Category group includes assessments from Major Accounts management, Resource Planning, Corporate Communications management, IT specialists and some building maintenance allocations.	Also Energy Efficiency staff labor, associated specifically with Marketing functions. Marketing allocates staffing according to program needs.	Overhead--costs associated with primarily employee labor, benefits, for instance.	Service and materials associated with the cost of printing program brochures, marketing pieces, advertising, banners, etc. Also includes marketing conducted by vendors and contractors.	Costs associated with EE staff attending events, employee training, conferences, business meals, business parking, ferry & bridge tolls, mileage incurred on employee automobiles, office supplies, phones, subscriptions, software/hardware, etc.	Contractors and vendors, such as PECI, Ecos, CostCo, EFI, etc. Legal expenses, technical services (CMS design, PSE.com web portals, etc.). These costs do NOT include brochure development, marketing pieces, (which are classified under MARKETING). These costs do NOT include incentives paid to customers by contractors.	Primarily tools, trade show equipment, etc.	This category should seldomly be used, and only expenses that cannot be classified under one of the above categories.	All costs associated with rebates, grants, remuneration, value-added services. PSE cost element # 62510000; Consumer Incentive Payments, is classified by the Accounting department as Miscellaneous. However, it is one of the primarly elements of Energy Efficiency's Direct Benefit to Customer (DBtC).	Any amount that PSE is paid by a customer, partner, municipality or outside entity.		

Energy Efficiency 2015 Budgets, Sector View

Gas Programs

Press to return to Portfolio View

Go to Electric Sector View

Please see category descriptions at the bottom of the sector table.

Workbook Name	Schedule Comment		Description	Order Number (Click on the order# below to link to the detail page)	Budget Category: Labor	Marketing Labor	Overhead	Marketing	Employee/Office Expense	Outside Services	Materials	Conservation-Specific Memberships, Sponsorships & Miscellaneous	DBtC	Revenue	Total Budget	Total Savings Therms	Comments
Residential Energy Management																	
LIW Detail_REM G201 Gas	G201		Low Income Weatherization	18230661	$ 15,426	$ 1,300	$ 11,825	$ 5,000	$ 900	$ 2,000	$ -	$ -	$ 231,646	$ -	$ 268,098	18,815	
HmPrint Detail_REM G214 Gas	G214		HomePrint	18230635	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	
WtrHeat Detail_REM G214 Gas	G214		SF Existing Water Heat	18230636	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	
Wx Detail_REM G214 Gas	G214		SF Existing Weatherization	18230637	$ 28,829	$ 12,073	$ 28,918	$ 37,500	$ 2,500	$ 292,500	$ -	$ 15,000	$ 2,754,225	$ -	$ 3,171,545	432,015	
SpHeat Detail_REM G214 Gas	G214		SF Existing Space Heat	18230638	$ 41,145	$ 14,085	$ 39,048	$ 165,000	$ 5,400	$ 18,000	$ 15,400	$ 10,200	$ 1,287,500	$ -	$ 1,595,778	531,650	
ShwrHead Detail_REM G214 Gas	G214		Residential Showerheads	18230700	$ 19,000	$ 4,500	$ 16,615	$ 25,000	$ 300	$ 10,000	$ 500	$ 300	$ 310,900	$ -	$ 387,115	145,116	
HmApplSvgs Detail_REM G214 Gas	G214		Home Appliances	Savings Only	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	32,736	
MHDS Detail_REM G214 Gas	G214		Mobile Home Duct Sealing	18230680	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	
WebTstat Detail_REM G214 Gas	G214		Web-Enabled Thermostats	18230687	$ 25,000	$ 2,500	$ 19,443	$ 20,000	$ 500	$ -	$ 500	$ 500	$ 255,000	$ -	$ 323,443	54,000	
HER Detail_REM G214 gas	G214		Home Energy Reports	18230738	$ 1,913	$ 375	$ 1,618	$ -	$ 250	$ 21,995	$ 100	$ 100	$ 18,340	$ -	$ 44,691	-	
NCMfgHomes Detail_REM G215 Gas	G215	P/O Res. New Construction	Energy Star Manufactured Home	18230442	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	
SFNC Detail_REM G215 Gas	G215	P/O Res. New Construction	Single Family New Construction	18230684	$ 5,492	$ 1,099	$ 3,883	$ 24,000	$ -	$ -	$ 2,500	$ -	$ -	$ -	$ 36,974	-	
MF Retr Detail_REM G217 Gas	G217		Multi-Family Existing	18230736	$ 52,724	$ 3,321	$ 39,624	$ 3,750	$ 1,500	$ 54,404	$ 1,500	$ 200	$ 342,023	$ -	$ 499,044	107,542	
MFNC Detail_REM G218 Gas	G218	P/O Res. New Construction	Multi-Family New Construction	18230673	$ 105,000	$ 2,500	$ 76,003	$ 10,000	$ 7,000	$ 8,000	$ 200	$ -	$ 412,172	$ -	$ 620,874	147,072	
			Total, Residential Energy Management		**$ 294,529**	**$ 41,753**	**$ 236,974**	**$ 290,250**	**$ 18,350**	**$ 406,899**	**$ 20,700**	**$ 26,300**	**$ 5,611,806**	**$ -**	**$ 6,947,561**	**1,468,945**	
			Original 2015 Totals		*$ 349,392*	*$ 44,165*	*$ 273,916*	*$ 253,950*	*$ 28,420*	*$ 365,495*	*$ 19,650*	*$ 26,360*	*$ 5,991,490*	*$ -*	*$ 7,352,838*	*1,583,942*	
Business Energy Management																	
CI Retr Detail_BEM G250 Gas	G250		Commercial/Industrial Retrofit	18230731	$ 465,200	$ 6,100	$ 333,200	$ 22,890	$ 8,210	$ 154,470	$ 1,620	$ 39,790	$ 1,013,200		$ 2,044,680	381,000	
CI NC Detail_BEM G251 Gas	G251		Commercial/Industrial New Construction	18230706	$ 43,000	$ 2,400	$ 32,100	$ 8,490	$ 1,060	$ 16,559	$ 180	$ 2,447	$ 500,000		$ 606,236	150,000	
RCM Detail_BEM 253 Gas	G253		Resource Conservation Manager	18230691	$ 265,100	$ 4,900	$ 190,900	$ 7,601	$ -	$ 67,759	$ -	$ -	$ 100,000		$ 636,260	500,000	
TechEval Detail_BEM G261 Gas	G261		Technology Evaluation	18230694	$ -	$ -	$ -	$ -	$ 11,760	$ -	$ 8,240	$ -	$ -		$ 20,000	-	
Rebates Detail_BEM G262 Gas	*G262*		*Business Rebates (total of indented programs below)*	*(indiv' order# no longer used)*	*$ 48,683*	*$ -*	*$ 34,419*	*$ 18,300*	*$ 2,850*	*$ 14,075*	*$ 2,625*	*$ 550*	*$ 577,338*	*$ -*	*$ 698,839*	*580,881*	
Sm Bus DI_G262 Gas	G262		Small Business Direct Installs	18231022	$ 12,621	$ -	$ 8,923	$ 1,500	$ 100	$ 4,000	$ 525	$ 100	$ 3,663	$ -	$ 31,433	9,365	
Comm Kit-Laund_G262 Gas	G262		Commercial Kitchen & Laundry	18231027	$ 12,621	$ -	$ 8,923	$ 10,000	$ 1,200	$ 450	$ 800	$ 150	$ 207,830	$ -	$ 241,975	164,836	
Comm DI_G262 Gas	G262		Commercial Direct Install (non-SBDI)	18231028	$ 10,818	$ -	$ 7,649	$ 1,500	$ 1,200	$ 625	$ 1,000	$ 200	$ 343,315	$ -	$ 366,307	391,180	
	G262		Commercial HVAC	18231029	$ 12,621	$ -	$ 8,923	$ 5,300	$ 350	$ 9,000	$ 300	$ 100	$ 22,530	$ -	$ 59,125	15,500	
			Total, Business Energy Management		**$ 870,665**	**$ 13,400**	**$ 625,037**	**$ 57,281**	**$ 23,880**	**$ 252,863**	**$ 12,665**	**$ 42,787**	**$ 2,190,538**	**$ -**	**$ 4,006,015**	**1,611,881**	
			Original 2015 Totals		*$ 869,900*	*$ 19,500*	*$ 619,000*	*$ 52,281*	*$ 21,730*	*$ 276,427*	*$ 10,320*	*$ 76,453*	*$ 1,601,449*	*$ -*	*$ 3,547,060*	*1,476,700*	
Pilots																	
REM Pilots Detail G249 Gas	G249		Residential Energy Report Expansion	18230622	$ 17,213	$ 3,038	$ 14,317	$ 10,800	$ 1,000	$ 110,658	$ 500	$ 500	$ 75,875	$ -	$ 233,902		
BEM Pilots Detail G249 Gas	G249		Business Energy Reports	18230639	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
			Total, Pilots		**$ 17,213**	**$ 3,038**	**$ 14,317**	**$ 10,800**	**$ 1,000**	**$ 110,658**	**$ 500**	**$ 500**	**$ 75,875**	**$ -**	**$ 233,902**		
			Original 2015 Totals		*$ 21,038*	*$ 3,713*	*$ 17,226*	*$ -*	*$ 1,980*	*$ 110,658*	*$ -*	*$ 990*	*$ 86,198*	*$ -*	*$ 241,802*	*-*	
Regional Efficiency Programs																	
NEEA Detail_E254 elec			NEEA Gas Market Tranformation Study	18230660	$ -	$ -	$ -	$ -	$ -	$ 738,000	$ -	$ -	$ -	$ -	$ 738,000		
			Total, Regional Efficiency Programs		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 738,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 738,000**		
			Original 2015 Totals														
Energy Efficiency Portfolio Support																	
Port Supp Cust Engage Gas Title	(Title pg)		Customer Engagement & Education														
Engy Adv Detail_PSCE_Gas			Energy Advisors	18230704	$ 88,948	$ -	$ 62,886	$ -	$ 5,867	$ 200	$ 453	$ 202	$ -	$ -	$ 158,556		
Events Detail_PSCE_Gas			Events	18230675	$ 37,144	$ -	$ 26,261	$ 1,950	$ 1,126	$ 14,352	$ 65	$ 650	$ -	$ -	$ 81,547		
Brochure Detail_PSCE_Gas			Brochures, non program-specific	18230685	$ 2,685	$ -	$ 1,898	$ 4,139	$ -	$ 325	$ 3,705	$ -	$ -	$ -	$ 12,752		
Eductn Detail_PSCE_G207 Gas	G207		Education	18230671	$ 5,370	$ -	$ 3,797	$ -	$ 185	$ 975	$ 1,300	$ -	$ -	$ -	$ 11,627		
Port Supp_Web Exp Gas Title	(Title pg)		Web Experience														
CustOnline Detail_PSWE_Gas			Customer Online Experience	18230737	$ -	$ -	$ -	$ -	$ -	$ 84,045	$ -	$ -	$ -		$ 84,045		
Mkt Intg Detail_PSWE_Gas			Market Integration	18230732	$ 20,977	$ -	$ 14,831	$ -	$ -	$ 8,840	$ -	$ -	$ -		$ 44,648		
ABS Detail_PSWE_Gas			MyData *(Automated Benchmarking System)*	18230667	$ -	$ -	$ -	$ -	$ -	$ 26,404	$ -	$ -	$ -	$ -	$ 26,404		
ProgSvc Systems_R&C_Gas			Programs Support - Data and Systems Service	18231005	$ 69,884	$ -	$ 49,408	$ -	$ 2,300	$ -	$ -	$ -	$ -		$ 121,592		
ProgSvcs_Analytics_R&C Gas			Programs Support - Program Development	18230688	$ 27,954	$ -	$ 19,763	$ -	$ 1,790	$ -	$ -	$ -	$ -		$ 49,507		
Rebt Procg_Detail Gas			Rebates Processing	18230659	$ 61,938	$ -	$ 43,790	$ -	$ 1,495	$ 2,340	$ 650	$ -	$ -		$ 110,214		
EEC Detail_PS_Gas			Energy Efficient Communities	18230657	$ 38,485	$ -	$ 27,209	$ 6,110	$ 11,000	$ 109,888	$ 7,162	$ 1,000	$ -		$ 200,854		
TradeAlly Detail_PS_gas			Trade Ally Support	18230698	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 195,548	$ -	$ (182,756)	$ 12,792		
			Total, Portfolio Support		**$ 353,385**	**$ -**	**$ 249,843**	**$ 12,199**	**$ 23,763**	**$ 247,369**	**$ 13,335**	**$ 197,400**	**$ -**	**$ (182,756)**	**$ 914,537**		
			Original 2015 Totals		*$ 242,026*	*$ -*	*$ 168,450*	*$ 12,199*	*$ 14,287*	*$ 148,791*	*$ 12,685*	*$ 12,804*	*$ -*	*$ -*	*$ 611,243*		
Energy Efficiency Research & Compliance																	
Supp Crv Detail_R&C_gas			Conservation Supply Curves	18230703	$ 14,843	$ -	$ 10,494	$ -	$ 30	$ 4,030	$ -	$ -	$ -		$ 29,397		
Strat Pln Detail_R&C_Gas			Strategic Planning	18230679	$ 13,681	$ -	$ 9,672	$ -	$ 310	$ -	$ -	$ -	$ -		$ 23,663		
Mktg Rsch Detail_PS_gas			Market Research	18230670	$ 10,105	$ -	$ 7,144	$ -	$ 640	$ 29,158	$ 200	$ -	$ -		$ 47,246		
Eval Detail_R&C_Gas			Program Evaluation	18230699	$ 37,060	$ -	$ 26,201	$ -	$ 1,300	$ 249,152	$ -	$ -	$ -		$ 313,714		
Vteam Detail_R&C_Gas			Verification Team	18230668	$ 30,969	$ -	$ 21,895	$ -	$ 845	$ 14,300	$ 390	$ -	$ -		$ 68,399		
			Total, Research & Compliance		**$ 106,658**	**$ -**	**$ 75,407**	**$ -**	**$ 3,125**	**$ 296,640**	**$ 590**	**$ -**	**$ -**	**$ -**	**$ 482,420**		
			Original 2015 Totals		*$ 146,524*	*$ -*	*$ 101,981*	*$ -*	*$ 5,212*	*$ 262,132*	*$ 1,359*	*$ -*	*$ -*	*$ -*	*$ 517,208*		
GRAND TOTAL, GAS PROGRAMS					**$ 1,642,450**	**$ 58,191**	**$ 1,201,579**	**$ 370,530**	**$ 70,118**	**$ 2,052,428**	**$ 47,790**	**$ 266,987**	**$ 7,878,219**	**$ (182,756)**	**$ 13,322,435**	**3,080,826**	
			Original 2015 Totals		*$ 1,628,880*	*$ 67,378*	*$ 1,180,573*	*$ 318,430*	*$ 71,629*	*$ 1,163,503*	*$ 44,014*	*$ 116,607*	*$ 7,679,137*	*$ -*	*$ 12,270,151*	*3,060,642*	

Budget Category Includes

Labor	Marketing Labor	Overhead	Marketing	Employee/Office Expense	Outside Services	Materials	Conservation-Specific Memberships, Sponsorships & Miscellaneous	DBtC	Revenue	Total Budget	Total Savings Therms
This is the main level of tracking expenditures and expenses in EES. Per FERC rules, all conservation order numbers start with a "1823nnnn", where "n" is some number. Cost elements apply to all order numbers (for instance, all conservation programs that	Energy Efficiency program staff labor. Average FTE cost including management assessments. This Budget Category group includes assessments from Major Accounts management, Resource Planning, Corporate Communications management, IT specialists and some building maintenance allocations.	Also Energy Efficiency staff labor, associated specifically with Marketing functions. Marketing allocates staffing according to program needs.	Overhead--costs associated with primarily employee labor; benefits, for instance.	Service and materials associated with the cost of printing program brochures, marketing pieces, advertising, banners, etc. Also includes marketing conducted by vendors and contractors.	Costs associated with EE staff attending events,, employee training, conferences, business meals, business parking, ferry & bridge tolls, mileage incurred on employee automobiles, office supplies, phones, subscriptions, software/hardware, etc.	Contractors and vendors, such as PECI, Ecos, CostCo, EFI, etc. Legal expenses, technical services (CMS design, PSE.com web portals, etc.). These costs do NOT include brochure development, marketing pieces, (which are classified under MARKETING). These costs do NOT include incentives paid to customers by contractors.	Primarily tools, trade show equipment, etc.	This category should seldomly be used, and only expenses that cannot be classified under one of the above categories.	All costs associated with rebates, grants, remuneration, value-added services. PSE cost element # 62510000; Consumer Incentive Payments, is classified by the Accounting department as Miscellaneous. However, it is one of the primarly elements of Energy Efficiency's Direct Benefit to Customer (DBtC).	Any amount that PSE is paid by a customer, partner, municipality or outside entity.		

Exhibit 2: 2015 Cost-Effectiveness Estimates

Summary

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Electric Programs: Benefit Cost Summary

Program Name	Energy Savings	Utility Costs	Non-Energy Benefits	UCT	TRC
Low Income Wx	1,571,214	$ 3,318,140	$ 603,705	0.86	1.11
Residential Lighting	66,609,297	$ 15,379,407	$ -	2.92	1.34
Space Heat	7,841,910	$ 4,061,640	$ -	3.16	1.30
Water Heat	634,500	$ 400,630	$ 66,156	1.25	1.02
HomePrint	3,009,000	$ 1,811,236	$ 661,560	1.07	1.54
Home Appliances	11,386,446	$ 6,297,053	$ 3,041,713	1.10	1.31
Showerheads Elect	4,138,680	$ 574,710	$ 5,102,694	4.44	7.26
Weatherization Total	7,275,940	$ 2,893,360	$ 378,743	4.31	2.52
Home Energy Reports	472,500	$ 152,226	$ -	0.46	0.50
Fuel Conversion Rebate	2,062,500	$ 785,783	$ -	5.47	2.47
Multifamily Existing	25,861,860	$ 11,513,537	$ 2,712,138	2.23	1.97
Multifamily New Construction	1,057,399	$ 412,841	$ -	2.70	2.58
Total Residential Energy Management	**131,921,246**	**$ 47,674,311**	**$ 12,566,708**	**2.44**	**1.62**
Commercial/Industrial Retrofit	26,009,600		$ -	2.03	1.46
Commercial Lighting Grants	36,250,000		$ -	2.28	1.58
Commercial/Industrial New Construction	9,350,000		$ -	2.36	2.47
Resource Conservation Management	16,350,000		$ 4,701,429	1.16	1.41
High Voltage, Self-Directed	1,700,000		$ -	0.81	0.76
Technology Evaluation	500,000		$ -	-	-
Business Rebates	21,966,715		$ -	2.26	1.39
Total Business Energy Management	**112,126,315**	**$ 32,672,929**	**$ 4,701,429**	**2.03**	**1.51**
Residential HER Expansion	3,219,475	$ 1,127,007	$ -	0.42	0.46
Commercial Energy Report Pilot	5,000,000	$ 140,704	$ -	2.44	2.68
Total Pilots	**8,219,475**	**$ 1,267,712**	**$ -**	**0.64**	**0.71**
Northwest Energy Efficiency Alliance	22,338,000	$ 4,771,922	$ -	1.48	1.63
Transmission & Distribution	3,000,000	$ -	$ -	-	-
Total Regional Programs	**25,338,000**	**$ 4,771,922**	**$ -**	**1.98**	**2.18**
Total Portfolio Support	0	$ 5,489,811			
Total Research & Compliance	0	$ 3,806,631			
Total All Programs used in CE Calculations	**277,605,036**	**95,683,316**	**17,268,137**	**2.03**	**1.50**
Total Other Electric Programs	0	$ 3,638,342		n/a	n/a
Total Electric Portfolio	**277,605,036**	**99,321,658**	**17,268,137**		

Go to Gas Portfolio Page

Gas Programs: Benefit Cost Summary

Program Name	Energy Savings	Utility Costs	Non-Energy Benefits	UCT	TRC *W/o 10% Consv. Credit*	TRC *With 10% Consv. Credit*
Low Income WX	18,815	$ 268,098	$ -	0.76	0.76	0.83
Residential Space Heat	531,650	$ 1,595,778	$ -	3.41	1.57	1.72
Residential Appliances 1	32,732	$ -	$ -	-	-	-
Residential Showerheads	145,116	$ 387,115	$ 4,224,960	1.63	6.03	6.11
Web Enabled Thermostats	54,000	$ 323,443	$ -	1.81	1.81	1.99
Single Family Retrofit-Wx	432,015	$ 3,171,545	$ 287,254	1.72	0.44	0.49
Home Energy Reports	0	$ 44,691	$ -	-	-	-
Multifamily Existing	107,542	$ 499,044	$ 908,077	1.36	1.99	2.07
Multifamily New Construction	147,072	$ 620,874	$ -	1.22	1.09	1.20
Total Residential Efficiency Programs	**1,468,942**	**$ 6,947,562**	**$ 5,420,291**	**1.98**	**0.99**	**1.06**
Commercial / Industrial Retrofit	381,000	$ 2,044,680	$ -	1.69	1.38	1.52
Commercial/Industrial New Construction	150,000	$ 606,236	$ -	2.79	2.08	2.29
Resource Conservation Manager	500,000	$ 636,260	$ 285,714	1.37	1.41	1.51
Energy Efficient Technology Evaluation	0	$ 20,000	$ -	-	-	-
Commercial Rebates	580,881	$ 698,839	$ -	2.56	2.03	2.24
Total Commercial Programs	**1,611,881**	**$ 4,006,015**	**$ 285,714**	**1.95**	**1.61**	**1.76**
Total Pilots	0	$ 233,902		-	-	-
Total Regional Program (Gas Market Transformation)		$ 738,000				
Total Portfolio Support	0	$ 914,538				
Total Research & Compliance	0	$ 482,420				
Total Gas Portfolio	**3,080,823**	**$ 13,322,436**	**$ 5,706,005**	**1.62**	**1.02**	**1.10**