

May 9, 2024

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Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Dockets UE-210822 and UG-210823
2023 Annual Report of Energy Conservation Accomplishments**

Dear Executive Director Killip,

Consistent with requirements outlined in WAC 408-109-120(3) and WAC 480-07-140(5), Puget Sound Energy (PSE) provides an electronic version of its 2023 Annual Report of Energy Efficiency Conservation Accomplishments (Annual Report).

Results outlined in the Annual Report indicate that PSE programs achieved 258,196 megawatt-hours (MWh), or 29.5 average megawatts (aMW), of electric conservation and 4.56 million therms of natural gas conservation in 2023. Electric conservation savings exceeded the 2023 goal by 2.6 percent and natural gas conservation savings exceeded goal by 3.7 percent. Indicated electric conservation savings include 14,717 MWh reported by the Northwest Energy Efficiency Alliance (NEEA).

Electric expenditures to acquire cost-effective energy conservation for the entire portfolio were \$120.78¹ million or 1.6 percent lower than anticipated 2023 spending. Natural gas program expenditures were 5.1 percent above the original projection, finishing 2023 at \$27.8 million.

Throughout 2023, PSE's energy efficiency programs worked to mitigate the continued difficulties associated with the pandemic's lingering economic effects. Programs faced many challenges to achieving savings goals due to persistent macro-economic trends including inflation, rising interest rates, and skilled labor shortages. Federal and local code changes also reduced savings opportunities.

¹ It is important to note that the total electric expenditures also include Net Metering administrative and distribution system expenses as well as targeted Demand Response and Demand Response pilot expenses. In 2023, these expenses represented \$6.7 million of the overall portfolio.

Customer Energy Management program teams implemented extensive adaptive management strategies to address these barriers to participation, including increased incentives across many programs; increased contractor training and awareness engagement in residential and commercial programming; development of the Efficiency Boost Marketplace (PSE sales website) and promotion of in-store Efficiency Boost rebates to promote thermostat and appliance sales to moderate income customers; and dedicating staff to integrate state and federal funding with PSE rebates. Extensive discussions regarding the impacts and adaptive management techniques used within each program can be found in the Annual Report.

In an effort to advance the company's equity goals and meet the requirements of the Clean Energy Transformation Act, PSE focused on bringing its programs and incentives to Named Communities: highly impacted communities and vulnerable populations. PSE developed promotional materials and translated events in several non-English languages. Additionally, Customer Energy Management continued to develop its internal dashboard to understand and target customers in Named Communities.

The entire Annual Report package consists of:

- UE-210822-UG-210823-PSE-2023-Annual-Report-Of-Conservation-Achievements.pdf
- UE-210822-UG-210823-PSE-Exhibit-1-2023-Savings-and-Expenditures.xlsx
- UE-210822-UG-210823-PSE-Exhibit-1-Supplement-1-2023-Actuals-vs-Budgets.xlsx
- UE-210822-UG-210823-PSE-Exhibit-2-2023-Cost-Effectiveness-Results.xlsx
- UE-210822-UG-210823-PSE-Exhibit-2-Supplement-1-2023-Cost-Effectiveness-Overview-and-Non-Energy-Impacts.pdf
- UE-210822-UG-210823-PSE-Exhibit-4-2023-Prescriptive-Measures.xls
- UE-210822-UG-210823-PSE-Exhibit-5-2023-NEEA-Activities-Report.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-HER-Impact-and-Process-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-Home-Appliance-Program-Impact-and-Process-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-Multifamily-Retrofit-Impact-and-Process-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-Smart-Thermostats-Impact-and-Process-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-Commercial-Programs-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-6-Suppl-1-2022-2023-Demand-Response-Winter-Season-Evaluation-and-ERR.pdf
- UE-210822-UG-210823-PSE-Exhibit-7-2022-2023-Requirement-Compliance-Matrix.pdf

Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Annual Report to its Conservation Resource Advisory Group on April 9, 2024.

Jeff Killip, Executive Director and Secretary
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Please contact Chris Schaefer at (425) 456-2932 for additional information about this filing. If you have any other questions, please contact me at (425) 462-3051.

Sincerely,

/s/ Wendy Gerlitz

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Enclosures

cc: Tad O'Neill, Public Counsel
Sheree Carson, Perkins Coie

Attachment: UE-210822-UG-210833-PSE-ARpt-(Complete-Filing)-(05-09-2024).zip