

UE-210822



Puget Sound Energy
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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
2022-2023 Biennial Report of Conservation Accomplishments**

Dear Executive Director Killip,

Consistent with requirements outlined in WAC 408-109-120(4) and WAC 480-07-140(5), attached please find the 2022-2023 Biennial Report of Electric and Natural Gas Conservation (“Biennial Report”) for Puget Sound Energy (“PSE” or “Company”).

Results outlined in the Biennial Report summarize results provided in PSE’s 2022 and 2023 Annual Reports of Energy Conservation Achievements (“Annual Reports”) and true up electric and natural gas savings that are verified after annual reporting deadlines.

PSE filed electric savings in its 2022 and 2023 Annual Reports that, prior to adjustments for items excluded from penalty, totaled 502,540 megawatt-hours (“MWh”). The adjustments resulted in the reduction of 47,510 MWh, and the final adjustment was to add additional savings identified in the Home Energy Reports (“HER”) evaluation of 12,904 MWh. The resulting verified PSE 2022-2023 first-year electric savings, as measured at the customer meter, were 467,933 MWh. The combined target used in the penalty calculation includes the Energy Independence Act (“EIA”) penalty threshold of 469,182 MWh and decoupling penalty threshold of 24,878 MWh, for a combined total of 494,060 MWh as set forth in docket UE-210822. This results in a 95 percent achievement of the combined penalty target during the 2022-2023 biennium.

In 2020, following the onset of the COVID-19 pandemic, the Washington State Legislature modified RCW 19.285.040(1)(e) to consider a utility in compliance with its biennial acquisition target for cost-effective conservation when conditions beyond its reasonable control prevent it from meeting the conservation target.

PSE has detailed the circumstances surrounding the pandemic and efforts taken to achieve the target in the attached Biennial Report and requests to be considered in compliance with its biennial electric conservation target for the 2022-2023 biennium.

PSE's 2022 and 2023 Annual Reports originally reported aggregate natural gas savings of 9,225,209 therms. There were no adjustments needed in arriving at the total penalty savings and thus is also 9,225,209 therms. The only adjustment was to add 102,207 therms of savings identified in the HER evaluation. The resulting verified PSE 2022-2023 first-year natural gas savings, as measured at the customer meter, were 9,327,416 therms. This compares with a natural gas penalty threshold of 9,262,931 and decoupling threshold of 463,147 therms, or 9,726,077 therms combined. As a result, the Biennial Report shows a 96 percent achievement of the overall target.

Mitigation of financial penalties for failing to meet the natural gas conservation savings target are established in PSE's Settlement Terms of Conservation in Docket UG-011571, Sec. 42. They are applicable when the Company can demonstrate that factors occurred beyond its control that negatively impacted customer participation in its programs such as a significant local economic recession or major natural disaster.

PSE has detailed the circumstances surrounding the pandemic and the efforts taken to achieve the target in the attached Biennial Report and requests that it be considered in compliance with its biennial natural gas conservation target for the 2022-2023 biennium.

In an effort to mitigate the electric and natural gas savings shortfall from 2022-2023, PSE has added 70,000 MWh and 640,000 therms to its 2024-2025 conservation portfolio. Stronger customer participation observed during the fourth quarter of 2023 as a result of departmental adaptive management techniques as well as improving economic conditions allowed PSE to comfortably include savings beyond its biennial obligations.

In addition to the overview, the Biennial Report contains eight attachments:

- 1) Exhibit 1: 2022-2023 Savings and Expenditures;
- 2) Exhibit 1, Supplement 1: BCAR Final Report;
- 3) Exhibit 1, Supplement 2: HER 2022 Impact Evaluation and 2022-2023 Process Evaluation Report;
- 4) Exhibit 1, Supplement 3: HER 2023 Impact Evaluation Memo;
- 5) Exhibit 1, Supplement 4: Building the Biennial Targets Tables;
- 6) Exhibit 1, Supplement 5: Commerce EIA Conservation Report;
- 7) Exhibit 2: 2022-2023 Cost-Effectiveness Results;
- 8) Exhibit 7: Regulatory Requirements Checklist.

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Consistent with WAC 480-109-110(3), PSE provided an electronic version of the Biennial Electric Conservation Report to the CRAAG on May 1, 2024.

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
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Attachments:

210822-210823-PSE-2022-2023-Biennial-Rpt-(05-31-2024).pdf
210822-210823-PSE-EXH-1-2022-2023-Savings-and-Expenditures-(05-31-2024).xlsx
210822-210823-PSE-EXH-1-Supp-1-BCAR-2022-2023-Rpt-(05-31-2024).pdf
210822-210823-PSE-EXH-1-Supp-2-HER-2022-Impact-2023-Process-Eval-Rpt-(05-31-2024).pdf
210822-210823-PSE-EXH-1-Supp-3-HER-2023-Impact-Eval-Memo-(05-31-2024).pdf
210822-210823-PSE-EXH-1-Supp-4-Building-Biennial-Targets-(05-31-2024).xlsx
210822-210823-PSE-EXH-1-Supp-5-2024-EIA-Conserv-Rpt-(05-31-2024).xlsx
210822-210823-PSE-EXH-2-2022-2023-Cost-Effectiveness-Results-(05-31-2024).xlsx
210822-210823-PSE-EXH-7-REG-REQ-Compliance-Checklist-(05-31-2024).pdf