



Energy Efficiency Services
Program Results
January – June, 2007

August 14, 2007

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Executive Summary

This semi-annual report of Puget Sound Energy's ("PSE's" or "The Company") current Energy Efficiency Services (EES) associated with the electric Rider/BPA Conservation and gas Tracker funding, covers the period January, 2007 through June, 2007.

During this six month period, PSE's EES programs totaled first year electric savings of 93,228 MWh (10.64 aMW) at a cost of \$15,718,790. First year gas savings were 1,231,595 therms at a cost of \$4,058,984.

Funding was provided by PSE's Rider/Tracker mechanism, Bonneville Power Administration (BPA)—through March— and PSE shareholders.

Funds provided by BPA in the form of Conservation Rate Credits were suspended on May 9 as a result of a decision by the United States Court of Appeals for the Ninth Circuit under the Pacific Northwest Electric Power Planning and Conservation Act. Consequently, PSE's Schedule 120 was revised to account for conservation activities formerly funded by BPA.

Detailed program savings and cost figures are available in Exhibit 1 at the end of this report.

PSE is in the second year of the conservation tariff period spanning 2006 and 2007. The table below shows how PSE has performed in Jan. 2006 thru June 2007 in comparison to two-year budget and savings "stretch" goals (40 aMW and 4.2 million therms) for electric and gas energy efficiency programs. The "penalty" threshold for savings was set at 33 aMW and 3.4 million therms.

<u>January, 2006 – June, 2007 EES Program Summary</u>				
<u>Tariff + BPA EES PROGRAM INFO</u>	<u>18 Month ACTUALS</u>	vs	<u>2 YEAR BDGT./GOAL</u>	<u>Compare % Total</u>
ELECTRIC Costs	\$44,414,644		\$63,976,000	69.4%
MWh Savings	259,482		350,628	74.0%
aMW (MWh/8,760)	29.6		40.0	
GAS Costs*	\$10,818,046		\$12,802,000	84.5%
THERM Savings	3,608,839		4,200,000	85.9%

* Includes Low Income Weatherization shareholder funding of \$300k per year.

EES program overviews and six month "recaps" are provided in the following pages.

Program Descriptions

Residential & Commercial Energy Efficiency Information Services, *Schedules E200/G206 & E260/G260*

These services consist of four components that complement each other to provide information for customers on energy programs and efficiency improvements tailored to their interests and energy-use concerns.

Energy Advisors

Specially trained and dedicated support representatives provide all customer sectors direct access to PSE's array of energy efficiency services through a toll-free phone number. Energy Advisors discuss with customers the potential benefits of various conservation programs, eligible incentives, and introduce related products and services.

Energy Efficiency Brochures

PSE provides brochures and how-to guides on various energy efficiency opportunities, including behavioral measures, low-cost equipment, weatherization measures, major weatherization improvements, and equipment upgrades. This information includes investment and savings estimates where appropriate. These brochures are available to customers in paper form and online at the PSE Web site. Where required by tariff, brochures are included as bill inserts.

On Line Services

To assist customers with information and questions, a section of the PSE web site (www.pse.com) is dedicated to energy efficiency and energy management for customers that prefer on-line services. PSE provides "Energy at Home", a quarterly e-newsletter promoting energy efficiency services. This free service contains articles about energy efficiency, timely seasonal tips, links to PSE program information and coupons for energy efficient products. A similar bimonthly "Energy in Business" e-newsletter features case studies of PSE energy efficiency projects, as well as announcements of upcoming training opportunities. Other services include an email box, and links from a customer's Energy Tracker information and graphs to energy efficient tips and ideas.

On-Line Personal/Business Energy Profile

Personal Energy Profile (residential) and Business Energy Profile (small business) are free energy self-audit surveys, with PSE follow-up analysis and a report that provides customers with specific and customized energy efficiency recommendations. These services identify current energy costs and consumption by end-use, and provide a list of specific recommendations for energy efficiency opportunities and their associated savings estimates.

MY PSE Account incorporates a customer's billing history and details, with an analyzer tool that explains what is included in their bill. Customers can understand what changes can be made to reduce energy usage. The Business Energy Profile is available only to online users.

Recap: Added dynamic promotions to the online tools, which means that eligible customers will receive a furnace and/or gas water heater rebate promo banner. Participation continues to increase as customers gain more awareness of “MY PSE acct”. Lighting brochure completed with Heating and Weatherization brochure close behind. Selected vendor to coordinate weatherization video

- Create a series of 3 min. segments, each devoted to a particular Energy Saving Topic provided through new energy brochure project. (i.e., Heating)
- Build into CD's
- Create a menu of topics from which customers choose to customize their experience

Residential Low Income Retrofit Programs, Schedules E201/G203 and E209/G209

Description: PSE provides funding of cost-effective home weatherization measures for low-income gas and electric heat customers. Funds are used for single-family, multifamily, and mobile home residences.

Program participation takes place through referrals from low-income and crisis service agencies. PSE customers who are having difficulty paying heating bills are also referred to the appropriate serving agency when they apply for energy bill payment assistance. Income qualification for the low-income weatherization program takes place at the local weatherization agency or other designated agency. Local agencies assume responsibility for getting permission from rental property owners to install weatherization measures. The elderly, disabled, and households with very young children receive priority in scheduling of the weatherization work. In addition to the structure audit and measures installation, agencies might provide energy use education to participants.

Recap: Three months of tracking/reporting through new LIW database has been going well. Three payments distributed to CTED based on agencies providing data entry for measures installed. . Production for agencies have been slow due to one time funding spikes, agency staff turnover, finding contractors, complex of multiple admin. systems. Will continue to coordinate issues with CTED and agencies to meet program goals. Continuing to reviewing Cost effectiveness for LIW measures with agencies.

Energy Education, Schedules E202/G207

Description: Powerful Choices is a 4-day school program that empowers Washington State's middle school students with the ability to make informed choices regarding the use of natural resources. This program fills a need for environmental education in Washington State at no cost to schools.

Powerful Choices also helps students in reaching Washington's learning standards by aligning the curriculum with Washington State's Essential Academic Learning Requirements (EALRS). Students participate in a variety of activities focusing on energy, water, solid waste, and air quality.

Recap: Energy Education is on target at the end of the 2006-2007 school year. New schools in Olympia and Kitsap County have participated in the program, and two new partners will be supporting the program during the coming school year (City of Olympia and Thurston County). We have also promoted Powerful Choices at local events and expect to have more schools sign on in the fall. We also expect to acquire additional savings through two new programs, a local Outdoor School and the Cool School Greenhouse Gas Challenge.

Manufactured Housing Energy Efficiency, Schedule E203

Description: This program targets residential customers living in existing manufactured homes with ducted electric heating systems. Key stakeholders include homeowners, duct sealing specialists, and qualified HVAC contractors specializing in mobile home heat pump applications.

The program is implemented by trained, certified contractor(s) who follow regionally-accepted protocols for duct leakage testing, sealing and heat pump installation. Contractor(s) may also install qualifying, cost-effective hot water savings and lighting savings measures, and distribute PSE customer energy efficiency information and appliance rebate materials.

Recap: An additional contractor and increased marketing has more than doubled our monthly completed jobs in March. Program has added contractors and will soon serve the entire PSE region.

Multi-Family Retrofit, Schedule E217

Description: The new multi-family retrofit program proposes to increase the installation of certain measures in existing, multifamily (MF) buildings, consisting of five or more residential units. MF structures typically have both in-unit and common area energy-efficiency opportunities that can include shell, appliance, lighting, HVAC and water heating measures. The program targets installation of energy efficient measures in MF facilities occurring on a retrofit (e.g., planned project) or “replace upon failure” (RUF) basis.

Recap: At the end of 2nd quarter, we are currently at 42% of electric savings & 30% therm savings with commitments (contracted & in installation phase) for an additional 18% electric/5% therm savings. Our in unit direct install goals were met this quarter (CFL bulbs, showerheads/aerators) and a contract extension was authorized for an additional 2.7 million kWh, to be completed by 4th quarter 07. Therm savings are short due to low building stock. Staff are currently in negotiations with large natural gas heated complex that, if contracted, will exceed therm savings target.

Residential Energy Efficiency Rebates, Schedules E214, G214

Description: This program implements cost effective, targeted, residential energy savings using a menu of prescriptive efficiency measure rebates. Prescriptive rebates are intended to facilitate participation by customers and trade allies, and provide administrative efficiencies for PSE in meeting energy efficiency goals. Rebate amounts are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Rebates may be subject to change in response to revisions in savings estimates, average incremental cost or changes in Federal appliance efficiency standards or State codes.

Current Rebates:

Electric - CFL Lamps & Fixtures, Energy Star Washing Machines and Dishwashers, Refrigerator Decommissioning, Energy Star Manufactured Homes, High Efficiency Air-Source Heat Pumps.

Gas - Efficient Water Heater, Energy Star Furnace and Energy Star Manufactured Homes.

Recap:

RETAIL CHANNEL:

APPLIANCES on target, bill inserts with combined message for Clothes Washers and CFL lighting rebate information. Extra field help visiting stores has increased communication with stores. LIGHTING: Negotiated 122,000+ CFL Feit bulb markdowns with Costco in order to increase volume. Ran a June Fixture focus Bill Insert. PSE ran a print ad and article in the Kitsap Journal "How To Guide" featuring lighting. Distributed Quick Facts Pocket Cards to all Cashiers in 160+ retail stores. Walgreens promotion on fixtures (20,000 maximum) starts June 15. PSE joined BPA & other utilities on Change a Light Promotion during the Spring, resulting in 236K additional bulb sales in PSE area stores.

DEALER CHANNEL:

HEAT PUMPS, Products that qualify are still an issue. Manufacturers are responding but coil sizes limit the number of installations.

WATER HEATERS, PSE facilitated coordination between the installers and supplier has improved performance in the PSE water heater lease replacements with regard to the number of qualifying tanks being installed.

SHOWERHEADS: Seattle City Light (SCL), PSE, Cascade Water Alliance (CWA) and Seattle Public Utilities (SPU) implemented a Home Energy & Water Saver Kit Distribution Program. Offering free water saving showerhead and faucet aerators to King County customers. A solicitation brochure was mailed to approximately 365,000 eligible residential customers and a kit will be mailed free-of-charge to those who return a card requesting one. Estimate approximately 35% of eligible residential customers will request free Home Energy & Water Saver kits.

REFRIGERATOR DECOMMISSIONING: PSE, Tacoma Power, Seattle City Light and Snohomish PUD launched the program on August 1. PSE expects to decommission 3,000 units by end of Dec. 07. JACO Environmental selected to in this process to include customer service, advertising, in-home appliance collection, environmentally proper recycling of appliances, issuing incentive checks and data management/reporting.

Residential Heat Pump Maintenance Pilot, Schedule E249

Description: This pilot program will demonstrate the energy savings and market acceptance of heat pump retro-commissioning and minor modifications repairs directed by an advanced diagnostic field protocol with all system adjustments/repairs recorded and centrally reported by a single management contractor. The pilot will also demonstrate the efficacy of providing an incentive to customers with heat pumps performing at very low levels of measured efficiency to replace them with Energy Star[®] – qualified models (offer of replacement incentive based on initial diagnostics/adjustments and determination that additional repairs cannot cost-effectively restore reasonable efficiency).

Recap: "Check Me" program is out of California and availability to get contractors trained has been difficult. We have the contractors interested in the program but not the trainer. Training contractors to be able to perform the tests had been an issue. Proctor Engineering that runs the program has not been very engaged.

Multi-Family Fuel Choice Pilot, Schedule E249

Description: This pilot began in 2004-5 to assess the cost effectiveness and market acceptance of choosing natural gas in retrofit and new construction multi-family structures. Market research and technical assessment work has been completed and reported.

Recap: The Multifamily Fuel Choice Pilot project is completed, report finished, and all rebates paid out. The DASH - Summerwood gas conversion project is complete and consisted of the installation of 164 (tankless water heaters and heat-rated fire places), the annual electrical savings from the project is estimated at 8,105 kWh /per unit, with total project savings of 1,329,220 kWh. In late 2007, preliminary billing analysis/energy consumption on the tankless water heaters will be conducted.

Residential New Construction, Schedules E215/G215

Description: To implement cost effective, targeted, residential new construction energy savings using a menu of prescriptive efficiency measure rebates. Prescriptive rebates are intended to facilitate participation by builders, owner-builders and trade allies, and provide administrative efficiencies for PSE in meeting energy efficiency goals. Rebate amounts are based on regionally accepted energy savings estimates and incremental efficiency measure cost. Rebates may be subject to change in response to revisions in savings estimates, average incremental cost or changes in Federal appliance efficiency standards or State codes.

Residential New Construction Gas Service

Measure	Rebate Amount	Eligible Housing type
Energy Star Gas Furnace	Amount may vary. Maximum rebate \$250	Single-family, New Construction
High Efficiency Gas Water Heater (>or equal to .62EF)	Amount may vary. Maximum rebate \$40	Single-family, New Construction
Energy Star Homes Gas Rebate (Homes must be Certified Energy Star Homes NW)	Amount may vary. Maximum Rebate \$50	Single-family, New Construction

Residential New Construction Electric Service

Measure	Rebate Amount	Eligible Housing type
Energy Star Dishwasher	\$20 in 2007	Single-family, New Construction
Energy Star Clothes Washer (Energy Star qualified Washing machine (> or equal to 1.8 MEF)	\$50	Single-family, New Construction
Energy Star CFL Bulbs	Amount may vary. Maximum rebate \$4/bulb	Single and Multi-family, New Construction
Energy Star CFL Fixtures	Amount may vary. Maximum rebate \$20/fixture	Single and Multi-family, New Construction
Energy Star Homes Electric Rebate (Homes must be Certified Energy Star Homes NW)	Amount may vary. Maximum Rebate \$50	Single-family New Construction
Energy Star Heat Pump Rebate	Amount may vary. Maximum Rebate \$250	Single-family New Construction

Recap: Electric savings from lighting short of target due to subcontractor transition and reporting changes. Based on showroom updates, units are pending payment but the process of rejection is being defined by ECOS/PSE. Manufactured Homes electric savings short of target due to limited program resources and budget constraints. . Additional outreach to code builders has generated more units. DISHWASHERS: On target with savings.

Gas Single-Family Weatherization, Schedule G216

Description: Program offers certain weatherization measures for gas-heated single family homes. These measures are targeted to existing gas heated homes typically constructed between the 1950's and mid 1970's that lack floor insulation (above unheated crawl space), heating supply duct insulation (located in unheated spaces of the home) and have inadequate ceiling insulation (R11 or less). Homes may lack one or more of these measures.

- PSE offers fixed, per measure rebates to qualifying residential customers who install under floor, heating duct, and wall or attic insulation using the services of a trained and authorized energy services contractor.
- Eligible customers are single family customers using natural gas for space heat. Tenants may participate in the rebate program with written permission from homeowner.

Measure rebates include:

- | | |
|--|---------------|
| • Attic Insulation (R-11 or less to R-38) | \$400 maximum |
| • Floor Insulation (R-0 to minimum R-19, up to R-30) | \$400 maximum |
| • Wall Insulation (R-0 to R-13) | \$400 maximum |
| • Duct Insulation (R-0 to R-11) | \$200 maximum |
| • Duct Sealing | \$200 maximum |

Recap: Contractor recruitment and training has led to a 50% increase in participating contractors. Program will increase incentives through the remainder of 2007.

Commercial-Industrial Retrofit, Schedules E250/G205

Description: PSE works with commercial and industrial customers to review energy consumption at the customer's facility, and to assess cost-effective energy savings opportunities from equipment, building shell, industrial process, or O&M improvements. These services are provided on the customer's behalf and, where specified by the customer, will be developed in conjunction with design engineers, contractors, and/or vendors. PSE will review third-party savings estimates and analyses. Where the project meets PSE cost-effectiveness funding criteria, PSE will provide grants toward energy savings projects. PSE works with the customer to make sure financial decision makers at the customer's facility are aware of the cost-savings opportunities, including review of energy saving projections that can help obtain favorable financing rates. Upon notice of installation/implementation, PSE will verify the project as complete and operational and payment will be issued.

Recap: Activity level is high and pipeline for in-progress projects are on target to meet goal. Monthly activity on track to meet target.

Commercial-Industrial New Construction, Schedules E251/G251

Description: PSE works with designers and developers of new C/I facilities, or major remodels, to propose cost-effective energy efficient upgrades that exceed energy codes by 10% or standard practice in industrial facilities. Two paths may be followed to qualify for assistance and/or funding for energy efficiency measures. The first path is a prescriptive measure approach, similar to meeting code using the prescriptive path. PSE recommends and reviews measures beyond what is included in the proposed design. Where the project proposes savings 10% beyond the applicable local Energy Code, PSE provides grant funding.

The second path is similar to meeting the code using a performance path. PSE will work with designers to incorporate measures that produce 10% overall savings beyond the applicable local energy code. Given the time frame of new construction planning to completion, these projects may not be complete in the first year.

All C/I customers are eligible, although larger projects tend to be more cost effective. Customers provide PSE with project costs and estimated savings, and assume full responsibility for selecting and contracting with third-party service providers. Projects must be approved for funding prior to installation/implementation to be eligible.

Recap: Pipeline for in-progress projects is on target for this point in the year. Significant amount of engineering time spent reviewing new projects for future construction.

Resource Conservation Manager, Schedules E253/G208

Description: PSE offers Resource Conservation Manager Services (RCM) to any school district, public-sector government agency, and commercial or industrial (C/I) customer, with a focus on larger customers with multiple facilities. An RCM customer employs or contracts with someone who has designated resource management responsibilities, including accounting for resource consumption and savings.

PSE assists in designing and implementing an RCM program. Salary guarantees are available for RCMs, and training opportunities are available for RCMs and corollary staff such as custodial and maintenance personnel.

In some cases, PSE provides a grant to partially fund a start-up RCM position, provided there is a mutual agreement that if the program generates dollar savings, funding by the customer will continue after “start-up” funding support terminates.

Depending on individual customer needs, PSE may provide additional services or assistance, including resource policy guidelines; a resource accounting system; PSE billing data; informational materials; and a forum for resource conservation managers to exchange information, ideas, and techniques for controlling utility costs. Any grants for retrofits are coordinated through PSE’s C/I retrofit or new construction programs.

Recap: Increasing activity from local governments in response to sustainability initiatives. Signed agreements on track to meet target. Majority of savings typically are realized from year end analysis of school district savings.

Small Business Lighting Rebate, Schedule E255

Description: The program offers a variety of lighting fixed-incentives that streamline the delivery of energy-saving measures for a variety of small usage commercial businesses and building types. Eligibility is limited to Schedule 24 and Schedule 8 electric customers. Rebates for small businesses cover efficient incandescent and fluorescent lighting conversions and lighting.

Recap: Results for 2nd quarter were very close to the 2,199,400 adjusted kWh target reported last quarter. Promotion activities are in progress, including a bill stuffer, contractor referral, and possible pilot program that targets the smallest of the small businesses.

LED Traffic Lights, Schedule E257

Description: The program educates public-sector customers with traffic control authority (cities, counties, and DOT's) on the benefits of installing red and green LED traffic signals. PSE provides an LED informational packet along with a rebate application by mail or in person. Customers must receive electric service from PSE to qualify for the rebates, and customers with unmetered accounts must document all connected load at the intersection.

Recap: Project in Progress with City of Renton, and City of Kent. Pursuing project with City of Bremerton that may not be installed by 12/31/07. 2007 YTD total from a completed project with the City of Bothell. Project received from the City of Oak Harbor in June, '07. Potential for projects from Cities of Bremerton & Tumwater. Will increase marketing efforts to bring in these projects in 2007

Large Power User, Self Directed, Schedule E258

Description: This program solicits electric energy efficiency upgrades through a Request for Proposal (RFP) process. C/I customers receiving electric service under Schedule 40,46,49 or 449 receive a funding allocation based on electric usage and are responsible for proposing cost-effective project to utilize their allocation. Proposals are evaluated by PSE engineering staff for technical soundness, cost-effectiveness and compliance with energy code and tariff requirements. Customers sign a standard PSE Conservation Grant Agreement, defining project cost and PSE incentive amount prior to installation of project measures. All projects are field verified by PSE before grant payments are made. Customer not designating projects to fully utilize their allocation within 30 months of the program start date forfeit their remaining balance to a competitive phase, in which remaining funds are available to all program participants via competitive bid.

Recap: Three new participants were introduced to the program in January and received prorated incentive allocations for the remaining program cycle. All participants were mailed incentive allocation "balance statements" in April with a reminder of the proposal deadline date. Project inquiries have increased as deadline for guaranteed funding nears, but with 12 months remaining until competitive phase, quantity of submitted projects has remained low.

Commercial Rebates, Schedules E262/G262

Description: PSE offers fixed rebates for select, commonly applied measures to commercial customers. Rebate measures are those with energy-savings that can reasonably be standardized over a wide variety of applications, and that have competitive market pricing to ensure cost-effectiveness. The current list (effective January 2004) of eligible Commercial Rebates is maintained by the Company and made available upon request. Rebate amounts are updated as market conditions change.

Recap: To boost participation in Premium HVAC Service program PSE will start marketing directly to business and explore joint marketing campaigns with contractors. Energy code change as of July 1 requires VSD's on HVAC motors >10 horsepower, so these will be omitted from the rebate program reducing future rebates. Completing work with the City of Bellingham and continued work with the City of Tacoma provided good savings in the spray head program. The loss of one of our Vending Miser installers is expected to slow work on that program temporarily. Work on development of new Commercial Kitchen Rebates is expected to boost participation in that program.

Completing work with the City of Bellingham and continued work with the City of Tacoma provided good gas savings in the spray head program. Work on development of new Commercial Kitchen Rebates is expected to boost participation in that program.

Commercial/Industrial Gas Boiler Tune-up Pilot, Schedule G259

Description: It has been the experience of PSE Energy Management Engineers, City of Seattle boiler inspectors and mechanical contractors that commercial customers seldom have the air to fuel ratios tuned on their boilers for efficient operation. A boiler that has not been tuned for many years can use as much as 20% more gas fuel. This pilot program will consist of working with mechanical contractors to design a pilot that provides sufficient incentive to persuade customers to have their boilers tuned up for the first time, so that they can see the resulting energy savings on their bills.

All non-transportation PSE gas C/I customers with gas boilers that can be tuned are eligible. Since the last report, PSE has expanded eligibility to interruptible gas customers. Funding is limited to one time per boiler.

Recap: Tightening up the Boiler Tune-up Program criteria for boiler eligibility has decreased participation but raised confidence in the quality of savings and increased cost effectiveness.

Net Metering, Schedule E150

Schedule 150, Net Metering for Renewable Energy Services, became effective February 11, 1999. Subsequently, Schedule 150 was revised on June 8, 2000 in response to legislative action¹, which modified certain aspects of the net metering program. As revised, the schedule applies to customers who operate fuel cells or hydroelectric, solar or wind generators of no more than 100 kW.² Service under this schedule is limited to a total of 4.5 MW of cumulative nameplate generating capacity, of which no less than 2.25 MW of cumulative nameplate generating capacity shall be attributable to net metering systems that use either solar, wind, or hydroelectric power as its fuel. Customer generation can be used to offset part or all of the customer-generator's electricity use under Schedules 7, 24, 25 or 29 of Electric Tariff G.

¹ On March 27, 2000, Engrossed House Bill 2334 relating to the definition of net metering systems and amending RCW 80.60.010, 80.60.020 and 80.60.040 was signed into law. The revised law became effective June 8, 2000.

² Revisions to Schedule 150, including increasing the maximum generator capacity to 100kW became effective June 12, 2006.

Recap: PSE added 21 New Net Metering customers in Q2, 2007 bringing the total customer count to 161, Of the 21 new Net Metering customers, 19 also elected at the same time to participate in the State's Renewable Energy Production Incentive Program. Besides these 19 new Production Metering Customers, PSE also assisted 16 existing Net Metered customers add Production Meters. With the addition of these 35 new production meters, the total number participating in REAP is over 102. In May, PSE hosted a meeting for solar PV system designers/installers which focused on interconnection standards to increase communication and prepare for growth in the sector. In Q2 PSE announced the end of the PV Solar Rebate by the end of Q3, due to the end of BPA-CRC funding. Challenges to the net metering and production metering center around streamlining processes for the expected growth in the number of customer renewable projects.

Northwest Energy Efficiency Alliance, Schedule E254

Description: Northwest Energy Efficiency Alliance's (NEEA) market transformation initiatives will increase the availability and consumer acceptance of energy-efficient technologies and practices. As a partner with NEEA, PSE contributes funding for regional programs, actively participates on the NEEA Board of Directors, and supports various related initiatives within the PSE service area.

Detailed information on NEEA history, structure, funding, projects, reports, press-releases, proposals and more is available at NEEA's web site at www.nwalliance.org.

Energy Efficient Technology Evaluation, Schedules E261/G261

PSE reviews available literature to find information on new, energy efficient technologies and products. PSE draws on the experience and research of others; e.g. E-Source, NEEA, WSU and other utilities. "New" measures must be significantly different from measures already qualifying for grants on the PSE program.

The focus of the research is on practical, cost effective technologies and measures that can be immediately implemented. Technologies must be based on generally accepted engineering or scientific principles. Savings must be quantifiable, using generally accepted engineering calculations.

Recap: Conservation Voltage Reduction Project: The analysis, reporting, and tools developed in Phase I are all valuable assets in the market transfer of this CVR energy efficiency technology. Phase I work will clearly identify CVR potential energy savings and cost effective methods to achieve these savings. Given the results of Phase I, the Phase II work will focus on market transfer of this technology to the State Utility Commissions, electric utility engineers and decision makers, Public utility policy makers, engineering consultants, and BPA.

Gas-fired On-Demand Tankless Water Heater Data Collection Project: Provided \$50 incentive to approximately 90 customers to complete a data report on their experience with Tankless Water Heater retrofits. Data analysis will be begin the end of September 2007 in order to capture additional billing information during a low/non-heating time period.

Local Infrastructure & Market, Schedules E270/G270

PSE participates with or utilizes the services of many organizations to support the local delivery, management, and promotion of a broad range of energy efficiency programs. Measures to be delivered are developed on a project by project basis, primarily dealing with education about energy efficiency and information about Puget Sound Energy's energy efficiency services. Measures can include participation in conferences and energy efficiency trade shows aimed at reaching a broad array of customers and trade allies. The company may provide support or fees to energy efficiency industry, trade ally and customer associations with interest in education and promotion of energy efficiency benefits.

Program Evaluation and Research

PSE is committed to the verification of claimed energy savings and the continual improvement of energy efficiency service delivery to customers.

Recap: A C&I Lighting Savings Verification Study and the Puget Sound Region CFL Saturation Study are underway, to be completed in August 2007. A number of C&I and residential program and pilot program evaluation projects were completed or nearing completion in the first half of 2007. A summary of work done is available upon request.

Appendix A: January – June 2007 Results by Rate Schedule

Elec Sch #	Gas Sch #	Service	kWh Savings	Therm Savings	Electric Costs	Gas Costs	Total Costs
200	206	Res. Energy Effic. Information	-	-	\$ 304,581	\$ 173,772	\$ 478,353
260	260	Com'l Energy Effic. Information	-	-	\$ 18,620	\$ 12,571	\$ 31,191
201	203	Low-Income Retrofit	534,300	10,228	\$ 521,282	\$ 139,798	\$ 661,080
202	207	Energy Education	629,724	35,097	\$ 105,237	\$ 54,341	\$ 159,578
214	214	Res. Energy Eff. Rebates Tariff	32,157,091	314,975	\$ 2,229,492	\$ 971,755	\$ 3,201,247
		BPA Funded Energy Eff. Rebates	1,596,870	-	\$ 869,927	-	\$ 869,927
203	na	Manufactured Housing Energy Eff.	793,305	-	\$ 517,000	-	\$ 517,000
217	217	Multi-Family Retrofit	1,819,814	13,142	\$ 775,603	\$ 47,000	\$ 822,603
249	na	Res. Heat Pump Maintenance Pilot	2,606	-	\$ 5,522	-	\$ 5,522
250	205	C/I Retrofit	30,033,589	266,392	\$ 5,787,850	\$ 1,016,010	\$ 6,803,860
251	251	C/I New Construction	811,619	28,425	\$ 328,024	\$ 117,121	\$ 445,145
253	208	Resource Conservation Manager	4,001,389	84,350	\$ 227,134	\$ 128,863	\$ 355,997
255	na	Small Business Lighting Rebate	3,988,438	-	\$ 894,910	-	\$ 894,910
257	na	LED Traffic Lights	139,935	-	\$ 4,251	-	\$ 4,251
258	na	Large Power User/Self Directed	1,122,484	-	\$ 177,320	-	\$ 177,320
262	262	Commercial Rebates	6,948,467	225,455	\$ 737,938	\$ 55,381	\$ 793,319
na	259	Gas Boiler Tune-up Pilot	-	97,766	-	\$ 140,556	\$ 140,556
249	na	Multi-Family Fuel Choice Pilot	753,765	-	\$ 211,086	-	\$ 211,086
215	215	Residential New Construction	511,182	54,282	\$ 364,159	\$ 224,852	\$ 589,011
		BPA Energy Star Dishwashers	84,868	-	\$ 42,495	-	\$ 42,495
		BPA Low Income weatherization	48,921	-	\$ 372,770	-	\$ 372,770
na	249	Gas Single Family Weatheriz. Pilot	-	94,733	-	\$ 488,013	\$ 488,013
261	261	Energy Efficient Technology Eval.	-	6,750	\$ 35,286	\$ 10,168	\$ 45,454
270	270	Local Infrastructure&Mkt Trans	-	-	\$ 21,501	\$ 4,807	\$ 26,308
na	na	Program Evaluation & Research	-	-	\$ 336,343	\$ 61,812	\$ 398,155
		Conservation Market Research	-	-	\$ 213,723	\$ 211,700	\$ 425,423
150	na	Net Metering	-	-	\$ 57,896	-	\$ 57,896
254	na	NW Energy Efficiency Alliance	7,250,000	-	\$ 519,030	-	\$ 519,030
na	na	Electric Conservation Support	-	-	\$ 38,540	-	\$ 38,540
na	na	Electric Efficiency RFP	-	-	\$ 1,270	-	\$ 1,270
na	209	Low Income Customers	-	-	-	\$ 200,464	\$ 200,464
Total			93,228,367	1,231,595	\$ 15,718,790	\$ 4,058,984	\$ 19,362,509

10.6 aMW