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October 10, 2013

RE: Comments on Puget Sound Energy's Integrated Resource Plan, Docket #UE-120767 (and UG-120768)

Thank you Commission Members.

I'm Steve Gelb, Director of Emerald Cities Seattle.

Emerald Cities Seattle is a collaborative of government, business, labor, and community organizations working to improve our environment, and economy in an equitable way through buildings energy efficiency.

We applaud Puget Sound Energy's conservation programs and their aggressive pursuit of demand side resources to date but we believe that even more can be done. We understand the challenges that new appliance standards, lighting efficiency requirements and new building codes present in meeting continued aggressive conservation goals. Our member organizations are involved in residential, commercial and multi-family housing energy efficiency projects, and to us it is clear that we have hardly scratched the surface with the potential energy savings and that it should play a larger role in Puget Sound Energy's Resource Plan.

We believe that this can be accomplished in a cost-effective way if PSE **partners** with municipalities with Climate Action and economic development goals. Breaking down silos and working together to drive energy conservation can create win-win scenario for the municipalities and the utility and expand the uptake of conservation.

PSE can also **streamline the incentive process** making it easier for customers to engage- programs tend to be bureaucratic and duplicative especially when multiple utilities are involved. Gas and electric incentives have different qualification criteria, submission processes and marketing programs. The Utilities and Transportation Committee can help Puget Sound Energy and other utilities by working to align programs while at the same time protecting ratepayers.

Puget Sound Energy needs to continue to pursue innovative ways to document energy savings beyond the tradition prescriptive methods that stifle creativity and customization for particular buildings. **Performance-based** incentives will free energy conservation providers to be more innovative and creative in delivering energy conservation and even more importantly they guarantee results from ratepayer investments.

Finally, through **on-bill repayment**, Puget Sound Energy can be a catalyst for aligning ratepayers interested in conservation with investors, banks and financial institutions investing in cost effective energy conservation. This can help drive deep energy retrofits with a longer-term perspective.

We know that energy efficiency is the most cost effective, low risk way to acquire additional electricity generation resources. We believe that it is imperative to reduce the electricity we produce from fossil fuels that have a devastating impact on our global environment – particularly electricity generated by coal. Not only are these fossil fuels bad for the environment, but they are subject to international economic and political disruptions, environmental regulations and fines, and potentially (and I hope) a carbon tax or cap and trade system that puts a price on carbon. This poses both availability and cost risks to ratepayers that could dramatically impact the cost effectiveness of fossil fuel based generation. Energy efficiency protects ratepayers from all of these potential eventualities.

As I have indicated, we are confident that Puget Sound Energy can significantly increase its energy conservation resources within the current rubric of cost-effectiveness. But we also believe that lowest cost power is not the only concern of ratepayers; they are concerned with climate change, air pollution, jobs, economic development, and the health of their communities. We believe that the UTC needs to take these factors into account in reviewing the Integrate Resource Plans of all utilities and the UTC can be an engine for change in our approach to energy and the environment. Emerald Cities Seattle looks forward to continued engagement with the UTC and Puget Sound Energy to maximize the energy conservation opportunities, create quality jobs and stimulate our economy.

Presented by,

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