



PUGET SOUND ENERGY

The Energy To Do Great Things

Energy Efficiency Services
Program Results
January – December 2009

February 16, 2010

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EXECUTIVE SUMMARY

2009 Annual Report of Energy Efficiency Program Activity

Puget Sound Energy's ("PSE's" or "The Company's") Energy Efficiency Services (EES) department is pleased to present this Annual Report of 2009 energy efficiency program activity. Covering January through December 2009, the report is associated with the Electric Conservation Rider and Natural Gas Conservation Tracker funding.

In 2009 the Company exceeded energy savings goals while managing costs. The overall electric savings finished the year at 104% of goal and within the budget. The overall natural gas savings achieved were 163% of goal while missing budget goals by only four percent.

2009 is the second of a two year (2008 – 2009) conservation tariff period. Two summary tables are provided on page 2, comparing the overall performance of PSE's energy efficiency programs against budget and savings targets for both 2009 annual and the 2008-2009 biannual tariff periods. EES program descriptions and year-end summary program recaps are provided in the following pages. Where there is a different focus or product offering, electric and gas results are noted separately in the recaps. Detailed program savings and expenses are found in Exhibit 1 at the end of this report in separate electric and gas tables. Programs are now organized in the report according to their Schedule number for easier reference.

EES Savings Goals

The two-year goals indicated in table 2 reflect a figure different than that originally filed by the Company in November, 2007. The original 2008 – 2009 Appendix B indicated a savings target of 53.3 average megawatts (aMW). The 2009 electric savings goal was increased 18.6 percent at the end of 2008 in an agreement reached between PSE and the Conservation Resource Advisory Group (CRAG); from 28.5 aMW to 33.8 aMW (noted in Table 1). The resultant 2008-2009 biennial electric savings goal was 58.6 aMW. Similarly, the natural gas goal was adjusted 6.6 percent, from 5.3 million therms to 5.6 million therms at the end of 2008.

Sector Highlights

Electric Programs

2009 saw the majority of both Residential sector and Commercial/Industrial sector electric programs surpass savings goals. Similarly, with few exceptions, both sectors of the electric programs concluded 2009 at or below budget expectations.

Overall the Residential sector finished five percent above its savings goal, as several programs finished the year on a strong note. Savings were driven largely by innovative lighting programs, weatherization gains and the completion of several large projects in the Multifamily Existing program. Program costs were affected by the need to invest in increased labor and marketing efforts—a reflection of the downturn in CFL demand and construction slowdowns, among other factors.

Several programs in the Commercial/Industrial sector were especially successful and drove the sector's electric savings to exceed the goal by 16 percent, while finishing the year below the budget target. Commercial/Industrial Rebates and Small Business Lighting were both over 60 percent above goal and New Construction finished the year 84 percent over goal. The Commercial/Industrial sector was also affected by the same recessionary pressures as the Residential sector and consequently required higher degrees of staff and marketing efforts. Thus, some programs' expenses tracked in a fairly close relationship to their corresponding savings figures.

Natural Gas Programs

PSE's natural gas efficiency programs also completed 2009 by exceeding conservation targets while only slightly above budget expectations. Residential space and water heating efforts were the primary drivers of Single Family Existing success, while Single Family New Construction and Low Income Weatherization also contributed. Commercial low-flow pre-rinse spray heads and faucet aerators continue to drive exceptional savings results, while only one Business program did not finish the year below 150 percent of goal. Two programs finished 2009 above budget expectations, while the rest were all below 80 percent of expectations.

Table 1: 2009 One-year Results

2009 Results			
January - December 2009			
ELECTRIC CONSERVATION:	YTD Actuals	1 yr. EES Budget/ EES Goal	% Goal
Electric Costs:	\$ 69,617,976	\$ 69,742,000	99.8%
kWh Savings:	307,796,879	296,353,000	103.9%
aMW Savings:	35.1 aMW	33.8 aMW	

GAS CONSERVATION:	YTD Actuals	1 yr. EES Budget/ EES Goal	% Goal
Gas Costs:	\$ 17,053,024	\$ 16,353,000	104.3%
Therm Savings:	5,127,546	3,128,600	163.9%

Table 2: 2008 - 2009 Results

2008 - 2009 Biennial Results			
January 2008 - December 2009			
ELECTRIC CONSERVATION:	PTD Actuals	2 yr. EES Budget/ EES Goal	% Goal
Electric Costs:	\$ 122,790,217	\$ 129,701,547	94.7%
kWh Savings:	581,279,570	513,189,000	113.3%
aMW Savings:	66.4 aMW	58.6 aMW	113.3%

Originally filed, effective
January 2008: 53.3 aMW

GAS CONSERVATION:	PTD Actuals	2 yr. EES Budget/ EES Goal	% Goal
Gas Costs:	\$ 29,683,407	\$ 29,111,750	102.0%
Therm Savings:	8,799,846	5,648,600	155.8%

Originally filed, effective
January 2008: 5.3 million
therms.

Electricity Conservation Incentive Mechanism

The penalty and reward mechanism implemented in Docket No. UE-060266 replaced the penalty-only mechanism originally established by the 2001 general rate case Settlement Terms for Conservation (Exhibit F to Settlement Stipulation in Docket Nos. UE-011570 and UG-011571). A penalty-only mechanism (up to \$750,000 annually), also established in the 2001 general rate case, was still in effect for the natural gas savings goal; in 2009, PSE exceeded that goal.

2009 was the third year of the penalty/reward incentive mechanism implemented to incent PSE to achieve increased energy conservation. That incentive/penalty mechanism is detailed in PSE's Electric Tariff G - Rate Schedule 121, Electricity Conservation Incentive Mechanism.

The penalty/reward under the electricity conservation incentive mechanism is based on the conservation results filed in this Annual Report and compared to the baseline savings goal of 278,000 Megawatt hours (31.7 aMW). This goal was set through a collaborative process with the Conservation Resource Advisory Group (CRAG) and the Washington Utilities and Transportation Commission (WUTC). Please note that the baseline savings goal and actual savings are not to include the Single-Family Fuel Conversion Program.

The penalty/reward mechanism consists of two parts - the first based on actual savings (307,797 MWh or 35.1 aMW) compared to the baseline savings goal. The second based on comparison of PSE's avoided cost (\$108 per MWh) for acquiring generation resources versus the overall actual Total Resource Cost (TRC) of the portfolio of the conservation programs (\$45 per MWh) that offset the need to acquire those generating resources.

PSE met the three required criteria for reward eligibility in 2009:

- 1) At least 75 percent of the savings goals by Residential and Commercial/Industrial sector were achieved. Actual savings versus goal results were, Residential: 105 percent and Commercial/Industrial: 113 percent.
- 2) The weighted average measure life of the total program portfolio is greater than the minimum life of nine (9) years. Actual weighted average measure life is 11 years.
- 3) PSE's portfolio of programs, in aggregate, are cost-effective from both the Utility Cost and Total Resource Cost (TRC) perspective - benefit/cost ratio is greater than one (1). Actual Utility Cost B/C ratio is 3.8 and Total Resource Cost B/C ratio is 2.5.

Preliminary calculations indicate that the total reward will be approximately \$4.3 million (approximately \$3.3 million based on MWh savings plus approximately \$1.0 million based on TRC shared savings). Incentive calculation work papers will be included as a part of the 2010 Schedule 120 Electric Conservation Rider filing. The Schedule 120 filing will be for 75 percent of the total amount, with the remaining 25 percent collected in 2011 (subject to review with the CRAG and WUTC).

2009

**ENERGY EFFICIENCY SERVICES
PROGRAM REVIEWS**

RESIDENTIAL SECTOR

Residential & Commercial Energy Efficiency Information

Schedules E200/G1206 (Residential) & E260/G260 (Commercial/Industrial)

These services consist of five 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 and email. Energy Advisors discuss with customers the potential benefits of various conservation programs, eligible incentives, and introduce related products and services. Energy Advisors assist in processing bill inserts and provide information and presentations at energy efficiency-related events.

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.

(Information Services, continued)

Events

Energy Efficiency Services sponsors a number of community, local, and regional events. These events include home shows, trade shows, seminars, corporate events and community festivals. They provide a unique opportunity for Energy Efficiency Services staff to interact directly with customers to discuss a variety of products, programs and services PSE offers.

Information Services Recap:

12 energy advisors processed over 88,000 bill insert responses, answered over 117,000 phone inquiries, responded to over 3,000 e-mails and provided energy efficiency information to customers at the majority of events across PSE's service territory.

2009 saw an increased interest for energy efficiency and renewables information and education. Throughout the year, PSE customers express their economic and financial challenges and concerns at our events and they ask us what we can offer to help them reduce their bills and energy consumption. As a result, we experienced an increase in event participation, specifically for environmental and energy efficiency issues. PSE participated in over 100 community events.

PSE also had increased activity in our smaller communities. PSE Energy Efficiency, along with other PSE departments conducted more than 25 "Workshop" events specific to topics such as Weatherization, Standby Generators, Emergency Preparedness & Saving Energy, Energy Efficiency and Renewables.

Businesses are interested in energy awareness for their employees to practice at their work place as well as at home and are concerned with the high costs of operations associated with energy use. Consequently, "Employee Energy Awareness" events have grown tremendously with more than 30 events in 2009. Microsoft®, Boeing® and others consistently express that they are impressed with PSE for offering time and support for them. Information Services supported the Energy Efficiency Services Business Energy Management sector with staffing more than 35 business-oriented events. The Business Portal project was completed under budget in 2009 and the system is available for self service customer access on PSE.com.

EES participated in 13 home shows, including the Seattle Home Show and Green Festival being the largest with attendance of 31,000 to 100,000.

Altogether, in 2009, PSE EES had a presence at approximately 290 events.

Low Income Weatherization

Schedules E201/G203

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 are trained to provide energy use education to participants.

Low Income Recap:

Increased agency activity associated with State Weatherization program ramp up contributed to increased production in the PSE LIW program. This is because many agencies used PSE funding to support production as they awaited ARRA funding and spending guidelines. LIW participation in the Multifamily sector increased significantly in 2009. New measures for the 2010-11 program were added to the LIW program—particularly High Efficiency furnaces—to make its offerings more consistent with other EES programs, particularly MF Retrofit. PSE received \$2.1 million from the recent Enron Settlement in November, when reporting requirements and logistics were established for the disbursement of the funds.

Energy Education

Schedules E202/G207

Powerful Choices is a four-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).

(Energy Education, continued)

Students participate in a variety of activities focusing on energy, water, solid waste, and air quality.

Energy Education Recap:

The Powerful Choices team entered its 17th year of educating middle school students in the PSE service territory. In 2009, over 19,000 students at more than 85 schools learned about the impact of their choices on the environment. Version 1.0 of a new, web-based scheduling database has been released, and we have begun inputting data into this system. The system streamlines the school/class scheduling process. ITSCOOL, a pilot that involves students and youth groups selling CFLs as fundraisers surpassed its goals (distributed over 3,000 CFLs to youth groups, representing 124% of goal). The Cool School Challenge reached 1.5 million pounds of CO2 saved and hosted five workshops in the Puget Sound area, training about 175 teachers in how to reduce energy use and carbon in their classrooms.

Single Family Existing

Schedules E214, G214

Single Family Existing programs implement cost effective, targeted, residential energy savings using a menu of prescriptive efficiency measure incentives, including rebates. Prescriptive rebates are intended to facilitate participation by customers and trade allies, and provide administrative efficiencies for PSE in meeting energy efficiency goals.

Rebates offered to eligible natural gas and electric PSE Single Family Existing customers include a variety of end-use classifications, not limited to:

- Compact Fluorescent Lighting including CFL lamps and CFL fixtures,
- Clothes washer rebates
- Refrigerator Decommissioning – focused on removing the “garage” unit Weatherization including windows, insulation and duct sealing
- Heating including high efficiency furnaces and heat pumps
- Water heating, including tankless water heaters and efficient showerheads.

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.

Single Family Existing Electric Recap:

General:

In 2009, heat pumps achieved 200% of their savings goal while the program was able to control expenses, which tracked lower at 156%. This was with no major promotions or advertisements occurring during 3rd or 4th quarter of the year. Insulation measures remained strong in Q4 procuring 30% more saving than Q4 in 2008. Windows for fully insulated homes showed a 1,600% increase thanks to higher incentive levels and the ability for more PSE customers to qualify leading to 90,000 sq ft of window upgrades. Clothes Washer savings exceeded target by 12% while coming in 23% below budget (nearly 90% of the units we incentivized were in the top 2 efficiency tiers). Uptake of showerheads was much lower than expected for customers heating with electric water heaters, which led to us only moving 30,000 units to electric water-heat homes compared to our target of 50,000.

Lighting:

With national CFL bulb sales reportedly down 25-30% in 2009 the retail team worked enthusiastically and creatively to meet its energy savings targets. The team brought on new, key partnerships, such as Walmart® and Lowes®, and worked with several partners to find ways to make the program more effective in reaching our consumers. The team also heavily promoted CFL recycling, as this has been identified in our consumer-based research as a primary barrier to adoption. The team strongly promoted specialty bulbs and fixtures, as unawareness of the broad applications of CFLs was also identified as a large barrier to adoption. "Rock the Bulb" vastly exceeded our expectations in terms of customer response, customer action, and number of bulbs moved. We ended up moving over 500,000 bulbs through the program, whereas our target was closer to 400,000.

Refrigerator Decommissioning:

The combination of a supplemental marketing campaign, a bill insert, and spillover from the large press coverage of the Rock the Bulb contest winner's participation in the program led to a boost in program activity starting in September, which is typically when program activity begins to slow. As a result, we came from a rather large savings deficit to nearly hitting target.

Single Family Existing Gas Recap:

Space & Water Heating gas measures were between 126-159% of savings goals while budget were 85-145% of goal. This was with no major promotions or advertising occurring during 3rd or 4th quarter of the year. For December alone, we processed 1,400 gas furnace rebates which was double any other month in 2009. Insulation measures remained strong in Q4 procuring 56% more saving than Q4 in 2008. The new 2009 windows for fully insulated homes program replaced over 200,000 sq ft of efficient windows with glass exceeding the 2009 window energy star standards.

Single Family, New Construction

Schedule E215, G215

Similar to PSE's Single Family Existing program, rebates are offered to eligible natural gas and electric PSE Single Family customers who are constructing or recently constructed new single family residential structures.

(Single Family New Construction, continued)

They include a variety of end-use classifications, not limited to:

- Compact Fluorescent Lighting including CFL lamps and CFL fixtures,
- Clothes washer rebates
- Refrigerator Decommissioning – focused on removing the “garage” unit Weatherization including windows, insulation and duct sealing
- Heating including high efficiency furnaces and heat pumps
- Water heating, including tankless water heaters and efficient showerheads.

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.

Single Family, New Construction Recap

Builders of all sizes are seeing value in energy efficient building in different ways. At the program level we targeted small to medium builders that had not participated in the past and worked with them, showing the value of energy efficient building practices. This outreach increased participation of over 35 new partners taking advantage of incentive programs to raise the bar within their companies. The building community want to build energy efficient, ENERGY STAR Homes, however, the market slowdown has them seriously evaluating the value. ENERGY STAR Homes market share is 18% and more than 50% of our savings came from home being built to this standard.

2009 Electric targets were exceeded due to an increase in lighting participation. Approximately 70% of the lighting in participating new home are recessed fixtures. Several new lighting distributors participated in 2009 and increasing supply and demand of ENERGY STAR recessed fixtures helped exceed our electric goal.

Fuel Conversion

Schedule E216

The Company’s fuel conversion program will acquire cost-effective electric energy savings from existing single-family retrofit measures and services by converting the energy use of customers who use electricity as the primary source for their space heat and/or water heat to natural gas for those uses. The Company provides incentives for replacing existing electric forced-air or baseboard space heating equipment and/or tank style water heating equipment with high efficiency natural gas space heating equipment and/or high efficiency natural gas domestic water heating equipment.

Based on the measure/product type and market factors, PSE may provide incentives to its customers at different points along the value chain. Market barriers vary dramatically from measure to measure, consequently PSE incentives may occur at the manufacturer, distributor, contractor, retailer or consumer level. Incentive amounts are based on regionally accepted energy-saving estimates and incremental efficiency measure costs. These incentives 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. Training, education and support by PSE for independent contractors, distributors, retailers, showrooms, sales associates, consumers and partnering organizations will be foundational to the success of this program.

Fuel Conversion Recap:

First year results show that the majority of the savings are coming from electric to gas water heater conversions. This is due to the ease of switching when there is already gas service to the house. Results are lower than planned due to macro economic, local municipal charges—jurisdictional permitting processes, construction design issues—and other first cost issues. In Q4, plans were developed to communicate again with eligible customers in Q1 2010 through direct mail and other efforts.

Multi-Family Existing

Schedule E217, G217

The 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.

Multi-Family Electric Recap:

Several large projects were completed in the fourth quarter that helped the program meet its electric goal. 2010-11 program planning is now complete. Regional utility program coordination has resulted in Tacoma Power and Snohomish County PUD introducing similar multifamily programs/rebates this year. Several new weatherization and HVAC contractors bid and secured projects this year. The North Counties pilot program completed this year. The pilot achieved goals while coming in under budget. Program staff were invited to be on the South Seattle Community College Weatherization Training Advisory Board to assist in development of weatherization installer training. Initial classes were held in December.

Multi-Family Gas Recap:

2010-11 program planning is now complete. Project participation was lower than anticipated in 2009 due to several large projects that were not completed in time to secure savings in 2009. Major savings were from boiler, insulation and window upgrades. Two new HVAC contractors were bidding projects this year.

Multi-Family New Construction

Schedule E218/G218

Description:

There are three distinct construction types in this market:

1. Low/mid rise construction*: These buildings typically have residential type meters that measure all the natural gas/electric consumption in the dwelling units. Commercial type meters measure the consumption in common spaces. These complexes are one to four floors of residential dwelling units.
2. High rise construction*: These buildings typically have commercial type meters that measure the in-unit heating/water heating and common area consumption. Residential type meters typically measure the dwelling unit lighting, appliance and plug load. These complexes are five or more floors of residential dwelling units. Where commercial meters measure the residential heat/water heating, energy efficient upgrades are typically served under an existing PSE commercial program.
3. Assisted Living/Affordable Housing construction*: These buildings typically have commercial type meters that measure the in-unit heating/water and common area consumption. Commercial type meters also measure the consumption in common spaces.

* There may be any combination of meter mix in all three types of construction. PSE works with each development team to determine the meter type mix. Once the meter type mix is confirmed, the appropriate PSE programs are identified to serve that development.

This program serves the residential meters in all three building construction types. PSE's current commercial tariff programs serve most of the commercial meter upgrades in these types of construction. Where the multifamily program may serve the in unit load on commercial meters, the residential program may apply. An example may be in unit lighting/plug load in master metered complexes.

This program includes prescriptive rebates/incentives and calculated grants.

Eligible customers include building developers/owners and equipment suppliers. This program will provide financial incentives to the above audience for both natural gas/electric and residential/commercial meters.

This program is structured to work in accord with our current commercial programs. PSE provides a single "point of contact" to development teams for all energy efficient measure/upgrades. This allows PSE to maximize the energy savings opportunity in each development and reduce multi-program confusion for the customer.

Multi-Family New Construction Electric Recap:

The program received a total of 39 project applications in 2009, resulting in 39 signed grants; serving residential, market-rate, affordable and senior housing units. Eleven project grants were fully verified, paid and closed in 2009; representing 961 residential units. During the fourth quarter, program planning for the 2010-11 budget cycle was also completed with little adjustment to provide program continuity for property owners and contractors. Despite a slowing in the new construction market in the second half of 2009, the program was able to exceed its KWh goal and gain further visibility in the development community.

Multi-Family New Construction Gas Recap:

Project participation for gas measures was lower than anticipated in 2009 and as a result, the program finished the year 55% of the projected therm savings. This can be partially attributed to the economic downturn, which resulted in several proposed gas projects being postponed. Additionally, many projects under contract decided to install code equipment due to budgetary constraints.

Pilots

Schedule E249

Pilot programs and demonstration projects may be undertaken to determine whether certain strategies and measures are cost-effective in the long run. Pilots are employed to test cost-effective ways to demonstrate market opportunities for energy efficiency.

Pilots may include tests of measure cost and performance, customer acceptance and delivery methods. Pilots are not subject to achieving energy savings sufficient to demonstrate cost-effectiveness in the short run. 2009 pilot programs included:

- NEEA Mini-Split Heat Pump Pilot
- HomePrint - In home energy performance and diagnostics program
- Positive Energy – social marketing program comparing usage of like homes.

Pilots Recap:

Our final count of Ductless Heat Pumps were 398 out of 400 forecast units as of year end 2009. There have since been another 50 approved installations for 2009 come in during January 2010. DHPs have been successful in terms of meeting our target, educating contractors & customers, and saving energy from preliminary data. Preparations were made in Q4 to convert this pilot into a permanent program in 2010.

The HomePrint team worked through the fourth quarter to sunset the pilot program. The program saw a total of over 1,200 home performance evaluations—over 175 of which had electric as the primary heat source and over 1,000 with natural gas (inclusive of 19 dual fuel heat pumps)—completed during 2009 with a largely direct mail marketing approach. Based on the development of a strong trade ally network for home performance evaluators, the HomePrint program has shifted direction to an incentive for a market based contractor model. Planning and program design for the 2010-11 incentive program plus contractor and quality assurance training were completed near the end of Q4.

A new approach to duct sealing, known as "Quality Assurance Installation" has yielded a successful jump in electric structures from two jobs in Q4 2008 using standard methods to over 40 jobs in Q4 2009 or an increase of over 2,000%. Gas structures increased from 56 jobs in Q4 2008 using standard methods to over 800 jobs in Q4 2009; an increase of over 1,000%.

COMMERCIAL/INDUSTRIAL SECTOR

Commercial/Industrial Retrofit

Schedules E250/G205

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.

Commercial/Industrial Retrofit Electric Recap:

Retrofit activity was consistent through the year achieving annual target in early December. Effects of recession led to more competitive pricing which resulted in projects coming in under budget.

Commercial/Industrial Retrofit Gas Recap:

Retrofit activity increased in the 3rd and 4th quarters with contractors providing more competitive pricing to keep projects viable in slow economy and staff employed. This led to increased savings and budgets beyond targeted amounts.

Commercial/Industrial New Construction

Schedules E251/G251

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 percent 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.

Commercial/Industrial New Construction Electric Recap:

Commercial new construction program activity remained high in Q4 2009 with a large number of construction boom projects reaching completion. This resulted in CY 2009 savings totaling 84% higher than our target, while the program was able to keep expenses at 35% of our projection. Over 85% of the savings came from several key offices, a condominium facility, two retailers, and several manufacturing facilities. These types of large-scale projects kept costs down compared to the energy savings achieved (Grant \$ / Energy Savings).

Commercial/Industrial New Construction Gas Recap:

Nearly all the of commercial new construction gas savings measures (e.g. heat recovery, high-efficiency boilers, demand control ventilation) completed in 2009 were in facilities with lower gas use intensity, resulting in savings that were less than expected. Only one large-scale gas savings project was completed and paid in the program year.

Resource Conservation Manager

Schedules E253/G208

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.

Resource Conservation Manager Recap:

The RCM program ended 2009 with 76 RCM agreements in place, helping customers manage almost 140 million square feet. Energy savings achieved, calculated through detailed analysis of customer's portfolios, remained on track to achieve target.

Small Business Lighting Rebate

Schedule E255

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.

Small Business Lighting Recap:

This program ended the year considerably above target. The economy seems to continue to be the largest factor. Many of the contractors are small businesses as well as the target customer. This program is ideal for both because the contractors have been able to keep their people employed working on projects in this market that has been less reached by our programs in the past. This, in part, has been accomplished by a reduction in pricing made to make these measures attractive to the small businesses. Coupled with energy savings makes this a very good deal for these small businesses, especially in these economically challenging times.

LED Traffic Signals

Schedule E257

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.

LED Traffic Signals Recap:

In spite of a slow start this program met goal. We expect municipalities to request rebates to couple with ARRA funding. This should help us reach the majority of the remaining opportunities in 2010.

Large Power User/Self Directed

Schedule E258

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.

Large Power User, Self Directed Recap:

All outstanding 2006-2009 Large Power User Self-Directed Program projects were completed in Q4. Some projects were completed under budget, resulting in lower program costs than anticipated. In the four-year cycle, 99 projects were completed by 28 program-eligible customers yielding total savings of 33,685 MWh/yr under the 2006-2009 program. Q4 efforts included development of a new RFP to be issued in 2010 to initiate the next program cycle (2010-2013).

Commercial Rebates

Schedules E262/G262

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 August, 2008) of eligible Commercial Rebates is maintained by the Company and made available upon request. Rebate amounts are updated as market conditions change.

Commercial Rebates Recap:

Electric:

We finished the year very strong in lighting controls, PC Power Management, and Premium HVAC Service, with well over half a million kWh each. Contractors seem to have an unusual focus on controls right now. We are talking to them about getting the most from each project they can while they are there. Pre-rinse spray heads were somewhat slower than normal due to a product quality issue that was corrected by the contractor and manufacturer. Spray heads should be back to normal level of production sometime around February 2010.

Gas:

The single largest contributor to gas saving for the rebate program was the Pre-rinse Spray head program which includes low flow aerators. We found that a new model had been manufactured that performed even better than the low flow models used previously in our program. We also increased penetration for .5 gpm aerators by paying the installer a separate amount for them. Working with other utilities, both water and electric, has allowed us to deploy our program in areas where it would have been difficult to otherwise. Together these things lead to a much higher than expected savings in this program.

REGIONAL EFFICIENCY PROGRAMS

Northwest Energy Efficiency Alliance

Schedule E254

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.

Northwest Energy Efficiency Alliance Recap:

Our 2009 savings target, based on PSE's proportion of regional activity was achieved. The NEEA budget was exceeded due to a change in the timing of invoices and an increase in PSE's pre-payment funding portion for 1st quarter 2010, paid in Q4 2009.

EFFICIENCY SUPPORT ACTIVITIES

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.

Energy Efficiency Technology Evaluation Recap:

Electric:

Farm Worker Housing project update: Construction of the demonstration houses is expected to begin in 2nd quarter 2010. Optimizing Controller update: Suppliers have not provided credible documentation of energy savings, while maintaining comfort. Products reviewed to-date appear to "duty-cycle" equipment, e.g. turning heating & cooling equipment off before it completes its cycle reduces run-time but results in wider swings in space temperature. The same thing can be accomplished by changing thermostat settings, at no cost. They are not "efficiency" devices.

Gas:

Optimizing controller update: There are boiler controls that improve efficiency; however, the particular "optimization" devices recently recommended by vendors appear to "duty cycle" equipment; i.e. turn it off before the normal cycle is complete, resulting in reduced occupant comfort. Therefore these particular devices do not truly improve efficiency.

Local Infrastructure & Market Transformation

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. Similar to but narrower than Program Support, the Local Infrastructure and Market Transformation budget line item gives visibility to the annual membership dues PSE pays to trade associations and research organizations who support ongoing development and implementation of the wide variety of both Residential and Business energy management programs. There are no other substantive charges to this line item.

Local Infrastructure and Market Transformation Recap:

Specifically, expenses include electric-pertinent and general program support segment dues for E-Source, CEE (Consortium for Energy Efficiency), Electric League of the Pacific Northwest, and BOMA (Building Owners and Managers Association). No additional membership dues were paid in the fourth quarter 2009.

Mainstreaming Green and Market Integration

The Mainstreaming Green campaign envisions messaging and advertising communicating this “Why and How” of energy efficiency in addition to serving as a unifying platform of messages and images from which individual energy Efficiency Program promotional campaigns can launch. This unifying platform will allow Energy Efficiency promotions to lever one another and achieve the greatest value for the individual promotional investments.

Mainstreaming Green Recap:

Brand Guidelines and Strategic Web Road Map complete. Implementation strategy and plan 90 percent complete with deliverables expected to begin appearing 1Q10. These will include program promotions beginning to reflect the energy efficiency consistent look and commitments being made for web production according to the plan developed with the assistance of an outside web firm. Other materials will also be changed to the new energy efficiency standards as opportunities to re-print items present themselves. A "soft launch", meaning without major news releases or advertising is planned.

Market Integration Recap:

PSE labor dollars for web development team and earned media implementer; related employee expenses

Conservation Market Research and Conservation Supply Curves

Demand-Side Resource Market Potential: The Company will conduct an assessment of the long-term market potential for energy savings from energy efficiency and other demand-side resources, covering the twenty year period 2010-2029. The result of this market potential assessment will be the development of conservation supply curves that will be included in the Company's 2009 Integrated Resource Plan and be a key component is establishing program savings targets for 2010-2011.

Baseline Research for Program Design and Promotional Campaign Development: This research will consist of several studies designed to provide basic, foundational information about PSE customers that will be used as input to the Company's Integrated Resource Plan, as well as for the planning and design of programs and promotional campaigns.

Program-Specific Market Research Support: This research will support the development and evaluation of specific energy efficiency program promotion and communications campaigns, including message testing, campaign target markets, and campaign effectiveness studies, as appropriate.

***Conservation Market Research and Conservation Supply Curves
Recap:***

The Company completed its energy efficiency potential assessment and report for inclusion in the 2009 Integrated Resource Plan. The Company completed baseline studies on residential customer barriers to adoption of energy efficiency and commercial end use characteristics in conjunction with a broader regional study, as well as various tactical research projects for promotional material testing, target markets, and receptiveness to new program concepts.

Program Support

This function includes administrative activities necessary to enable and enhance the strategic and tactical execution of the wide variety of both Residential and Business programs. Typical functions include internal and external reviews, adoption/rejection, development and integration of: new EE industry research, end-use technologies and applications; pre-pilot program proposals; construction codes; equipment standards; software and similar tools applications.

Program Support Recap:

2009 accomplishments include support for biennial and strategic program planning; coordinating IRP DSM RFP and related development and bidding activity; supporting work with regional EE organizations and initiatives and managing program benchmarking studies, best practices, continuous improvement and related support activities. Expenses included outside services and labor costs experienced by a portion of three staff people in the New Program Development group. The vast majority of charges (labor) to this line item in the past year have been by a single dedicated staff member.

Program Evaluation

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

Program Evaluation Recap:

In addition to the formative and outcome evaluation projects listed below, the electric cost effectiveness standard was modified to better quantify the value of the components of both demand and energy. Further, we examined the State Energy Code to understand the expected impacts on PSE's energy efficiency programs, and conducted market diffusion modeling and research to inform program design.

Projects completed in 2009:

Commercial New Construction Cost Study, Duct Sealing Process Study, Residential Incremental Cost Study, Weatherization Savings Study, Mid-Year Home Energy Reports Evaluation, Project Porchlight Installation Rate Survey, Gas Boiler Tune-up Evaluation, and Premium Service HVAC Evaluation.

Projects underway in 2009 (to be completed in 2010 or 2011):

Evaluation of the Variable Frequency Drive Market, Post-Year Home Energy Reports Evaluation, Duct Sealing Impact Evaluation, Commercial Spray-head Impact Study, High Efficiency Gas Water Heater Impact Study, Blueline Pilot Evaluation, and Commercial Showerhead Market Potential Study, and C&I Demand Response Evaluation.

OTHER ELECTRIC PROGRAMS

Net Metering,

Schedule E150, in conjunction with:

Production Metering

Schedule 151

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.

Net Metering Recap:

PSE added 58 new Net Metered customers in Q4, 2009 for a total of 218 new customers for 2009. That brings the total customer count to 551. Together they represent over 2.1 MW of capacity. 94% are Solar PV. The remaining 6% represent wind and micro-hydro. Of the new Net Metering customers, all are electing to participate in the State's Renewable Energy Production Incentive Program. PSE paid \$170,508 in 2009 to participating customers in the State incentive.

Small-Scale Renewables

Schedule E248

This program will first provide a solar rebate equal to the cost of the required production meter under terms of PSE's Production Metering tariff. Separately, PSE will develop a grant program for school solar demonstration projects which are tied in with both a curriculum and energy efficiency services. Further, PSE will encourage customers to make investments in small scale renewable electricity generating systems.

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.

Small Scale Renewables Recap:

A 2 kW solar schools demonstration project was installed at Liberty High school in the Issaquah School District. The liberty high school project is unique in that it has a dual axis tracking mechanism. Students will compare the results to Hazen High, a nearby school with a fixed access 2 kW solar photovoltaic panel. Construction and permitting issues have delayed the installation at Hazen High School in the Renton School District. PSE granted \$9,000 to Millennium Elementary School In the Kent School District to repair and upgrade existing school solar system. Additionally, we have provided for grants for \$8,000 each to both Anacortes and Mercer Island High Schools. These retrofit/upgrades will bring three schools into the Solar Schools Program, completing rudimentary PV systems with live web weather and power data, teacher training, curriculum and science kits.

Under terms of Schedule 248, PSE rebated back the cost of Production Meters for net metered customers, so there is no additional cost from PSE for the customer when interconnecting a renewable energy system. \$40,445 was rebated back to customers on this program in 2009.

Demand Response Pilots

Schedule E249A

PSE's 2007 and 2009 Integrated Resource Plans (IRP) present achievable estimated demand response capacity potential for residential, commercial and industrial customer sectors. Pilots under this schedule are being undertaken to strengthen the Company's capability to responsively and effectively offer cost-effective demand response options to all customer classes in the future. Some members of the CRAG expressed a preference for demand response pilots involving "direct load control" by the Company, as opposed to pilots which involve pricing signals to elicit demand response from consumers.

The Company's primary focus will be to pilot direct load control during times of high peak loads, focusing on the customer communication needed, as well as the information and incentives needed to get the customer to agree to respond. PSE will evaluate the effects of these pilot demand response options on its electrical system.

Attributes to be evaluated include technologies, demand reduction performance, customer behavior and preferences, impact and integration of demand response with PSE operations, demand reductions achieved, energy savings achieved, and local distribution system benefits derived.

Demand Response Pilot Recap:

Commercial/Industrial Load Control

Curtailement events were conducted ("called" in Demand Response parlance) December 8th and 9th under severe cold weather conditions. Nominated capacity for both events was 2.92 MW or about 70% of maximum due to selected test geography. Curtailement performance (unaudited) for 12/8 - 241% and 12/9 - 141% of the 2.92 MW nominated capacity. An evaluation contractor has been selected and plans for evaluation of this pilot were developed to begin during Q1 2010.

Residential

A major success was the response rate (nearly 8%) of enrolled customers, which tripled the average response rate for similar programs in other service territories. First demand response events were called on the morning of December 7th and evening of December 8th, with 300 customers participating in each event. At the end of December, 525 customers were enrolled and about 475 sites were installed, with about 400 of those sites commissioned. Working on resolving reporting and data errors with the contractor's "Apollo" management system.

Exhibit 1: 2009 Results by Rate Schedule

PSE - RIDER / TRACKER ELECTRICAL EFFICIENCY COSTS & SAVINGS

Through December 2009		Jan. '09 - Dec. '09	100%	of year		Jan. '09 - Dec '09	
Schedule	Electric Programs	\$ Spent	MWh Svgs.	% of \$ Budget	%of Svgs. TOTAL	\$ BUDGET	MWh Svgs. Target
Residential Programs:							
E214	Single Family Existing	\$ 17,906,894	136,164	114%	105%	\$ 15,657,000	129,784
E217	Multi Family Existing	\$ 4,976,383	19,071	88%	101%	\$ 5,672,000	18,967
E249	Pilots	\$ 2,868,156	2,305	115%	130%	\$ 2,486,000	1,776
E201	Low Income	\$ 2,143,410	1,890	127%	141%	\$ 1,686,000	1,342
E215	Single Family New Construction	\$ 1,004,458	2,176	80%	101%	\$ 1,255,000	2,162
E200	Residential Information Services	\$ 1,160,445	n/a	100%	n/a	\$ 1,160,000	n/a
E202	Energy Education	\$ 654,661	1,230	94%	124%	\$ 700,000	996
E218	Multi Family New Construction	\$ 568,727	1,293	148%	155%	\$ 385,000	834
Subtotal Residential Programs		\$ 31,283,134	164,130	108%	105%	\$ 29,001,000	155,861
BEM - Commercial Programs:							
E250	C/I Retrofit	\$ 16,817,001	51,698	87%	101%	\$ 19,330,000	51,000
E258	Large Power User - Self Directed	\$ 3,192,731	16,238	82%	101%	\$ 3,900,000	16,000
E255	Small Business Lighting Rebate	\$ 4,621,473	14,923	165%	166%	\$ 2,800,000	9,000
E251	C/I New Construction	\$ 2,421,350	9,204	135%	184%	\$ 1,800,000	5,000
E253	Resource Conservation Manager - RCM	\$ 838,756	7,789	84%	78%	\$ 1,000,000	10,000
E262	Commercial Rebates	\$ 1,676,164	16,407	168%	177%	\$ 1,000,000	9,250
E260	Commercial Energy Efficiency Information	\$ 106,032	n/a	73%	n/a	\$ 145,000	n/a
E257	LED Traffic Signals	\$ 19,057	585	76%	117%	\$ 25,000	500
Subtotal Commercial Programs		\$ 29,692,564	116,844	99%	116%	\$ 30,000,000	100,750
Other Programs:							
E254	NW Energy Efficiency Alliance	\$ 3,752,026	24,500	179%	100%	\$ 2,100,000	24,500
	Program Evaluation- Elec	\$ 561,004	n/a	45%	n/a	\$ 1,240,000	n/a
	Conservation Market Research- Electric	\$ 770,464	n/a	96%	n/a	\$ 800,000	n/a
	Conservation Supply Curves	\$ 291,266	n/a	55%	n/a	\$ 529,000	n/a
CON	Program Support	\$ 254,246	n/a	127%	n/a	\$ 200,000	n/a
E261	Energy Efficient Technology Evaluation	\$ 32,761	n/a	17%	n/a	\$ 192,000	n/a
	Mainstreaming Green	\$ 58,737	n/a	50%	n/a	\$ 118,000	n/a
E270	Local Infrastructure, Mkt Transformation	\$ 65,709	n/a	97%	n/a	\$ 68,000	n/a
	EES Market Integration	\$ 116,434	n/a	n/a	n/a	\$ -	n/a
	Electric Efficiency RFP	\$ 868	n/a	n/a	n/a	\$ -	n/a
Subtotal Other Programs		\$ 5,903,514	24,500	113%	100%	\$ 5,247,000	24,500
SUBTOTAL ELECT. ENERGY EFFICIENCY		\$ 66,879,212	305,474			\$ 64,248,000	281,111
		104.1%	108.7%				
Total aMW Savings		34.9 aMW		32.1 aMW			
E150	Net Metering	\$ 172,994	n/a	100%	n/a	\$ 173,000	n/a
E216	Single Family Fuel Conversion	\$ 726,722	2,323	20%	15%	\$ 3,700,000	15,242
E249A	C/I Load Control Pilot - Elec	\$ 407,953	n/a	n/a	n/a	\$ -	n/a
E249A	Demand Response Pilot Programs - Elec	\$ 933,413	n/a	78%	n/a	\$ 1,200,000	n/a
E248	Small Scale Renewables	\$ 497,683	n/a	118%	n/a	\$ 421,000	0
GRAND TOTAL ELECT. ENERGY EFFICIENCY		\$ 69,617,976	307,797			\$ 69,742,000	296,353
Total aMW Savings		35.1 aMW		33.8 aMW			
		99.8%	103.9%				

PSE - RIDER / TRACKER GAS EFFICIENCY COSTS & SAVINGS

Sched.	Gas Programs	Through December 2009	Jan. '09 - Dec. '09	100%	of year	% of Svgs. TOTAL	Jan. '09 - Dec '09	Therms Svgs. Target
			\$ Spent	Therms Svgs.	% of \$ Budget		Goal \$	
Residential Programs:								
G214	Single Family Existing	\$	7,364,295	1,818,814	125%	138%	\$ 5,891,000	1,321,100
G249	Pilots	\$	1,079,133	72,416	78%	0	\$ 1,389,000	0
G215	Single Family New Construction	\$	765,193	128,132	80%	105%	\$ 953,000	122,500
G206	Residential Information Services	\$	607,144	n/a	106%	n/a	\$ 572,000	0
G203	Low Income	\$	530,272	24,702	107%	111%	\$ 496,000	22,200
G217	Multi Family Existing	\$	333,493	48,414	83%	70%	\$ 402,000	69,200
G207	Energy Education	\$	258,917	69,906	73%	109%	\$ 353,000	64,100
G218	Multi Family New Construction	\$	189,482	13,454	91%	55%	\$ 209,000	24,500
Subtotal Residential Programs		\$	11,127,930	2,175,838	108%	134%	\$ 10,265,000	1,623,600
Commercial Programs								
G205	C/I Retrofit	\$	3,425,815	602,064	127%	149%	\$ 2,700,000	405,000
G251	C/I New Construction	\$	608,892	83,555	61%	42%	\$ 1,000,000	200,000
G208	RCM	\$	396,941	340,689	88%	170%	\$ 450,000	200,000
G262	Commercial Rebates	\$	461,529	1,925,400	115%	275%	\$ 400,000	700,000
G260	Commercial Energy Efficiency Information	\$	61,415	n/a	75%	n/a	\$ 82,000	n/a
Subtotal Commercial Programs		\$	4,954,592	2,951,708	107%	196%	\$ 4,632,000	1,505,000
Other Programs								
	Program Evaluation and Research- Gas	\$	256,929	n/a	39%	n/a	\$ 658,000	n/a
	Conservation Market Research- Electric	\$	186,120	n/a	93%	n/a	\$ 200,000	n/a
	Conservation Supply Curves	\$	75,772	n/a	59%	n/a	\$ 129,000	n/a
G261	Energy Efficient Technology Evaluation	\$	8,481	n/a	9%	n/a	\$ 90,000	n/a
	Mainstreaming Green	\$	37,212	n/a	74%	n/a	\$ 50,000	n/a
G270	Local Infrastructure, Mkt Transformation	\$	43,368	n/a	150%	n/a	\$ 29,000	n/a
	EES Market Integration	\$	62,592		0%		\$ -	n/a
Subtotal Other Programs		\$	670,473	-	58%	n/a	\$ 1,156,000	-
SUBTOTAL GAS ENERGY EFFICIENCY		\$	16,752,996	5,127,546			\$ 16,053,000	3,128,600
			104.4%	163.9%				
G203	Residential Low-Income Customers- Shareholders BTL	\$	300,029	n/a	100%	n/a	\$ 300,000	n/a
Total with BTL/Shareholders		\$	17,053,024	5,127,546			\$ 16,353,000	3,128,600

