

STATE OF WASHINGTON DEPARTMENT OF COMMERCE STATE ENERGY OFFICE

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October 25, 2013

Mr. Steven V. King Executive Director & Secretary Washington Utilities & Transportation Commission P.O. Box 47250 Olympia, WA 98504-7250

Subject: Docket UE-131585 Puget Sound Energy Electric Vehicle Charging Incentive

Dear Mr. King:

The State Energy Office at the Washington State Department of Commerce supports the proposal of Puget Sound Energy to offer residential customers an incentive for installation of a Level 2 electric vehicle charger.

Washington's 2012 State Energy Strategy identifies increased transportation efficiency as an important step in achieving carbon emission reductions in our state. Electric vehicles can help achieve this goal, since they allow consumers to substitute low-carbon electricity for gasoline and diesel fuel. Electric vehicles also provide a direct economic benefit to their owners by lowering the cost of driving and removing some of the volatility inherent in petroleum prices.

We understand that this filing raises questions about the appropriate role of electric utilities in the desired transition to electric vehicles. Looking narrowly at the electric grid, an EV promotion might appear to be a load-building program rather than energy conservation. However, from the broader perspective of the state's total energy use, substitution of electric vehicles for petroleum-fueled vehicles is an effective means of increasing energy conservation. Moreover, PSE's analysis indicates that additional electricity purchased by EV owners will eventually contribute more revenue margin to the utility than the amount of the proposed charging station incentive.

PSE's proposed incentive appears to be a reasonable early step toward the greater use of electricity in meeting our transportation needs. This transition is important to our state's efforts to meet greenhouse gas emission targets and to maintain a healthy economy. We encourage your support of this proposal and your ongoing interest in encouraging the use of electricity as a low-carbon substitute for petroleum.

Sincerely,

Tony Usibelli Director

State Energy Office