



News Release

PSE Customers Practice 'Next Generation' of Energy Management; Puget Sound Energy Urges Shifting Power Use to Off-Peak Times to Lower Demand

BELLEVUE, Wash.--(BUSINESS WIRE)--Jan. 8, 2001--Supporting Gov. Gary Locke's statewide call to conserve electricity, Puget Sound Energy (NYSE:PSD) today recommended that consumers couple their traditional energy-saving efforts with a new generation of energy management that matches electricity use with its costs.

"Our region's households and businesses effectively could reduce their demand for electricity by shifting some of their energy consumption away from the hours when wholesale power prices generally spike up each day," said Gary Swofford, PSE's chief operating officer and vice president-delivery.

"Conventional measures, such as setting back thermostats, turning off lights when not in use and installing energy-efficient appliances, remain effective ways to lower consumption," Swofford said. "But we can do more. The next generation of energy conservation isn't just about weatherstripping, putting on a sweater, or adding more attic insulation. It's about empowering the consumer to take control of energy, use it wisely and be rewarded for taking action."

For example, Swofford said, if Puget Sound Energy's 920,000 electric customers shifted just 10 percent of their peak-hour electricity use to off-peak times of day, it would free up about 200 average megawatts of power, enough to light nearly 200,000 homes.

Shifting electricity to off-peak hours also could lower consumers' power prices, Swofford said. Studies predict that by shifting a portion of peak-demand usage to hours when electricity is in less demand, consumers could significantly lower wholesale electricity prices. "We can easily and comfortably reduce demand for electricity simply by shifting use from peak to off-peak times," said Swofford. "A kilowatt consumed in the middle of the day can cost several times more than the same kilowatt used at night."

Many Puget Sound Energy consumers already are practicing this next generation of energy management by responding to price-signal information provided in their monthly bills.

This winter, more than 400,000 households and businesses are seeing detailed energy-use data in their monthly PSE bills. The information shows them just when they are using electricity--whether at expensive peak-use times or during an off-peak period at bargain prices.

PSE hopes its ground-breaking Personal Energy Management program will lead consumers to use less energy during the high-cost, high-demand times of the day. The next step will be to adopt electricity rates based on when it is used rather than at today's flat, fixed rates. When that happens, consumers will be able to save money by using power during the low-cost, low-demand hours, Swofford said. What's more, lowering the daily peaks in power consumption would limit the number of new power plants the region needs to meet the growing appetite for electricity.

Other, more conventional conservation efforts by Puget Sound Energy and its customers have produced significant, long-term energy savings for the region.

PSE's conservation programs over the past 20 years are now saving about 1.8 billion kilowatt hours of electricity annually -- enough to serve 153,000 households. Among other things, PSE has provided grants and loans to insulate and weatherize more than 165,000 homes, and has distributed free insulating blankets for almost 400,000 residential water heaters.

In addition to its new Personal Energy Management program, PSE continues to help its customers save energy in other ways. The utility annually provides about 100,000 customers with conservation services and information, including free home-energy profile audits that help consumers identify the most cost-effective ways to cut their energy use. Every year the utility also provides several hundred commercial and industrial customers with consultation and funding for energy-saving retrofits and upgrades to business facilities and equipment. And just last month, the Washington Utilities and Transportation Commission approved a new PSE program that provides cash credits to large businesses that voluntarily curtail their power consumption.

More than 200 schools and a handful of businesses last month cut back their electricity use a couple of days in exchange for year-round reduced rates to help avoid the potential for power outages when the demand for electricity increases during a cold spell.

"Remedies to the region's energy crunch lie with consumers taking appropriate steps to shift power use from peak hours to off-peak, and with policymakers taking the necessary actions to stabilize the energy marketplace," Swofford said.

Puget Sound Energy Conservation Facts

- Funding provided to over 165,000 homes for added insulation and installation of energy-efficient windows
- Funding to weatherize the homes of nearly 11,500 low-income customers
- 378,500 water heaters wrapped with energy-saving insulation blankets
- Heat traps and pipe wrap installed on 77,000 water heaters
- 680,000 energy-efficient showerheads and faucet aerators distributed
- Loans and grants for conservation measures provided to more than 33,000 commercial and industrial customers

- 823 solar water-heating systems installed
- Over 100,000 customers provided with energy efficiency services annually

Puget Sound Energy Recommended Energy-Saving Actions Puget Sound Energy is Empowering Consumers to Manage Electricity Use, Control Costs

When prices for milk, gasoline or lettuce get high, consumers respond by changing their buying habits, consequently putting the brakes on price run-ups. By empowering electricity consumers to control energy use by choosing to use it at the cheapest and most environmentally-friendly time, PSE's Personal Energy Management Program in effect will lower peak demand and regulate prices.

Consumers can shift power-use during peak hours, generally between 6 a.m. - 10 a.m. and 5 p.m. - 9p.m. by running dishwashers or doing loads of laundry later in the evening or on Sundays. Set automatic thermostats for the furnace or boiler just to heat up your home or office building one hour before the peak 6 a.m. - 10 a.m. period. See the Puget Sound Energy web site www.pugetsoundenergy.com for Personal Energy Management details. PUGETSOUND ENERGY OFFERS CONVENTIONAL ENERGY-SAVING TIPS: Heating Systems Account for the Largest Portion of Winter Energy Use

- Make sure attic and ceilings are well insulated. Seal joints in air ducts and wrap ducts with insulation.
- Caulk cracks around windows and doors.
- Open drapes or blinds during the day to let the sun help warm your home or office space. Close drapes at night to keep the warmth inside.
- Order Puget Sound Energy's Personal Energy Profile for a free do-it-yourself home energy audit. See the Puget Sound Energy web site www.pugetsoundenergy.com for Energy Advisor details.

Energy-Efficient Appliances Can Save Energy and Money

- Check for energy-consumption and energy-efficiency rating information when replacing washing machines, dishwashers, other heating equipment, appliances, lighting fixtures and electronic equipment. Look for the Energy Star label.
- Put timers on a few lights that will "remember" to turn off.
- Turn off or unplug electrical equipment that's not in use for long periods.
- Replace standard incandescent or halogen bulbs with low-wattage, compact fluorescent bulbs. PUGET SOUND ENERGY URGES POLICYMAKERS TO TAKE NECESSARY ACTIONS TO STABILIZE ENERGY MARKETPLACE
- Encourage deployment of new technologies that give consumers the information and ability to manage their demand for electricity and help limit the number of new power plants needed.
- Treat the entire West Coast power market equally, without imposing a different set of federal rules in California than in the Pacific Northwest. Uniformly impose temporary price caps on sellers of wholesale electricity in both the California and Pacific Northwest markets.
- Examine and repair the 60-year-old policies of the Bonneville Power Administration to ensure that federal power benefits are shared equitably by all Northwest citizens.
- Enact legislation that removes siting and other barriers so that new power plants can be built and come online quickly to serve the region's growing firm-demand electricity needs
- Allow consumers to lower their electricity bills and help the environment by offering them time-sensitive rates.

About Puget Sound Energy

Puget Sound Energy (NYSE:PSD) is Washington state's largest energy utility, providing electric and natural gas service to more than 1.2 million customers, primarily in the Puget Sound region of western Washington. Additional information is available at <http://www.pugetsoundenergy.com>.

CONTACT: Puget Sound Energy

Grant Ringel/Dorothy Bracken/Roger Thompson

888/831-7250