



News Release

PSE Seeking Outside Proposals for Boosting Energy-Efficiency Program

BELLEVUE, Wash., Dec 12, 2003 (BUSINESS WIRE) -- Puget Sound Energy (the utility subsidiary of Puget Energy (NYSE:PSD)) is preparing to solicit the services of companies that specialize in energy efficiency to help the utility reach or even exceed its aggressive energy-conservation goals.

The utility today filed a draft "request for proposals" (or RFP) with state regulators that aims to draw out cost-effective bids to advance PSE's energy-efficiency program in 2006 and beyond. By soliciting such proposals, PSE hopes to supplement and enhance the array of energy-saving initiatives it now offers PSE customers.

"A kilowatt saved is a kilowatt earned," said Cal Shirley, director of energy-efficiency services for PSE. "We want to be sure we're giving our customers every opportunity to earn those savings, that we're providing them the very latest and best equipment, technologies, and strategies for using energy more efficiently."

Earlier this week the Washington Utilities and Transportation Commission (WUTC) endorsed PSE's broad-based plan for helping its customers save nearly 40 average megawatts of electricity and more than 5 million therms of natural gas in 2004-05. Those near-term targets are part of a long-term utility strategy to meet as much as 10 percent of PSE customers' energy needs a decade from now through additional conservation.

Under the RFP process, PSE wants companies with energy-efficiency capabilities to propose ways of making conservation even more attractive and cost-effective for more PSE customers, and to identify energy-saving innovations currently unavailable to customers. Among other things, the draft RFP solicits proposals for pilot projects involving viable energy-saving measures not yet widely available to consumers or not yet employed by certain customer segments.

While the draft RFP seeks new conservation initiatives the utility can implement in 2006-07, Shirley said consideration might be given to cost-effective strategies that can be executed sooner.

PSE doubled the scope and funding of its energy conservation program in 2002. The utility boosted its energy-saving targets even more this year after its updated "Least Cost Plan" -- an exhaustive study of PSE's long-term energy-supply needs and options -- showed there was even greater potential for customers to save energy in a cost-effective manner.

PSE's current energy-efficiency program involves numerous initiatives to help residential, commercial, and industrial customers lower their electricity and natural-gas usage. Besides providing customers with technical assistance and cost-benefit analyses, PSE offers a variety of financial incentives. The incentives range from consumer rebates on energy-efficient appliances, furnaces, water heaters, and lighting to customized grants for upgrading energy-intensive commercial and industrial equipment. PSE also will be rolling out pilot projects over the next two years involving heat-pump maintenance, lighting retrofits in multifamily housing, installation of efficient heating-duct systems in mobile homes, and heating/air-conditioning maintenance in commercial buildings.

PSE's energy-efficiency program is a key component of the utility's long-term strategy to ensure stable energy supplies and reasonable rates for customers, Shirley said. The strategy is based on PSE maintaining a balanced energy-supply portfolio that emphasizes conservation, renewable resources, and efficient thermal and hydropower generation.

Besides the conservation RFP, PSE is in the process of seeking proposals from outside energy companies to provide PSE with more than 400 average megawatts (aMW) of new electric-power resources, including 50 aMW of wind power. In addition, PSE signed a preliminary agreement in November to acquire a 49.85 percent share of a clean-burning, natural gas-fired power plant near Tacoma, Wash. The latter acquisition would provide PSE with up to 137 aMW of new power supply.

Today's filing with the WUTC contains a Jan. 14 deadline for public comment on PSE's 34-page draft RFP for conservation services. The utility is asking the WUTC to approve a final RFP by Jan. 28, at which time PSE would begin soliciting outside proposals. PSE also is seeking a Jan. 28 commission approval of the utility's pending RFP for new power-supply resources.

SOURCE: Puget Sound Energy

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