



News Release

PSE Combats Climate Change, Rising Energy Costs and Demand with Aggressive Energy-Efficiency Programs, More Renewable Power

BELLEVUE, Wash.--(BUSINESS WIRE)--May 2, 2007--To combat climate change and rising wholesale energy costs, Puget Sound Energy (PSE) (subsidiary of Puget Energy (NYSE: PSD)) is putting more and more resources into helping its customers conserve electricity and natural gas. At the same time, the utility is employing a strategy of acquiring more renewable energy supplies, primarily wind power.

"Our game plan for meeting customers' growing energy demands includes aggressive energy efficiency programs," said Cal Shirley, vice president of Energy Efficiency Services for PSE. "Not only is it the right thing to do for the environment, conservation costs less than building new power plants or buying energy on today's wholesale market, preserving our robust region and saving our customers money."

PSE's energy-efficiency services since 1979 have reduced customers' ongoing power usage by more than 2 million megawatt-hours (MWh). Those energy savings -- sufficient to serve the electricity needs of 175,000 homes -- essentially have averted the need to build a midsized power plant.

PSE provides a broad array of conservation services for residential, commercial, and industrial customers. Developed in consultation with customer groups, environmental organizations, and state regulators, the services generally involve technical advice and assistance, and a variety of financial incentives. These include customer rebates on energy-efficient appliances, furnaces, heat pumps, water heaters, and lighting. Also provided are customized grants that typically cover 50 to 70 percent of the cost for upgrading or installing energy-intensive commercial and industrial equipment.

"We will heighten our efficiency efforts in coming years," Shirley said, "to protect air quality and the environment, avoid building more power plants and help our customers manage their energy bills."

PSE's annual spending on energy-efficiency services has almost tripled over the past five years. During that time, PSE customers have more than doubled their annual electricity savings and they've more than tripled their natural gas savings.

Shirley said he expects PSE's conservation efforts going forward to be even more aggressive. According to a draft of PSE's 2007 Integrated Resource Plan, which will be filed with the Washington Utilities and Transportation Commission (WUTC) in late May, the company's energy-efficiency services have the potential to save about 70 million therms of natural gas and 3.85 million MWh of electricity over the next 20 years. Those power savings, enough to meet the long-term electricity needs of 330,000 households, would negate the need for building two additional midsized, 250-MW power plants, or free up enough electricity to supply all the residences in Seattle, Bellevue, Bellingham, and Olympia combined.

Customer energy savings, Shirley said, are especially important for PSE, a utility in need of new power supplies to serve a robust, growing region. Since 2001 PSE has added 96,000 new electric customers and 106,000 new natural gas customers. The utility must acquire by 2015 more than 1,600 average-MW of additional power supply - more than Seattle's entire electricity load - to meet its customers' increasing power needs.

"With PSE's nationally recognized energy efficiency programs and the aggressive targets we're setting, up to 25 percent of that supply could come from energy efficiency programs," noted Shirley. "Our target is saving most of the 400 MW over the next decade."

The steady rise in energy demand within PSE's 11-county service area can't be met entirely by energy efficiency, Shirley noted, "but every megawatt-hour of electricity we save through conservation is power we don't have to acquire - at even higher costs to our customers." Moreover, he added, energy-efficiency measures -- things like replacing outdated industrial boilers or installing compact fluorescent light bulbs -- create compounded energy reductions for customers that last year after year.

The cost of PSE's energy-efficiency program is covered by a small, usage-based charge on the monthly bills of all PSE customers. For residential customers, the program's 2007 budget increase resulted in a WUTC-approved 20-cent-per-month increase, on average, in the conservation charge.

PSE customers can obtain energy-efficiency information and assistance from PSE by visiting PSE.com, or by calling a PSE Energy Advisor at 1-800-562-1482.

PSE is the largest utility producer of renewable energy in the Pacific Northwest with the company's recently completed Wild Horse and Hopkins Ridge wind facilities in central and eastern Washington. Combined, the facilities produce enough electricity to supply the needs of almost 100,000 customers. In 2003 PSE established a voluntary goal of acquiring 10 percent of its customers' power supply by 2013 from renewable resources.

About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service territory stretching across 11 counties, Puget Sound Energy (PSE) serves more than 1 million electric customers and 718,000 natural gas customers. A subsidiary of Puget Energy (NYSE:PSD), PSE meets the energy needs of its growing customer base through incremental, cost-effective energy conservation, low-cost procurement of sustainable energy resources, and far-sighted investment in energy-delivery infrastructure. Visit www.pse.com for more information.

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