



News Release

Federal Clean Energy Tax Package Benefits Washington State

Passage of Key Tax Provisions for Renewable Energy Development Good for PSE customers, the Environment and the Economy

BELLEVUE, Wash., Oct 07, 2008 (BUSINESS WIRE) -- The extension of federal tax credits for wind, solar and biomass energy sources will bring lower utility bills, promote cleaner energy production and boost the state's economy, Puget Sound Energy stated today.

"The passage of expanded renewable energy credits is good news for PSE customers as they look to control their energy costs, protect the environment and promote sustainable economic growth," said Kimberly Harris, executive vice president and chief resource officer for PSE. "We thank Senator Maria Cantwell and the Washington delegation for their demonstrated leadership that will allow us to continue to fulfill the potential of wind, solar and other sources of clean energy, and help secure new economic opportunities for our customers and communities."

The renewable energy production tax credit, previously set to end on Dec. 31, 2008, was extended by Congress thanks to work by Senator Cantwell and the delegation and was signed into law by the president on Oct. 3 as part of the Emergency Economic Stabilization Act of 2008. The extension continues the wind energy production tax credit through 2009, a major step in fostering the development of new wind projects in the coming year, including PSE's expansion of its Wild Horse Wind and Solar Facility near Ellensburg.

The wind production tax credit allows utilities to claim a tax credit of \$20 for each megawatt-hour of electricity produced, lowering the cost of developing wind energy facilities and making wind energy more affordable. PSE passes all of the tax benefits from this credit through to its customers. Currently, the average PSE customer sees a direct benefit from the production tax credit in the form of a line-item on their bill that lowers the cost of electricity.

In addition to supporting the development of wind power, Congress also provided additional incentives for solar development. Congress extended the investment tax credits for solar power by an additional 8 years and lifted the current \$2,000 cap on residential solar installations. With the new law, all residential customers will be eligible for a federal tax credit of 30 percent of the cost of the solar array, a move PSE expects will cause a 70 percent increase in the number of customers installing solar systems at their homes. Right now, more than 300 PSE customers have solar systems connected to the utility's distribution grid.

PSE is the largest utility-owner of wind and solar energy resources in the Pacific Northwest, with a capacity of up to 386 megawatts from its facilities at Wild Horse, and Hopkins Ridge, located near Dayton. The two wind energy facilities, which entered service in 2006 and 2005, respectively, have a combined energy output equivalent to the needs of 100,000 homes. PSE's Wild Horse facility is currently slated to expand by an additional 22 wind turbines from its present 127 turbines.

"Renewable energy is a proven creator of new jobs and a boost for many rural economies throughout the state," said Harris. "In supporting renewable energy, Senator Cantwell and Congress took a positive step for projects such as our planned expansion at Wild Horse, and the construction jobs, operations jobs and expanded tax base that come with greater wind and solar power."

In total, PSE's two wind facilities have paid more than \$3.3 million in sales and property taxes in the cities and counties in which they are located. PSE projects that its Wild Horse expansion could employ approximately 150 people during construction. Twenty new full-time jobs have already been created at each project.

About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service area stretching across 11 counties, Puget Sound Energy (PSE) serves more than 1 million electric customers and 737,000 natural gas customers. PSE, a subsidiary of Puget Energy (NYSE:PSD), meets the energy needs of its growing customer base primarily in Western Washington through incremental, cost-effective energy conservation, procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service to deliver energy that is safe, reliable, reasonably priced, and environmentally responsible. For more information, visit www.PSE.com.

SOURCE: Puget Sound Energy

Puget Sound Energy
Andy Wappler, 1-888-831-7250

