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Sent: Thursday, November 7, 2019 4:45 PM

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Subject: 2019 PSE TAG Technical Input – please post and respond on the IRP website

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Hello Irena.

I'm writing to once again express my concern that the IRP process has inadequately addressed the energy conservation and efficiency potential for buildings. I'm speaking just briefly here because I've been out of town recently due to family health issues, and because I've previously brought this matter up to you, along with others at PSE in some detail.

Before I summarize my talking points, I want to express my substantial disappointment in the fact that in January of this year I was promised and invited to do a presentation on this subject to the IRP TAG. PSE later scheduled my presentation for the August IRP TAG meeting. In early July, as requested, I met with your PSE energy efficiency team to discuss this subject, and, as requested, I followed up a few weeks later by sending you my planned Power Point presentation with 28 slides. Not long after that, the August TAG meeting that I was schedule to present at was cancelled. As of today, I wonder why it hasn't been rescheduled.

Though I take the cancellation of my IRP TAG presentation to be personally disrespectful, more importantly, I see this as another indication that PSE continues to undervalue the potential for deep energy efficiency savings in buildings.

Now for my brief summary on this subject. Among the 28 slides that I was scheduled to present the August IRP TAG meeting, I included the following four key takeaways:

1. Buildings are major energy consumers. Roughly 80% of the power on our national grid goes to buildings.
2. New buildings are increasingly more energy efficient. This is surely a significant reason why PSE electrical demand has stayed essentially flat in recent years even though population and customers have increased.
3. PSE demand forecasts for both electricity and gas overlook current and future demand trends. The State Energy code will continue to tighten and interest in energy efficiency in existing buildings continues to grow.

4. Society as a whole must realize the economic, social and environmental value of deep energy efficiency in buildings. Utility companies have a role to play in this.

My last PowerPoint slide listed ten actions that Utility companies like PSE could take to accelerate conservation and energy efficiency efforts.

1. Stop forecasting perpetual demand growth in gas and electricity usage.
2. Support and promote Washington PACE legislation passage in 2020.
3. Provide new long-term loan programs for deep efficiency improvements.
4. Establish a MEETS program to “buy” saved energy.
5. Incentivize demand controllable appliances & hot water heaters. Ramp up DR.
6. Incentivize space heating fuel switching from gas and oil furnaces to efficient electric heat pump systems. (A State law amendment may be needed here).
7. Promote holistic building envelope enhancements aligned with established Passive House design standards.
8. Raise the efficiency incentive bar or provide a graduated incentive structure based solely upon performance outcomes tied to an achieved energy use intensity. Generally, “pay for performance” incentives should be offered for demand reductions over 30%.
9. Target extra efficiency promotions and incentives specific to local areas where transmission and/or generation capacity infrastructure is expected to be stretched.
10. Reduce the long list of incentives for individual efficiency measures. Focus on whole building incentives. Consider limiting individual isolated single measure incentives to just the following: efficient plug-in appliances, appliance demand response control devices, switching to LED lighting, and daylight and occupancy sensing controls.

This concludes a brief summary of my thoughts on conservation and energy efficiency.

As a 2019 Puget Sound Energy Technical Advisory Group member, I formally request you post this letter on your 2019 IRP website and provide a written response.

Sincerely,

Court Olson

BSCE, BSCM, MSCE, LEEDap, CCM, DBIA

IRP TAG member and consultant to commercial building owners.

