

Public Participation

PSE is committed to public involvement in the planning process. Stakeholder meetings have generated valuable constructive feedback, and the suggestions and practical information we received from both organizations and individuals has helped to guide the development of this 2009 IRP. We wish to thank all who participated.

At the time this plan was filed with the Washington Utilities and Transportation Commission (WUTC), the following meetings had taken place: nine formal Integrated Resource Plan Advisory Group (IRPAG) meetings, ten Conservation Resource Advisory Group (CRAG) meetings, and dozens of informal meetings and communications. Stakeholders who actively participated in one or more meetings include WUTC staff, Public Counsel, Northwest Industrial Gas Users, Northwest Pipeline, conservation and renewable resource advocates, the Northwest Power and Conservation Council, project developers, other utilities, and the Washington State Department of Community, Trade and Economic Development (CTED).

This appendix briefly describes the purpose of the IRPAG and CRAG, and summarizes the formal meetings held to date. We especially want to thank those who attended these meetings, for both the time and energy they invested, and we encourage their continued participation. The IRPAG covers all elements of the IRP, while the CRAG focuses on energy efficiency and demand-side resources. While these two groups meet separately, they have many members in common.

I. Integrated Resource Planning Advisory Group (IRPAG)

PSE works with external stakeholders through an informal group called the IRPAG. The IRPAG is the primary means of satisfying the requirements of WAC 480-100/90-238 for public involvement. During the development of the 2009 IRP, PSE engaged the IRPAG in two ways: through a series of structured IRPAG meetings, and in individual discussions with various IRPAG members.

As part of the formal IRPAG meetings, we presented and discussed each building block in developing the IRP, often stepping through significant levels of detailed analysis. Other PSE departments were also invited to talk about topics of interest, such as the

2008 Request for Proposals (RFP) process and the Wild Horse Wind and Solar Facility. IRPAG meetings are open to all comers, including individual customers and other utilities.

In addition to the more structured IRPAG meetings, PSE spoke one-on-one with individual IRPAG members. These conversations were very productive, allowing a freer flow of ideas that would have been difficult to achieve in group settings. The combination of one-on-one discussions and group meetings was particularly helpful in generating feedback.

Discussions with IRPAG members provide new avenues for broadening the scope of information available to us in our planning process. Additionally, these interactions enhance our thinking by bringing a variety of perspectives to the process. We've found the IRPAG process to be valuable, and will continue to work toward improving upon this success.

II. Conservation Resources Advisory Group (CRAG)

The CRAG was formally established as part of the settlement of PSE's 2001 General Rate Case, which the WUTC approved in Docket No. UE-11570 and UG-011571. The group specifically works with PSE on development of energy efficiency plans, targets and budgets. The CRAG consists of ratepayer representatives, regulators, and energy efficiency policy organizations, including the following stakeholder groups:

- WUTC staff
- Public Counsel, Attorney General's Office
- Industrial Customers of Northwest Utilities (ICNU)
- Northwest Industrial Gas Users (NWIGU)
- NW Energy Coalition and Natural Resources Defense Council
- Energy Project (representing Low Income Agencies)
- Washington State Department of Community, Trade and Economic Development
- Customer representatives from commercial, industrial and institutional sectors (Microsoft, Kemper Development, King County)

The CRAG participated in the development of the 2009 IRP and energy efficiency program review through formal meetings in which it reviewed and offered feedback on the assessment of all demand-side resources (energy efficiency, fuel conversion, and demand response). The CRAG is also instrumental in reviewing IRP guidance to develop PSE's biennial energy efficiency targets and programs, as well as to review our progress toward achieving those targets. Many members participated in other aspects of the IRP advisory process as well.

No significant concerns about the 2009 IRP demand-side potential results have been expressed. Issues with the highest level of interest included avoided costs and the rationale and assumptions used to estimate achievable resource potential. Looking ahead, the CRAG will likely focus on how 2009 IRP results are factored into demand-side savings targets, and programs and budgets for 2010–2011, particularly with respect to compliance with I-937, the Washington Energy Independence Act (RCW 19.285).

III. Summary of IRPAG and CRAG Meetings

A. CRAG Meeting, May 9, 2007

This meeting primarily involved a discussion of the 2008 to 2009 program planning cycle. Topics included the planning and tariff filing process schedule, key issues (such as the IRP) and other considerations identified by the CRAG.

B. CRAG Meeting, June 29, 2007

This meeting involved a more comprehensive discussion of 2007 IRP guidance on energy efficiency and other demand-side resource potentials. Additionally, the CRAG considered ways to realistically translate this IRP guidance into programs.

C. CRAG Meeting, July 31, 2007

A discussion of the 2008 to 2009 biennial savings target and specific programs to achieve the target resulted in consensus agreement.

D. CRAG Meeting, September 19, 2007

The CRAG reviewed the detailed 2008 to 2009 program savings and budgets, and set a 2008 annual baseline target for the electric performance incentive.

E. CRAG Meeting, March 13, 2008

Topics for this meeting included a recap of 2006 to 2007 accomplishments, the derivation of program energy savings, and results for the 2007 electric performance incentive.

F. IRPAG Kick-off Meeting, April 3, 2008

The goals for this meeting were to re-introduce new and returning members of the IRPAG to the integrated resource planning process, share information about PSE's resource needs and alternatives, discuss WUTC staff feedback to the 2007 IRP, and describe changes to our planning tools and processes since the 2007 IRP. Updates included an overview of changes to our draft scenarios since the last plan and a description of the role of new modeling tools in the overall planning process.

G. IRPAG Meeting, June 19, 2008

This meeting began with a quick overview of PSE's resource needs and planning process, before moving into a discussion of PSE's draft planning scenarios, sensitivities, forecasted gas prices and carbon assumptions. Additional segments included an update from PSE's Acquisition team on the status of the 2008 RFPs, a discussion of PSE's planning standard, and an update on regional and federal efforts related to climate change legislation.

H. IRPAG Meeting, August 19, 2008

This meeting was held at the Wild Horse Wind and Solar Facility. The presentation included a discussion of Aurora assumptions and forecasts, and transmission updates related to the ten Northwest projects collectively known as the "Big Tent" projects and

BPA's Network Open Season. This was followed by a brief presentation about Wild Horse and a tour of the facility.

I. CRAG Meeting, September 2, 2008

Agenda items included updates related to the 2009 IRP, mid-year reports on programs and major projects, and a discussion of a proposed fuel conversion program.

J. IRPAG Meeting, October 2, 2008

PSE presented revisions to our electric planning scenarios, Aurora inputs and results, and a snapshot of various sensitivities to be tested in a "base case" scenario. The meeting concluded with a look at PSE's draft timeline for developing and filing the IRP.

K. IRPAG Meeting, November 20, 2008

This meeting began with a presentation of natural gas resources, beginning with an overview of pipeline, storage and LNG alternatives. PSE then presented a comparison of forecasted AECO, Henry Hub and world LNG levelized gas prices. The second half of the meeting was dedicated to a discussion of demand side resources (DSR). PSE presented a snapshot of the DSR analysis process, electric and gas energy efficiency supply curves, a summary of the DSR potential assessment performed by CADMUS, and a description of how PSE incorporates the product of this assessment into the overall resource planning process.

L. CRAG Meeting, November 20, 2008

The CRAG reviewed end-of-year projections for 2008 programs and the gas fuel conversion program tariff filing.

M. IRPAG Meeting, January 22, 2009

PSE began with an overview of the resource planning analysis process, and updates related to the electric and gas portfolio analyses. On the electric side, PSE shared key components of our electric planning scenarios, and presented sensitivities related to the

Green World, Business as Usual and Current Trends scenarios. PSE also discussed capacity and renewable needs, and presented snapshots of the resource builds for the eleven optimal portfolios identified by the Strategist optimization model.

On the gas side, PSE presented both our gas sales capacity need, and the combined gas sales and gas for generation capacity need. Additionally, a summary of the gas scenarios, an overview of gas resource alternatives and a comparison of gas capacity expansions by resource portfolio were presented.

N. CRAG Meeting, January 22, 2009

Topics included 2008 year-end program results, 2009 programs and proposed targets, evaluation of the 2007 to 2009 electric performance incentive mechanism, plans for extending the electric performance incentive beyond 2009 and adding a gas performance mechanism.

O. CRAG Meeting, February 24, 2009

PSE hosted a conference call to reach consensus on the final 2009 baseline electric efficiency target.

P. IRPAG Meeting, March 17, 2009

This meeting began with a discussion of PSE's intention to request a two-month filing extension with the WUTC. Primary drivers for this request were changes to gas prices and the economy since inputs were selected, load forecasts were run and modeling began. PSE presented a proposed revised timeline. Additional meeting topics included a presentation of updated load and gas price forecasts, as well as a progress report on our electric and gas analyses.

Q. IRPAG Meeting, April 23, 2009

This meeting was held at the Snoqualmie Operations Center. PSE provided a review of our planning assumptions and portfolios, and then launched a discussion of results and insights drawn from the planning process. Additionally PSE presented its recommended

electric and gas plans. After the meeting, PSE provided a tour of the Snoqualmie Falls Hydroelectric Project.

R. IRPAG Meeting, June 25, 2009

Meeting topics included a discussion of the electric and gas resource plans, as well as updates to the plans and analysis since the release of the Draft IRP. The latter portion of the meeting was reserved for an open dialogue designed to solicit feedback from stakeholders.

S. CRAG Meeting, June 25, 2009

This meeting focused on reporting requirements related to 2008 savings (to obtain remaining 25% incentive), 2009 programs (to set up 2010-2011 planning) and major issues for 2010-2011 planning. Meetings to discuss 2010-2011 planning with two-year target setting, budget projections and program implementation details have been scheduled for July, August and September 2009.