

Board Decision REVISED - Approval of the New Home Energy Savings Program and Efficient Home Products Program Management Contract

December 17, 2003

Purpose

The purpose of this resolution is to approve a two-year contract to provide program management contractor services for the Energy Trust's New Home Energy Savings program and Efficient Home Products program.

Background

The request for proposals for the New Home Energy Savings program and Efficient Home Products program management contractor was issued on October 16, 2003. Seven firms identified themselves as prospective bidders or team members, and proposals were received from two firms on November 24, 2003. A selection committee composed of representatives from the Energy Trust, Eugene Water and Electric Board, and the NW Energy Efficiency Alliance reviewed the proposals. Two proposals were received and both qualified as finalists: Portland Energy Conservation Inc (PECI) and ICF Consulting. The PECI team includes Conservation Services Group (CSG), PGE Energy Services Group, Applied Proactive Technologies (APT), Heshong Mahone Group, Proctor Engineering and CLEARResults. The ICF Consulting team consists of ICF, Ecos Consulting, Ecotope, Delta T, and Vermont Energy Investment Corp (VEIC). The review team conducted 2-hour interviews with each proposer. Following presentations by each finalist, the committee selected the team lead by PECI as top finalist on December 5. Contract negotiations are underway, with key terms identified in Attachment 1. The selection process is further described in Attachment 2.

Relation to Strategic/Action Plan

The contract is essential to achieving Goal 1 of the strategic plan, which calls for saving 300 average megawatts (2.63 million kWh) of electricity and 20 million therms through efficiency measures by 2012. Program design will start January 2004. It will replace utility residential new construction transition programs that cease to take new customers as of December 31, 2003.

Energy Savings and Cost per Megawatt Hour Saved

This residential new construction and efficient appliances programs will cost \$7,049,245 (\$4,934,471 million for electric and \$2,114,774 for gas) and are estimated to save 2.91 average megawatts (25,500 annual megawatt hours) of electric energy during the two-year contract term, which translates to \$1.7 million per average megawatt (\$193 / MWh) and 757,000 annual therms at a cost of \$0.13 per therm over the program life (22 yrs.).

Committee/Public Review

The New Home Energy Savings and Efficient Home Products program design concepts were developed following meetings with regional stakeholders building design professionals, as well as two meetings of the Conservation Advisory Council. The design concept and budget for the program was approved by the Energy Trust Board of Directors at its meeting on October 1, 2003.

Resolution

BE IT RESOLVED: That the Energy Trust of Oregon, Inc., Board of Directors hereby approves entering into a contract with Portland Energy Conservation Inc. (PECI) to provide program management contractor services for the Energy Trust New Home Savings program and the Efficient Home Products program. Board members have reviewed the contract term statement [~~delete contract~~]and approve the two-year commitment of \$7,049,245 (\$4,934,471 million for electric and \$2,114,774 for gas), which includes program management payments, incentive payments and a \$50,000 performance incentive. The board authorizes staff to make a recommendation to the board as to exercise a third-year extension option at the appropriate time. The work performed through this contract is estimated to save 2.91 average megawatts (25,500 annual megawatt hours) of electric energy during the two-year contract term, which translates to \$1.7 million per average megawatt (\$193 / MWh) and 757,000 annual therms at a cost of \$0.13 per therm over the program life (22 yrs.). The president is authorized to sign the contract, provided the contract has substantially the same terms as those reviewed by the board.

Moved by: _____ Seconded by: _____

Vote: _____ in favor _____ opposed _____ abstained

Adopted on (date) _____ by the Energy Trust of Oregon, Inc., Board of Directors.