



For Businesses



For Homes



Renewable Energy



For Trade Allies



About Energy Trust

Energy Trust of Oregon, Inc.

Project Reservation Process Update

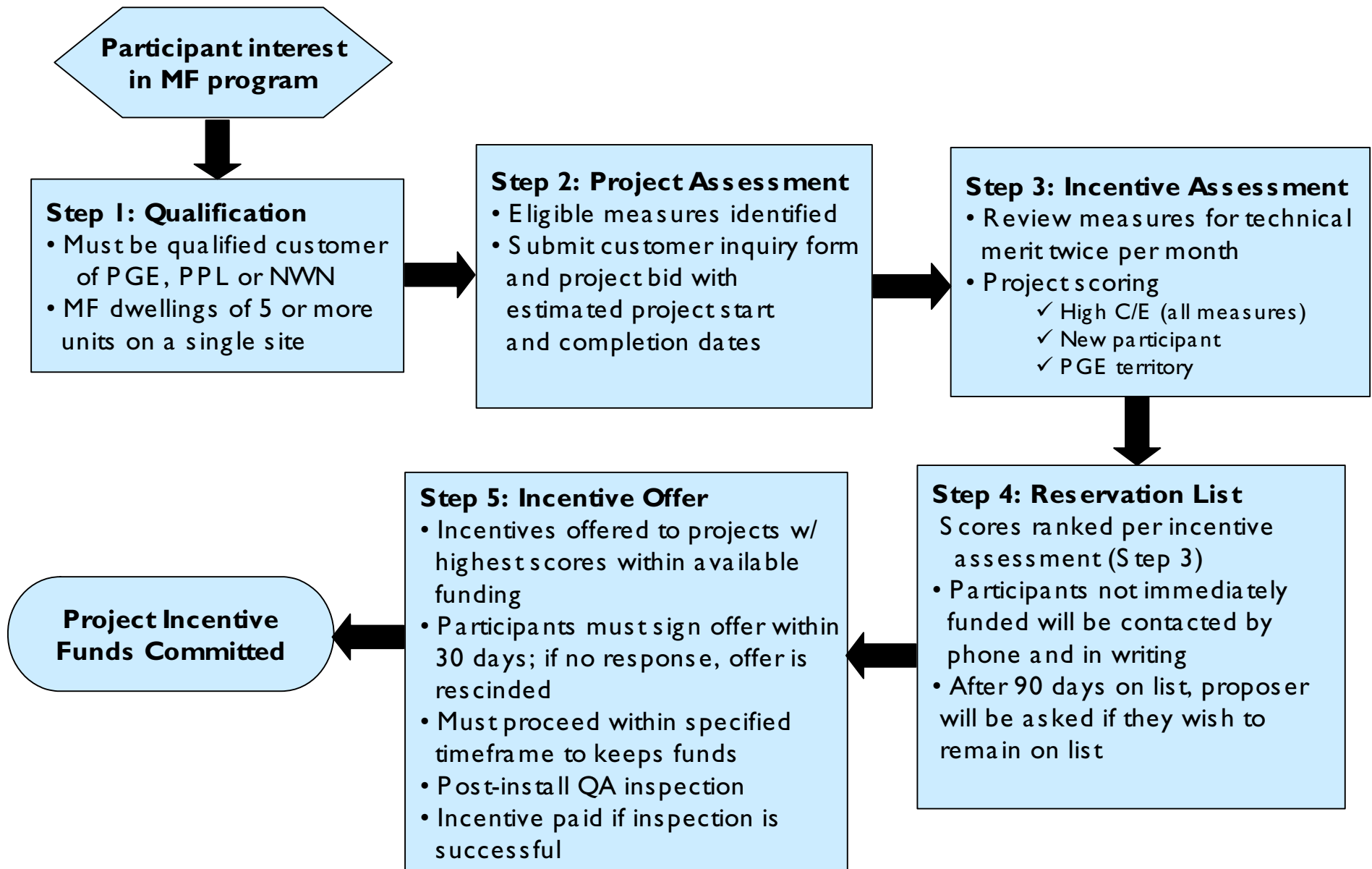
CAC Meeting July 19, 2006

Goals of Reservation Process

To ensure projects are processed in an equitable manner as they proceed through program

- Programs utilizing a reservation system
 - Home Energy Savings Multifamily Initiative
 - Building Efficiency
 - Production Efficiency
- All projects go through a series of steps before being offered a financial incentive
 - PMC assesses project eligibility at each step
 - Participant, trade ally, or allied technical assistance contractor must take action to advance to next step

Multifamily Process Mechanics



History of Activity: Multifamily HES

- Electric Incentive Budget Summary
 - May 1: \$71,281
 - June 1: \$39,181
 - July 1 (current balance): \$312,680
 - \$250,000 additional electric incentives shifted to Multifamily from HES budget
 - ~\$30,000 in electric funds put back into pool from uncommitted projects

Participant Feedback

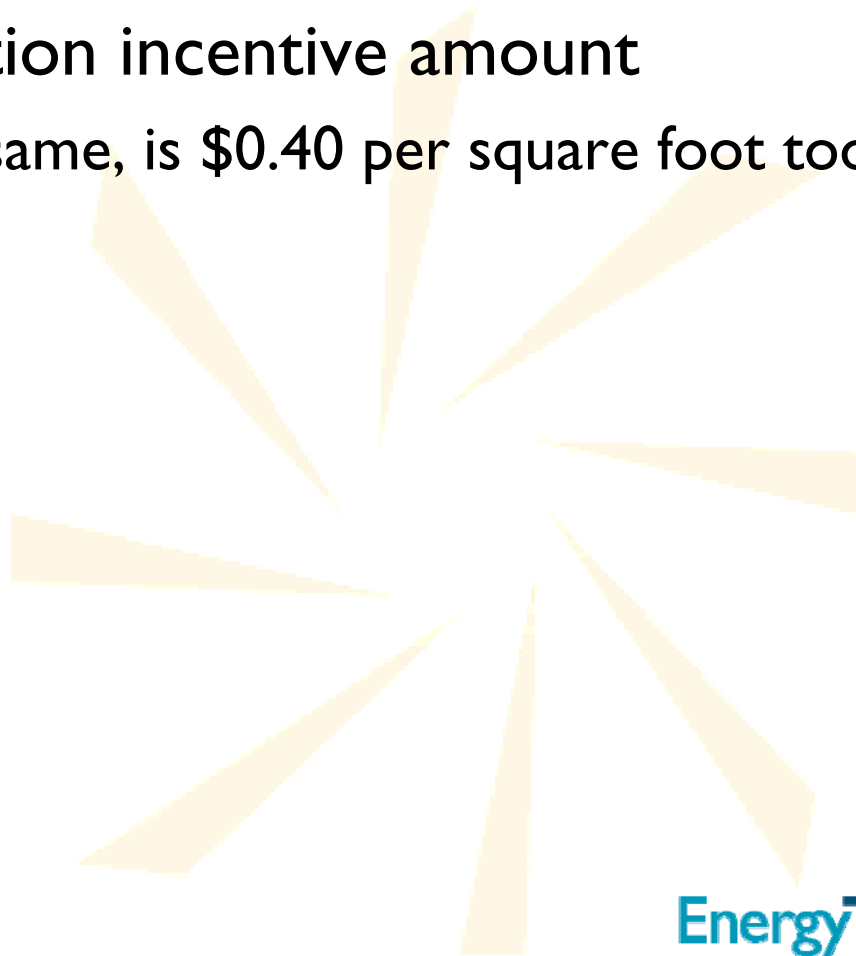
- Little dissent from majority of owner participants
- Contractors and property managers find it a “hard sell” and “more convoluted”
- Project caps and additional measure requirements pose challenges for participants

Lessons Learned

- Ranking system works
- Caps hurt larger projects
- Project attrition rate is higher and more visible
 - Participants opting for BETC-only
- Attic insulation opportunities are being lost
 - Measure lowers cost-effectiveness score
- Contractors have less sales power

Recommendation Going Forward

- Revisit \$15,000 cap for 2007
- Review attic insulation incentive amount
 - If caps remain the same, is \$0.40 per square foot too high?



History of Activity – Building Efficiency

- Quarterly Change in Available Funding

- 2006 Available Funds - Start of Q2 06

<u>Electric</u>	<u>Gas</u>	<u>Total</u>
\$415,400	\$653,700	\$1,069,100

- 2006 Available Funds - Start of Q3 06

<u>Electric</u>	<u>Gas</u>	<u>Total</u>
\$308,476	\$615,117	\$923,592

- * Available funds include both financial and service incentives

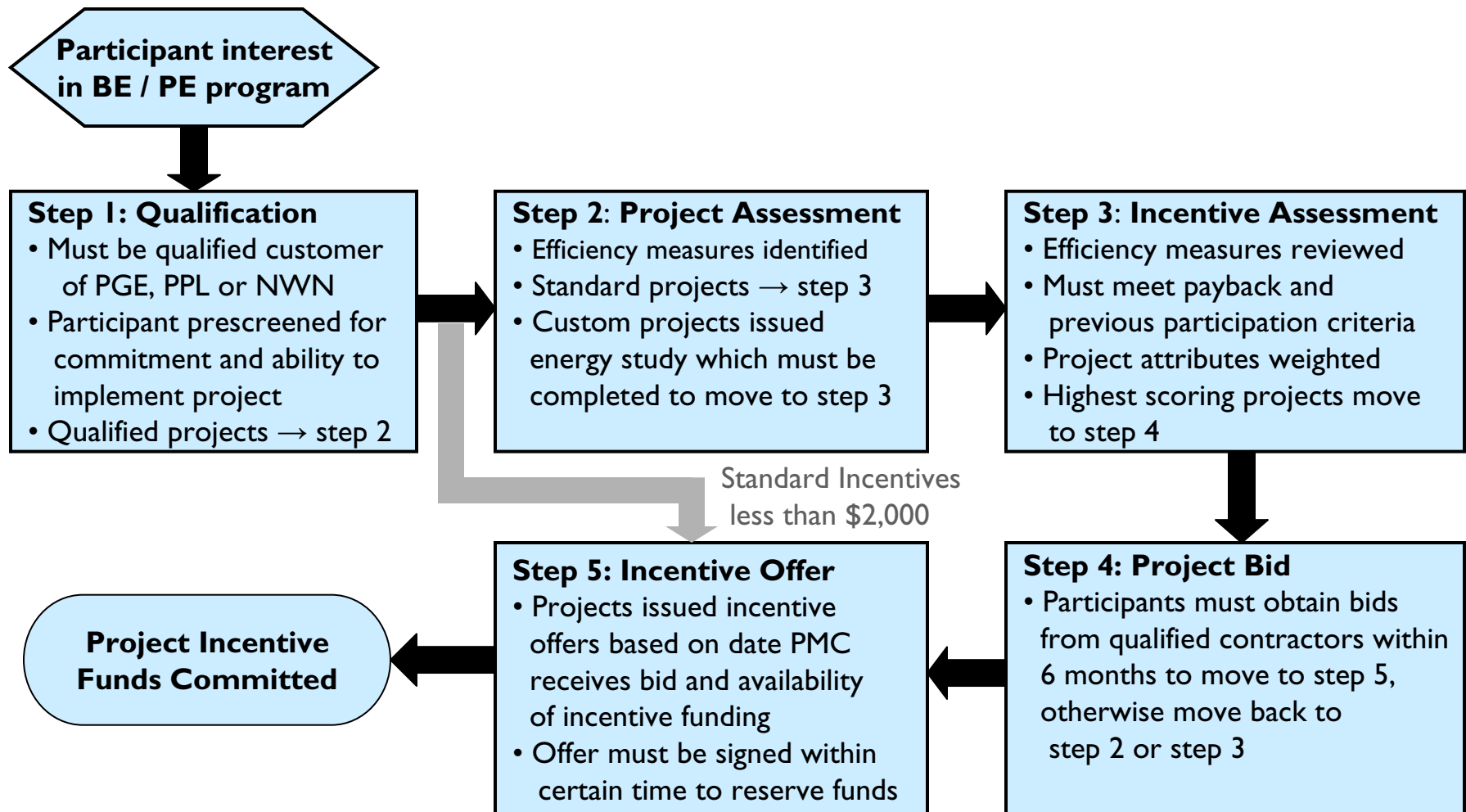
- Changes in available funding due to commitment of funds to new projects as well as changes to timeframe and scope of existing projects

History of Activity – Production Efficiency

- Quarterly Change in Available Funding
 - 2006 Available Funds - Start of Q206
 - Electric
 - \$119,188
 - 2006 Available Funds - Start of Q306
 - Electric
 - \$232,635
- * Available funds include both financial and service incentives
 - Changes in available funding due mostly to changes to timeframe and scope of existing projects

BE/PE Process Mechanics – pg I

- Process unchanged since introduced in Q206



BE/PE Process Mechanics – pg 2

- Lighting program has made the most extensive use of the reservation system
 - Lighting projects are accepted during two week windows held four times of the year (March, May, July, September)
 - Projects are reviewed and ranked by project score
 - Only the highest ranked projects with incentives totaling up to the available budget are approved
- Standard incentive projects required to call for pre-approval based on available funding
 - Completed paperwork and invoices due 1 month from pre-approval

Program Impacts

- Reservation process and funding constraints has reduced number of custom projects
 - Hold on new incentive offers from Oct 2005 until March 2006 sent clear message of funding constraints, resulting in reduction in new projects
 - Rate at which bids on existing projects have come in has not caused BEP to reject projects...yet
 - Non-Lighting Standard Incentives still available
- Lighting program has rejected projects
 - 106 project applications for \$567,654 in incentives
 - 42 projects have been provided a total of \$167,337 in incentives

Participant Feedback

- Recognition from participants of the need for a system to manage limited funds
 - Continued concern regarding impact of funding constraints on capital investment projects
- Trade allies recognize need for a system to deliver limited funds evenly over year
- Complaints from small lighting projects (<\$1,000) being held back by process
- Limit of one project per year disqualifies good projects with dedicated participants
- Concerns regarding future funding

Lessons Learned

- Clear and honest communication with participants and trade allies regarding program status/funding is critical
- Process requires PMC to play more significant role in determining project completion dates
 - Requires commitment of additional man-hours
- For some trade allies, limited funding and timeframes have helped “close” project sales
- Early identification and mitigation of program issues very important to program success

Recommendation Going Forward

- Allow PMC to tweak reservation system to meet needs of participants and trade allies
- Remove one project per year per site limit for PE Program
- Keep the process as simple as possible and don't alter something that is working