

Reserving Incentive Funds for Production Efficiency Projects (Revised November 16, 2007)

All new projects seeking available incentive funds from Energy Trust's Production Efficiency (PE) program must follow a series of steps before funds can be reserved (committed). This reservation process assures all projects are fairly and equitably evaluated and helps Energy Trust manage the available incentive budget.

This reservation system will continually be evaluated and updated based on user experience, budget changes and future program services. Projects are guided through the reservation system by Energy Trust. For detailed information on the reservation system, program participation or for questions about projects, contact the program at 1-503-445-7643.

Step 1: Qualification

- a. Participant must be a qualified Oregon customer of Portland General Electric, Pacific Power, NW Natural, or Cascade Natural Gas and be committed to moving the project forward.
- b. Projects seeking standard incentives of less than \$2,000 skip to Step 5, Incentive Offer.
- c. All other projects move to Step 2, Project Assessment.

Step 2: Project Assessment

- a. Possible efficiency measures eligible for Energy Trust incentives are identified, along with project schedule and a preliminary completion date.
- b. Eligible projects seeking standard incentives of over \$2,000 move to Step 3, Incentive Assessment.
- c. Eligible projects seeking custom incentives are assigned an Allied Technical Assistance Contractor (ATAC), and a work order is issued for a Technical Analysis Study on identified measures. Study must be completed and provided to Energy Trust for the project to move to Step 3.

Step 3: Incentive Assessment

- a. Efficiency measures and/or studies are reviewed for technical merit in the order they are received.
- b. Efficiency measures must have simple payback (excludes incentives and tax credits) of more than 1 year for lighting projects and more than 1.5 years for non-lighting custom projects. Energy Trust can assist projects with shorter paybacks in obtaining loans.
- c. Energy Trust evaluates projects by scoring project attributes and will consider:
 - High cost-effectiveness – 1 point per 1 cent/kWh reduction or 10 cents/therm reduction
 - Combined electric/gas measures – 1 point
 - Projects in PGE territory, to help balance spending – 1 point
 - First-time participant – 1 point
 - “Lost opportunity” projects (absent an incentive, would install less efficient equipment) – 2 points
- d. Projects with the highest scores are approved and move to Step 4, Project Bids. The pace at which projects are approved depends on incentive budget availability. Quarterly, Energy Trust will contact applicants with projects on the list for more than three months to see if they wish to continue to wait for available incentives.

Step 4: Project Bid

- a. Participants obtain bids from installer/contractors.

- b. Bids must be provided to Energy Trust within 6 months. Projects that do not submit bids in this timeframe must re-enter the process at either Step 2 or Step 3, depending on whether the study remains valid.
- c. Submission of the bid moves the project to Step 5, Incentive Offer and Commitment.

Step 5: Incentive Offer and Commitment

- a. Projects are issued incentive offers based on two important factors:
 - Date Energy Trust received the project bid (first come, first served)
 - Availability of incentive funding
 - b. Participant must sign incentive offer within negotiated timeframe to secure incentive commitment.
 - c. Participant must implement project within negotiated timeframe to keep funds reserved.
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