Production Efficiency DRAFT Action Plan, October 2015

Program Description

Energy Trust's industry and agriculture sector provides electric and gas energy-efficiency solutions for all sizes and types of eligible industrial and agricultural businesses through the Production Efficiency program. The program provides a robust set of services and incentives through three primary delivery tracks to help these energy-intensive businesses achieve cost-effective savings on an ongoing basis. The program is designed and managed in-house by industry and agriculture sector staff, and is delivered to market through the support of a large number of contractors and other market actors.

1. The **Custom Track** allows for a comprehensive approach to gas and electric process efficiency projects, retrofits and operations and maintenance, O&M. Custom Program Delivery Contractor industrial efficiency experts act as long-term energy efficiency account managers for industrial customers of all sizes and types in their assigned geographic territory. PDCs provide turnkey support to participants in their assigned geographic territories, helping participants identify specific efficiency opportunities and facilitating their ongoing participation in Energy Trust programs. They achieve savings goals through developing and delivering custom projects, which represent more than one-half of Production Efficiency program savings. Allied Technical Assistance Contractors, ATACs, provide analysis for custom projects to support customer and program investment decisions.
2. **Strategic Energy Management, SEM,** provides training, tools and the technical support of SEM coaches to enable customers to save energy by establishing or improving energy management practices in the workplace. SEM offerings aim to secure and deepen customer commitment to energy management and improve their capability to drive persistent, measureable improvements in the energy intensity of their operations.
3. The **Streamlined Tracks** focus on simpler, more common equipment measures, typically installed through Energy Trust trade allies and other vendors. The Streamlined Tracks are delivered by specialized PDCs who focus on trade ally outreach and training, project verification and delivery of savings from streamlined measures, and new measure and tool development. The trade ally delivery channel leverages long-term vendor relationships as a primary influence on customer decision-making. The lighting Trade Ally Network delivers all types of lighting projects at industrial sites. The Streamlined Industrial and Agricultural Initiative, SI, delivers savings from irrigation measures, small compressed air, variable frequency drives and other prescriptive and calculated measures.

2016 Strategic Focus

1. Continue to implement and continuously improve current, effective Custom, Streamlined and SEM offerings.
2. Provide more outreach, technical services and other support to increase savings from the agriculture sector and small- to medium-sized industrial customers.
3. Redesign and implement an SEM offering for industrial sites that have previously participated in the program's first year SEM offering, and recruit new SEM participants.
4. Increase gas savings and the number of gas projects completed in all tracks.

5. Working with other organizations such as NEEA, Pacific Northwest National Laboratory and others, provide information and help deploy emerging technologies. More commonly in industry, this involves more unusual, rarely deployed applications of existing technology, such as smart manufacturing controls, energy information systems and Performance+ lighting design.
6. Continuously improve internal processes and systems, including use of data and information to support program activities and technical management of all tracks.

2016 Activities

Ongoing

1. Continue to use Custom PDCs as long-term energy efficiency account managers and technical consultants for all types and sizes of industrial customers.
2. Continue to use Streamlined PDCs to develop new streamlined and lighting measures and to recruit, train and support trade allies.
3. Achieve greater geographic diversity of both gas and electric savings by improving outreach efforts to trade allies across the state. Continue to develop and support their use of the streamlined industrial calculator tools for small compressed air, irrigation and other measures.
4. Promote uptake and increase volume of refrigeration-related streamlined measures, particularly fast-acting doors and refrigeration controls.
5. Diversify and increase SEM participation by offering the one-year, introductory Core SEM offering to 25 to 30 new sites in 2016.
6. Drive integration of lighting controls and other best practices in comprehensive lighting projects through ongoing promotion of Performance+ and other advanced lighting strategies.
7. Working with utilities and other industry partners, improve awareness of the benefits of efficiency and services available for small- to medium-sized industrial customers.

In Development and New Initiatives

8. Develop tools that reduce PDC effort and cost associated with providing custom engineering services at smaller industrial sites, beginning in 2016 with a tablet-based tool to support site walk-throughs and quickly generate scoping studies for energy-efficiency opportunities.
9. Develop and launch a multiyear Continuous SEM offering for the 130+ customers who have previously participated in introductory SEM offerings.
10. Provide outreach, technical services and incentives to reduce the energy use of new or expanding cannabis production facilities. Engage with local market actors and peers in other states to accelerate understanding of technical solutions for this sector and inform planning and program strategies.
11. Enable customer self-service for information about historical participation in Energy Trust programs and the status of projects in process through development of an online Business Customer Portal.

2016 Assumptions

Overarching

1. 2016 budget and goals assume that spending on large energy users (who do not pay supplemental 838 charges) remains under the incentive cap used to administer requirements that large energy users do not benefit directly from 838 funding. If analysis of 2015 spending (to be completed in Q2 2016) finds us over the cap in PGE territory, the programs will need to act to reduce spending on these customers, and this would impact both savings and spending.
2. 2016 planned actions assume that the economic and policy environment that manufacturers and the program are operating in do not change in significant ways compared to 2014 and 2015.

Delivery

3. Delivery costs for 2016 continue to scale predictably with working (gross) savings goals, with only very minor adjustments in the run rate on two of the five delivery contracts. Despite this, delivery costs will show a perceptible upward trend compared to 2015 due to changes in the free ridership evaluation factor that resulted in a loss of 8 percent of savings net-to-gross compared to 2015. This change simply means that the PDCs have to pursue more working savings in order for the program to reach the same reportable savings goals.

Incentives and Savings

4. Most incentive levels appear to be optimized now and are working to successfully bring in savings. No major incentive changes will be proposed for Custom incentives in 2016, but some calculated and prescriptive measures may be adjusted, as needed.
5. The program did not budget for a bonus incentive in 2016, but may implement a well-defined bonus if savings forecasts in 2016 show significant gaps in the project pipeline. In the event this were to occur, we assume that existing, uncommitted incentive budgets would be sufficient to support targeted additional spending toward reaching goal.
6. The budgeted cost (run rate) for lighting incentives has been increased slightly, by less than one cent/ kWh, in accordance with recent spending trends. This increase is reflective of the higher cost of LEDs, but LEDs also benefit from longer measure life and a better levelized cost.
7. Gas incentive run rate assumptions have been decreased slightly to better reflect recent acquisition costs.
8. More savings are expected to come from Custom projects in 2016 than in recent years, and less from relatively low-cost SEM. The increased acquisition cost per kWh is balanced by the much longer measure life of Custom projects.
9. Layered on to this shift from SEM savings to more Custom projects is the cost associated with the net-to-gross factor on all electric projects, which has the single biggest impact on the program's increasing incentive costs in 2016.

2017 Strategic Focus

1. Use, maintain and improve mature and developing program strategies, relationships, offerings, initiatives and tools.