ENERGY TRUST 2016-2017 ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Existing Buildings DRAFT Action Plan, October 2015

Program Description

Energy Trust's Existing Buildings program provides electric and gas energy-efficiency solutions for existing commercial buildings of all sizes throughout Energy Trust service territory. The board-approved program consists of three components: 1) management and delivery of the program for existing commercial customers via a Program Management Contractor contract with ICF International, 2) delivery of the Strategic Energy Management portion of the program via contracts with two Program Delivery Contractors, and 3) management and delivery of the Multifamily portion of the program via a PMC contract with Lockheed Martin. This document outlines activities consistent with components #1 and #2 above. The Multifamily portion is addressed in a separate document.

The ICF-managed portion of the program provides a comprehensive set of services through four primary program delivery tracks to help customers in all commercial market sectors achieve their energy efficiency goals.

1. The **Custom Track** enables the program to address customer-specific measure to acquire electric and gas savings from energy-efficient capital project installations and operations and maintenance, O&M. The program uses account managers and engineering firms to identify and promote customer opportunities. The program pays a group of qualified Allied Technical Assistance Contractors, ATACs, to conduct energy studies to assess the potential energy savings from specific custom measure installations. Program representatives work with customers to identify and install the measures that best meet their needs to acquire energy savings.
2. Through the **Prescriptive Track**, the program provides a variety of prescriptive measures with predetermined savings and incentives engineered to meet customer needs in a variety of different market sectors for buildings of all sizes. The program goes to market with these measures through a combination of direct outreach and nurturing a network of trade ally contractors to promote, sell and install the measures. The program will continue to expand collaboration efforts with trade allies to further leverage them as an effective sales force to increase uptake with previously unserved customers throughout Energy Trust service territory.
3. The program goes to market with the **Lighting Track** via a combination of direct program outreach and a well-developed network of trade allies. Lighting is typically an excellent first efficiency step for many customers. In addition to the traditional lighting track, the program developed mid-stream offerings that buy down the price of lighting products for small commercial customers and Oregon state agencies. Furthermore, ICF has contracted with an installation contractor to identify and install energy-efficient lighting applications for small commercial customers in predetermined geographic territories.
4. **Strategic Energy Management**, SEM, is delivered by two PDCs: Strategic Energy Group and CLEAResult. The PDCs provide training, tools and technical assistance to enable customers to save energy by establishing or improving energy management practices in their portfolio of buildings. SEM offerings aim to secure and deepen customer commitment to energy management, and improve customer capability to drive persistent, measureable improvements in the energy intensity of their operations.

Existing Buildings DRAFT Action Plan, October 2015

2016 Strategic Focus

1. Continue to focus on delivering tailored program services to business owners, property owners, tenants, property management companies, trade allies and electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
2. Maintain statewide program reach and develop opportunities to reach customers in under-participating areas.
3. Continue approach to develop and grow the Trade Ally Network to more effectively sell energy-efficiency projects of all types and sizes.
4. Adapt lighting program offerings to respond to changing market conditions and more stringent codes and standards.
5. Refine program offerings to drive customers to the most cost-effective measure applications in response to reduced gas and electric avoided costs.
6. Expand opportunities for customers to leverage operations and maintenance measures to capture low-cost energy savings opportunities.
7. Streamline program approaches to improve customer experience and capture efficiencies in implementation costs.

2016 Activities

1. Continue to provide direct outreach and technical services to help key customers maximize their energy savings, and use SEM as a key account management tool for targeted customers groups.
2. Explore higher custom incentive offerings to attract more customers to implement measures that will result in significant gas and electric savings.
3. Support and enhance program coordination with trade allies throughout the state to continue to sell lighting measures and expand sales opportunities for non-lighting measures. Deliver trainings on how to sell and install new technologies and how to identify other program opportunities and cross-sell measures within different end uses.
4. Continue to provide direct installation applications for small commercial customers, including expanding the offering for lighting and possibly expanding the list of eligible measures.
5. Provide incentives for technically sound and cost-effective LED lighting applications to adapt to rapidly changing LED technologies and their respective pricepoints.
6. Continue and possibly expand mid-stream incentives for targeted customer groups to serve customers that have not historically participated in Energy Trust programs.
7. Provide incentives to encourage customers to achieve energy savings through retrocomissioning. This offering will be targeted at buildings >20,000 sq.ft. and will provide custom incentives for first-year savings achieved by using qualified engineering firms to implement specific cost-effective O&M measures.
8. Expand Pay for Performance pilot to a standard offering to support operational and behavioral savings.
    a. There is one building presently enrolled in the pilot. Based on lessons learned in this pilot, the program will launch an expanded offering targeting a limited set of customers that are required to comply with the City of Portland's benchmarking innitiative.
    b. This offering will be targeted at 5 to 10 buildings >50,000 sq.ft., and will provide incentives each year for three years for savings achieved from O&M and behavioral actions.

9. Increase custom track participation and enhance the customer experience by streamlining the application process and customer engagement. Activites include updating participant-facing forms to reduce the number of signatures required and developing stronger modeling and calculation guidelines for ATACs to expedite technical reviews.
10. Work with other efficiency organizations to achieve regional economies to reduce product costs and ensure supply.
11. Support the City of Portland's benchmarking requirements through training and tailored program offerings.
12. Continue to coordinate with the Oregon Department of Energy to identify and study projects at schools in Energy Trust service territory. Work on methods to streamline study approvals and explore opportunities to implement prescriptive projects.
13. Coordinate with Northwest Energy Efficiency Alliance and other NEEA funders to leverage regional lighting coordination opportunities such as upstream buy-downs and contractor training.
14. Continue to develop tools to enhance the business case for energy efficiency investments, including updating existing program sales tool and leveraging other efforts such as NEEA's Existing Building Renewal Tool.
15. Continue to work with stakeholders to develop financing options through lending allies, leasing options and new financing mechanisms such as Property Assessed Clean Energy, PACE.
16. Continue to promote Building Operator Certification by providing incentives for customers to enroll in the course.
17. Continue to enhance SEM:
    a. Encourage current participants to enroll in SEM Continuation offering.
    b. Roll out new standardized curriculum and tools to streamline program delivery and enhance customer experience.
    c. Expand delivery to customer subsets categorized by market, size, geography, etc.
18. Continue ductless heat pump pilot with modifications made in 2014 to allow multiple indoor heads to increase the number of enrolled projects.
19. Adjust custom incentive offering to encourage throughput on custom projects with gas savings.

2016 Assumptions

<u>Overarching</u>

1. 2016 budget and goals assume that spending on large energy users (who do not pay supplemental 838 charges) will remain 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 program 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 commercial customers and the program are operating in do not change in significant ways compared to 2014 and 2015.
3. Lighting will continue to play a large part in delivering electric savings, and LEDs will be the focus of most lighting projects.

Delivery

4. Large energy-saving projects will be less common than they have been in the past. The trend of needing to serve more small projects to make savings goals will continue and the average savings per project will continue to decline. This requires expanding the outreach and delivery team to serve an increasing project base, an enhanced focus to work with Trade Allies to sell program offerings, and a need to develop offerings to reach customers that have historically under-participated in the program.

2017 Strategic Focus

1. Serve all eligible commercial customers through a combination of outreach to customers and contractors and program offerings and incentives to influence customers to make significant investments in energy efficiency.

2. Expand on the portfolio of program offerings with a continued focus on SEM, Pay for Performance and other O&M-related offerings.