EnergyTrust of Oregon, Inc.

Board Decision
Modify the Gas Goal in the Energy Trust 2007-2012 Strategic Plan

May 9, 2007

Purpose

Approve a revised gas goal for the Energy Trust 2007-2012 strategic plan.

Background

- In 2003, when Energy Trust began operating efficiency programs for NW Natural, Energy Trust adopted a gas goal of 19 million therms by 2012.
- At its November, 2006 meeting, the board retained the 19 million therm goal in the 2007-2012 strategic plan pending further analysis.
- In 2006, Energy Trust began operating programs for Cascade Natural Gas Corporation (July) and Avista Corporation (September).
- In November, 2006, the Oregon Public Utilities Commission (OPUC) staff agreed to allow the Trust to count the market transformation impacts of its gas programs. Market transformation savings occur when efficient technologies or practices gain better market acceptance because of Energy Trust-funded programs. Historically, while Energy Trust market transformation programs saved both electricity and gas, our analytical tools and programs were geared to measure only the electric savings. With better tools, OPUC staff agrees that it is now appropriate to claim gas savings.
- In March, 2007, the OPUC modified the levelized cost target for gas programs from $0.30 per therm to $0.40 per therm. This modification to the performance metric allows the Energy Trust to increase incentives and program activities as needed to ensure program goals are met.

Discussion

- To determine the effect of these developments on the gas goal, staff considered:
    - Historical program performance
    - New Cascade Natural Gas Corporation and Avista Corporation savings
    - Gas market transformation savings (particularly for furnaces, new homes and clothes washers)
    - Changes in incentive levels and marketing efforts made possible by the higher OPUC levelized cost performance measure
- The analysis shows a range of expected savings from 18 million to 24 million therms – 21 million therms represents the mid-point of the range.

- This analysis is based around current sources of revenue. The Energy Trust will continue to work with the gas utilities to in their Integrated Resource Planning processes to identify additional cost-effective efficiency resources. This may lead to further revision of the gas savings goal.

Recommendation

Approve resolution #436 adopting a revised gas goal of 21 million therms in the 2007-2012 strategic plan.

RESOLUTION #436
ADOPTING A REVISED GAS GOAL FOR THE 2007-2012 STRATEGIC PLAN

WHEREAS:

1. **At its November, 2007 meeting, the Energy Trust board approved a 2007-2012 strategic plan with a gas savings goal of 19 million therms, subject to further analysis.**
2. **Energy Trust staff conducted further analysis to assess the appropriateness of this goal considering: addition of program implementation for Cascade Natural Gas Corporation and Avista Corporation; recognition of savings achieved through market transformation efforts of Energy Trust; and change of the levelized cost performance metric for gas savings.**
3. **Based on this analysis, 21 million therms represents an achievable but robust goal for Energy Trust gas program activity based on current funding.**

It is therefore RESOLVED:

1. **The Energy Trust board adopts a gas goal of 21 million annual therms by 2012, for incorporation into the 2007-2012 strategic plan as shown in Attachment 1. This goal may be revised later to reflect changes in scope or funding of Energy Trust activities.**

Moved by: _____ Seconded by: _____

Vote: In favor: _____ Abstained: _____

Opposed:

ATTACHMENT 1

ENERGY TRUST OF OREGON, INC.
2007-2012 STRATEGIC PLAN

I. Introduction

A. Energy Trust

The Energy Trust of Oregon, Inc., began operating in March 2002, funded by revenues collected from customers of Pacific Power and Portland General Electric pursuant to a 1999 Oregon law (SB1149). Energy Trust invests these funds on behalf of customers to further electric energy conservation and efficiency, renewable energy development and energy market transformation. Energy Trust began operating natural gas efficiency programs for NW Natural in 2003 and for Cascade Natural Gas Corporation and Avista Corporation in 2006.

Proposed Energy Trust Mission Statement, Vision and Goals

Mission statement:

To change how Oregonians produce and use energy by investing in efficient technologies and renewable resources that save dollars and protect the environment.

Vision:

Imagine meeting the future energy needs of Oregonians in a way that lowers energy cost, adds comfort to homes, strengthens our economy and leaves our environment healthier for generations to come. This will happen when we use energy efficiently and create renewable energy. The people at Energy Trust are committed to this future.

Goals:

1. *Save 300 average megawatts of electricity.*
2. *Save 21 million annual therms of natural gas.*
3. *Help Oregonians meet 10 percent of their electric energy needs from renewable resources.*
4. *Expand participation by customers that have been hard to reach historically.*
5. *Help businesses to thrive by promoting energy efficiency and renewable energy.*
6. *Encourage Oregonians to integrate energy efficiency and renewable energy in daily life.*