Energy Trust of Oregon

Proposed Final 2008-9 Action Plan and Budget

Conservation Advisory Council
November 28, 2007

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Energy Trust Growth

- A two-fold increase in the number of projects completed, from 21,000+ in 2004 to over projected 112,000 in 2008
- Nearly a three-fold increase in the number of transactions/checks written, from nearly 12,000 in 2004 to nearly 90,000 projected in 2008
- A five-fold increase in the number of participants, from 140,000+ in 2004 to 1.5+ million projected in 2008

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Broader Interest and Initiatives

- New audiences are coming forward to be "sustainable" and "green"
- Energy Trust must define our focus and role in this more "crowded" operating environment
  - What do we need to learn about new markets and participants?
  - Beyond technical assistance and incentives, what activities can/should we leverage?
  - When should we lead, let others lead, partner or not participate?

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2007 Forecasted Savings/Generation

- Electric efficiency expected to exceed both its conservative (24.6 aMW) and best case goals (32.8 aMW)
- Gas efficiency is forecasted to exceed its conservative case goal, but be shy of its best case goal
- Renewable energy programs anticipated to exceed its conservative accounting based goal

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Efficiency Action Plan/Budget Themes

- Increase efforts to penetrate deeper into existing markets
  - Develop and launch new initiatives for underserved/niche markets
  - Accelerate corresponding marketing and outreach efforts
  - More R&D for new measure offerings
- Further reduce gas carryover
  - Combined gas and electric savings opportunities will drive project priorities
- Implement Community Energy pilot(s)
- Greater integration with renewables using EE delivery channels
- Continued Northwest Energy Efficiency Alliance funding

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Efficiency Action Plan/Budget Themes, continued

- More direct management for program delivery
  - Trade Ally network, ATAC's, PDC's
  - Technical and customer sales training
- Contemplates higher levelized costs (3-3.5¢/kWh)

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2008 Efficiency Program Emphases

- Residential
  - Existing Homes: Continue Home Performance with Energy Star growth, concentrate multifamily efforts on high value measures such as common area lighting and HVAC
  - New Homes and Products: Increase Energy Star new homes market share, promote high performance home construction and specialty CFL uptake
- Commercial
  - Existing Buildings: Concentrate on food services, lodging , office, healthcare,
  - New Buildings: Bolster 2009 pipeline and concentrate on developing small to medium construction design-build market
- Industrial
  - Production Efficiency: Expand project pipeline through greater PDC outreach and expand small to medium customer offerings, including horticulture/nurseries

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What's Changed – Energy Efficiency

- Incorporated utility revenue forecasts
  - Efficiency revenue increased $1.3 million
    - PGE $1.0 million
    - PacifiCorp $ .6 million
    - NW Natural -$.3 million
- Reflected additional base potential in PGE territory
  - $ 7 million more in expenses
- Reduced base activity in PacifiCorp territory to balance activity with resources
  - -$1.5 million less in expenses
- Net change in expenses $5.5 million
  - Savings increased by 2.2 aMW
  - Therm impact negligible

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Changes by Program-Efficiency

Existing Buildings	$2.7 million	Reflect additional resource acquisition potential-primarily incentives and some PMC costs
New Buildings	$1.1 million	Reflect additional resource acquisition potential-primarily incentives and some PMC costs
New Homes & Products	$.8 million	Additional fall lighting potential; PMC Costs-marketing and comp
Existing Homes	$.7 million	Additional delivery costs in PGE; movement in incentives between service territories
Production Efficiency	$.2 million	Increase in incentives and evaluation costs

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Incorporated into all Program Costs

- Allocations from:
  - Information Technology $200K
    - Increased estimate for larger scope for Web forms process
  - Customer Service $12.5K
    - Outsourcing of certification process with provision for internal audit
  - Planning & Evaluation $200K
    - Consumer awareness research
    - Market research
    - Specific program/project analyses

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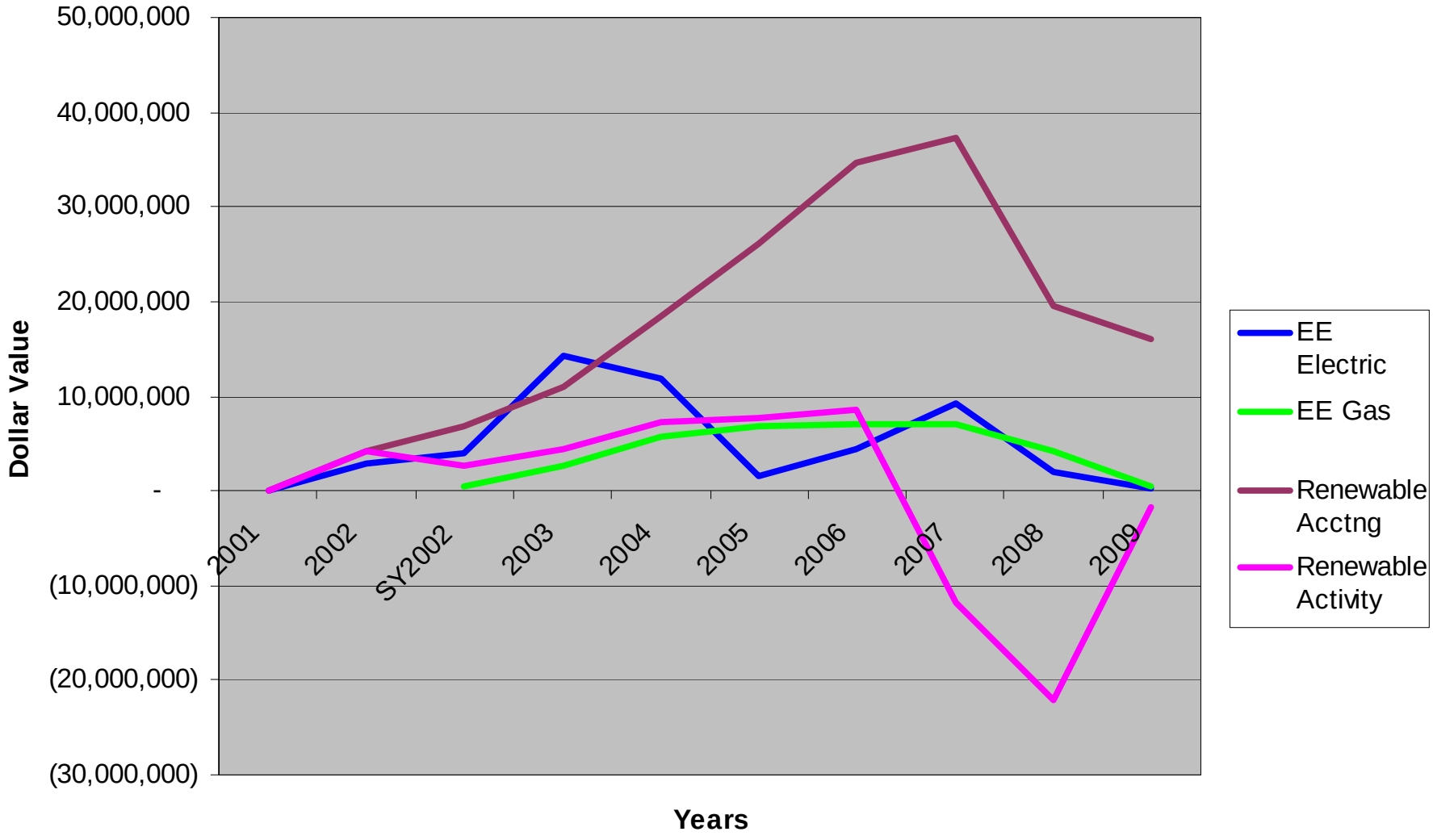
2008 EE Program Budget - Best Case

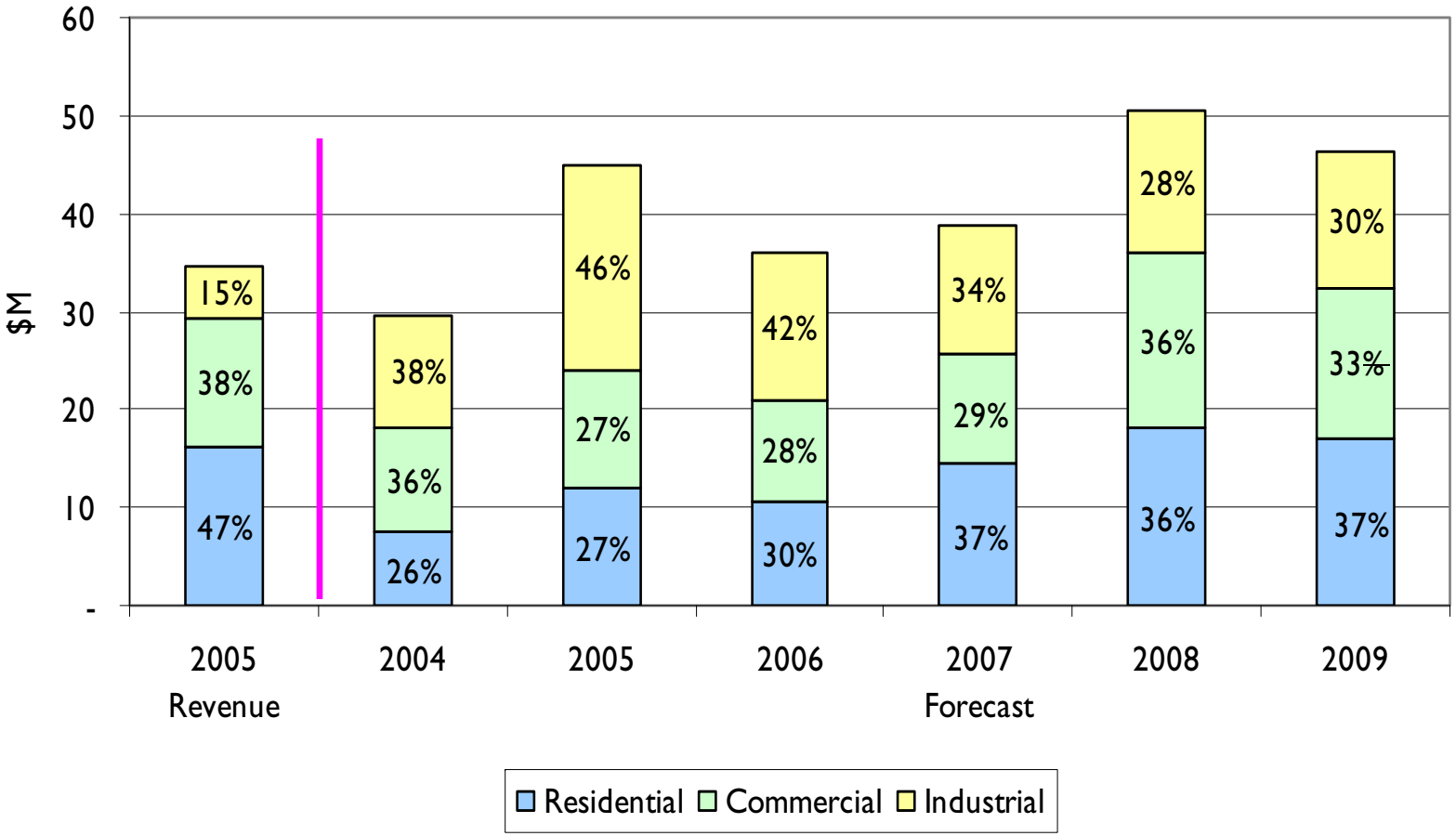
Electric	Budget 2007 aMW	2008 aMW	2008 Electric cost	Measure Life	2008 levelized cost 3.0%	2007 levelized cost (3.0%)
Existing Homes	2.6	2.5	$8,173,185	25.8	$ 0.021	$ 0.020
New Homes and Products	3.3	3.5	$8,716,775	9.5	$ 0.034	$ 0.032
Existing Buildings	3.6	4.4	$8,578,929	13.1	$ 0.021	$ 0.019
New Buildings	2.3	3.2	$7,768,735	17.9	$ 0.021	$ 0.017
Production Efficiency*	13.6	7.8	$13,274,793	12.1	$ 0.019	$ 0.013
*inc megaproject at 6.5 aMW in 2007						
NEEA - combined	7.4	7.4	$3,874,076	8.6	$ 0.008	$ 0.008
Program	32.8	28.8	$50,386,493	12.8	$ 0.019	$ 0.015

Gas	Budget 2007 Therms	2008 Therms	Gas Cost	Measure Life	2008 levelized cost 3.0%	2007 levelized cost (3.0%)
Existing Homes	745,597	810,335	$5,995,429	31.1	0.369	$0.32
New Homes and Products	702,421	426,019	$3,115,754	26.0	0.409	$0.30
Existing Buildings	691,857	549,685	$1,666,185	15.1	0.253	$0.27
New Buildings	279,579	369,600	$1,247,693	17.4	0.252	$0.16
Production Efficiency	-	38,903	$269,786	12.0	0.697	
Program	2,419,454	2,194,542	$12,294,847	23.5	0.336	$0.28

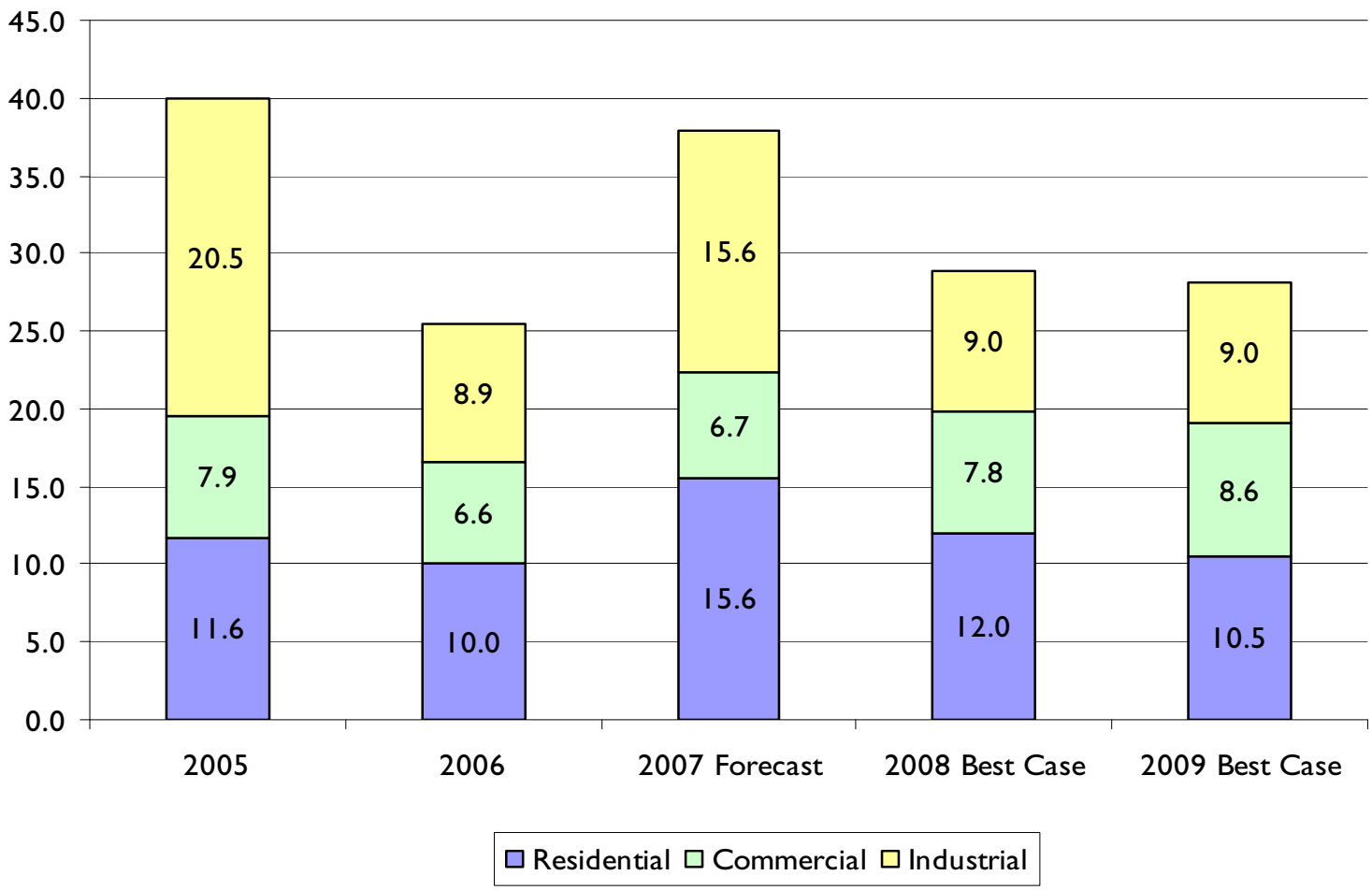
Carryover Balances



Electric Efficiency Spending



Electric Efficiency Savings in aMW



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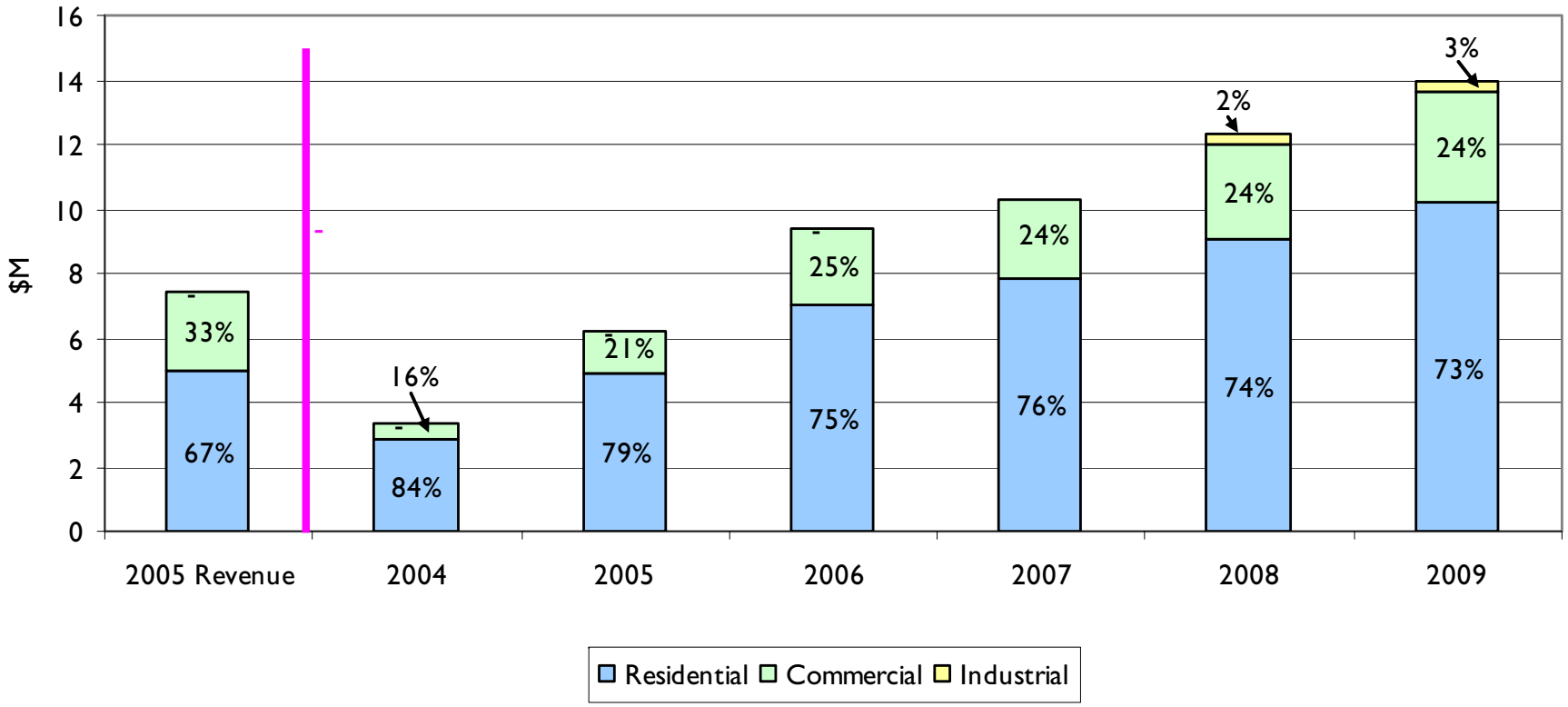
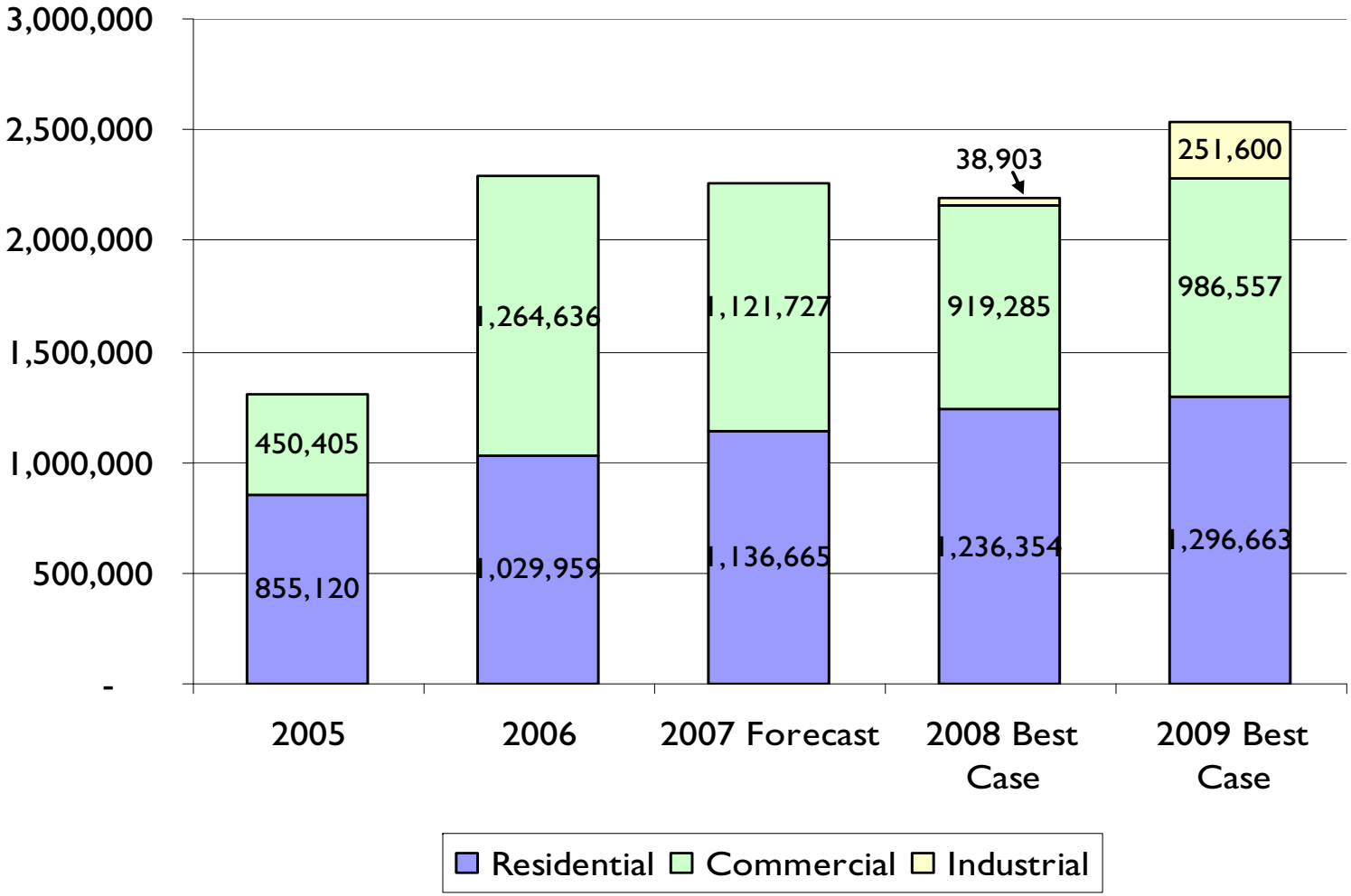
Gas Efficiency Expenditures



Gas Efficiency Savings



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Anticipated SB838 Incremental Funds

Pending outcome of electric utility filings for incremental funding under SB 838/Renewable Energy Act:

- New initiatives being planned with utilities in anticipation of new funding being available
  - Near low-income residential (60-80% of fed median income levels)
  - Increased activity in multifamily lighting (common areas; interior and exterior)
  - Commercial scale laundries and grocery stores
  - Small to medium new construction (design build; integrating renewables)
- Core program initiatives would be scaled up commensurate with available revenues
  - Small commercial subsectors (hospitality; restaurants;)
  - Small industrial and nurseries

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A Summary of 2008 Efficiency Emphasis

- Leverage marketplace interest and momentum by promoting new tax incentives and regulatory changes
- Emphasize innovation by simplifying forms and application processes and offering prescriptive measures
- Invest in new technologies through field testing of new equipment, by participating in national forums
- Conduct market research and enhance activities to promote awareness, education and training
- Seek new partnerships through community based programs and collaboration with key regional and national allies

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Management & General

- Continuing process improvement focus
  - Implement findings from IT Enterprise Architecture Study
    - Re-evaluate Great Plains accounting software
    - Implement new IT staffing plan
    - Evaluate contact management system requirements
    - Evaluate alternative accounting packages,
    - Develop new system implementation plans
    - Develop IT Strategic Plan

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Communications and Outreach Themes

- Cross-program integration
- Customer focus
- Deeper program collaboration in marketing plans and communications
- Greater outreach
- Centralized trade ally administration and support
- Website improvements
- Community Energy Project launch

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OPUC Performance Measures-Program Delivery Efficiency (Program Support & Admin)

Actual 2006	6.5%
Forecasted 2007	6.1%
Budgeted 2008	8.1%
Projected 2009	8.2%
OPUC Benchmark	11.0%
Stretch Goal	9.0%

2008 Staffing

- 3 conversions from current contractors to FTE
  - 2 Information Technology (1 Network Engineer and 1 Data Base Administrator)
  - 1 Deputy General Counsel
- 1 Help Desk Coordinator – as recommended from the IT Enterprise Architecture Study
- 4 new position requests driven by increased volume and 838
  - 1 OSP/Biopower Coordinator for Renewable Energy
  - 1 Residential Outreach Manager
  - 1 Planning Engineer
  - 1 Evaluation and Market Research (SB 838)

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2009 Challenges

Funding uncertainty

- How much and when will be major factors in program designs and delivery.

- Definition will come as SB 838 supplemental funding rate filings make their way through the regulatory process.

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