EnergyTrust of Oregon

Proposed Incentive Structure 2008 Existing Buildings Program

Conservation Advisory Council
November 28th, 2007

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Program Concerns

- Significantly lower 2008 commitments compared to 2005 and 2006 commitments this time of year
  - Savings committed for next year
    - Dec 2003 for 2004: ~ 9,000 MWh
    - Dec 2004 for 2005: ~ 17,500 MWh = 47% of 2005 goal
    - Dec 2005 for 2006: ~ 23,000 MWh = 104% of 2006 goal
    - Dec 2006 for 2007: ~ 6,000 MWh = 26% of 2007 goal
    - Dec 2007 for 2008: ~ 3,000 MWh = 6% of 2008 goal
- Natural gas budget still surpassing demand
  - Ability to obtain natural gas savings very much dependent on electric incentives as well as natural gas incentives

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Changes to EB Program since 2003

- Reduction in custom incentive levels
  - Mechanical: 35% → 25% incremental project cost
  - Projects capped by 12¢/kWh , $1/therm with maximum of $250,000 per site per year
- Implementation of reservation system
  - Project approval based on cost per savings and other criteria when budget is greater than 90% committed
- Elimination of some prescriptive measures
  - Eliminated: standard T-8s, < 6-ton HVAC

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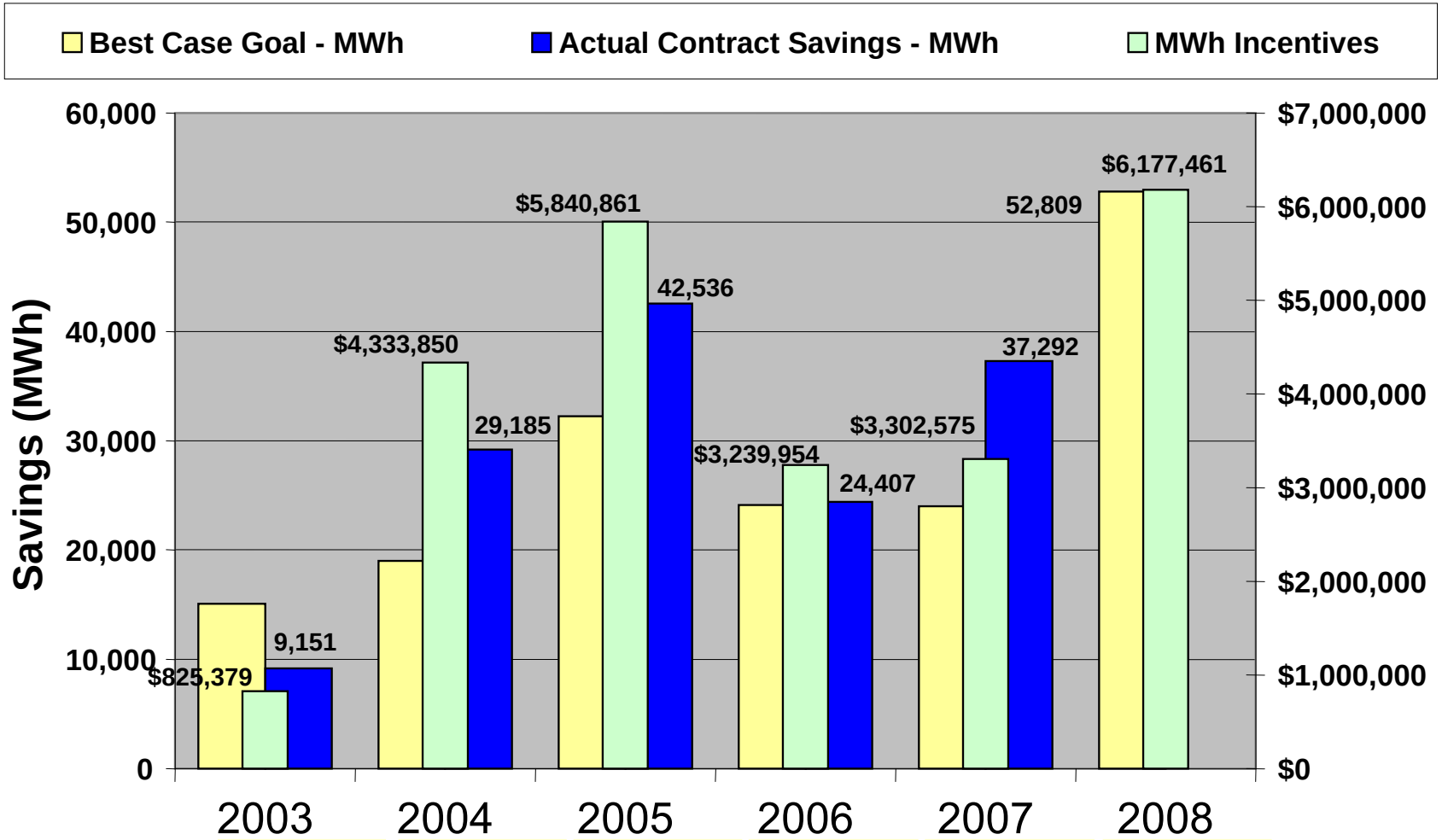
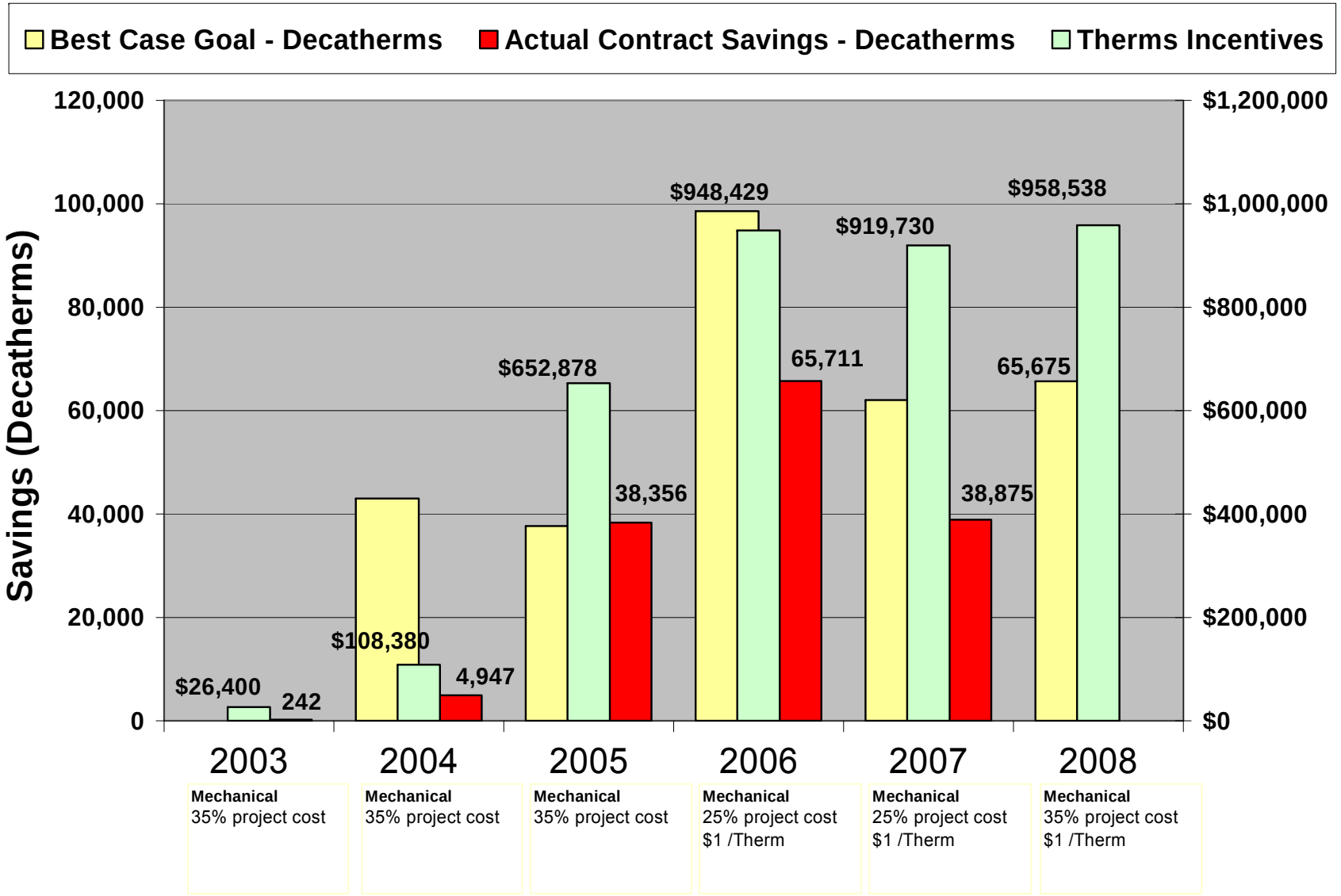
Electric Savings and Incentives



2003	2004	2005	2006	2007	2008
Mechanical	**Mechanical**	**Mechanical**	**Mechanical**	**Mechanical**	**Mechanical**
35% project cost	35% project cost	35% project cost	25% project cost	25% project cost	35% project cost
Lighting	**Lighting**	$0.20 / kWh	$0.12 / kWh	$0.12 / kWh	$0.20 / kWh
25% project cost	25% project cost	**Lighting**	**Lighting**	**Lighting**	**Lighting**
		25% project cost	25% project cost	25% project cost	25% project cost

Natural Gas Savings and Incentives



Prescriptive Incentive Proposed Changes

- Condensing gas boilers $6/MBH → $4/MBH
- Heat pump measures currently used by NBE
- Hospitality/Lodging prescriptive incentives
  - Continue to use menu format for marketing
  - Add measures for PTHP occupancy controls, low-flow showerheads, UV water treatment
- Foodservice
  - Add measures for combination ovens, rack ovens, electric convection ovens, walk-in refrigeration, ENERGY STAR dishwashers, ENERGY STAR griddles
- New Markets
  - Research and develop measures for PC/Server management, dry cleaners/commercial laundries and refrigeration and lighting measures for grocery

No changes to current prescriptive lighting measures

- Marketplace is responding well current incentive levels

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Custom Incentive Current Levels

- Lighting – 25% savings, up to 25% of project costs not to exceed $0.12/kWh
- Non-Lighting – 10% savings, up to 25% of project costs not to exceed $0.12/kWh and $1.00/therm
- Special 2007 Incentives
  - Direct-digital control and variable-air-volume conversions, 10% savings, up to 35% of project costs not to exceed $0.12/kWh and $2/therm
- Special 2007 Incentives
  - Chillers, 10% savings, up to 35% of project costs not to exceed $0.15/kWh and $2/therm
- Per project incentives capped at $250,000

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Custom Incentive Proposed Changes

- **Raise custom incentive caps to stimulate market**
  - Lift project cap from $250,000 to $500,000 per site per year and $1,000,000 per business entity per year
  - Raise custom mechanical incentives to the following levels:
    - 35% incremental project cost (was 25%)
    - 20¢/kWh (was 12¢/kWh), $1.00/therm incentive caps
- **Adjust payback criteria for O&M measures**
  - 12 months for Operations and Maintenance measures
  - 18 months for custom lighting and mechanical measures

Leave custom lighting incentives at 12¢/kWh not to exceed 25% incremental cost

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Business Sector Program Coordination

Evaluate applying applicable measure incentives and levels to:

- New Buildings
- Production Efficiency – Small Industrial

- Reduces trade ally incentive confusion
  - Trade allies operate by technology not program
- Consistent incentive message to participants
- Mitigates program gaming

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