EnergyTrust of Oregon

Major Renovations Project Sorting CAC Meeting

February 20, 2008

EnergyTrust of Oregon, Inc.

Overview

- 2009 RFP process for New Buildings program is coming up
- Historically major renovations have been addressed by New Buildings program
- Is New Buildings program the appropriate program to address major renovations?
- Question arises about how to discern retrofit vs. replacement measures

EnergyTrust of Oregon, Inc.

2

Issues

- Confusion about which project goes where
- Different market channels
  - Trade ally outreach – mostly EB, growing NB and PE
  - Program Delivery Contractors - PE only
  - Architect or engineering teams –mostly NB, some EB
- Baseline differences
  - Major renovations vs. retrofits (code vs. existing equipment)
  - Retrofit vs. replacement (code vs. existing equipment)
    - What criteria should be used to determine project track

EnergyTrust of Oregon, Inc.

3

Considered Rules for Project Track

	Existing Buildings	New Buildings	Production Efficiency
Type of project	Retrofit	New Construction or Major Renovation	Retrofit, New Construction, or Major Renovation
# of Systems being addressed in existing commercial structures (do not need to be applying for incentives)	1 system or 1+ where more than 50% of one system is being replaced and less than 50%of the other systems is being replaced	Major renovation 2+ systems of which 50% or more of 2 systems are being replaced and structural modifications are occurring	1+
Timing of Project	Phased	All One Project/Simultaneous	NA
Change of Occupancy	No	Yes	NA

Retrofit vs. Replacement for existing equipment

- Existing Buildings and Production Efficiency
- Retrofit: Change equipment before the end of its useful life
  - Baseline: Existing equipment
- Replacement: Replace equipment when it is at the end of useful life
  - Baseline: Common practice or code
- "End of useful life": 80% of measure life has expired
- Incentive offering for replacement measures
  - Based on incremental cost of high efficiency option

EnergyTrust of Oregon, Inc.

5

Definition of Major Renovation

- Previous definition: 2+ systems are being replaced
  - Issue is in major retrofit projects such as large lighting projects downsizing HVAC systems are desirable but will move projects to NB and different incentive structure
- Considered definition: 2+ systems of which 50% or more of 2 systems are being replaced and structural modifications are being made to facility
  - Are "replaced systems" only inclusive of those that receive incentive?
  - What other guidelines are needed?

EnergyTrust of Oregon, Inc.

6

Options for 2009

1. Maintain status quo represented in updated rules
2. Rearrange offerings so that:
   - Existing Buildings addresses all existing structures
   - New Buildings only deals with commercial new construction
   - Production Efficiency addresses all measures for industrial facilities
     - New construction shell and process or
     - Coordinate NB for new construction shell measures and PE for process related measures
3. Some other permutation

EnergyTrust of Oregon, Inc.

7

Status Quo

- Pros
  - Already familiar to the market
  - Accommodates some market channels (e.g. projects subject to code and use an A&E team go through New Buildings)
- Cons
  - Confusion about two or more system rule
  - Baseline sorting happens between programs
  - Short-changed on savings
    - Retrofit projects of 2 systems are only claiming code-based savings

EnergyTrust of Oregon, Inc.

8

Rearrange Program Offerings

- Pros
  - Project delineations set by whether building exists and whether the building is an Industrial Facility
  - Baseline sorting occurs within programs
  - Less confusing to market actors
- Cons
  - Change
  - Program market channels do not align with program projects
    - NB A&E infrastructure not developed in PE

EnergyTrust of Oregon, Inc.

9

Discussion

- Pros and Cons
- Other points
- Options to be discussed at next meeting

EnergyTrust of Oregon, Inc.

10