Energy Trust of Oregon

Business Energy Solutions Project Sorting Rules Staff Recommendations CAC Meeting

March 19, 2008

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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?
- Questions arise about how to discern retrofit vs. replacement measures

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Issues

- Confusion about which projects go 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 (existing equipment vs. code)
    - What criteria should be used to determine project track

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Staff Recommendation

Beginning in July:

- Existing Buildings will continue to address retrofits
- New Buildings will continue to address major renovations and new construction
- Production Efficiency program will serve as lead for all existing industrial facilities
  - PE will serve all buildings with production processes
  - EB and NB will serve other buildings on industrial campuses
- New Buildings will work as the lead for NEW industrial construction projects
  - PE will provide incremental process and production equipment support including HVAC and lighting related to process or products, not for human comfort. (No change from current coordinated program approach other than assigning NB as lead)

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Staff Recommendation (cont'd)

- Retrofit, replacement, and major renovation incentive offers will all be aligned (baseline will vary depending on project):
  - Lighting: 30% of total project cost capped at $0.15/kWh
  - Mechanical: 35% of total project cost capped at $0.20/kWh and $1/Therm
  - All projects with a simple payback longer than 12 months will be eligible for incentives
- Should remedy divergent incentive quotes for the same project categorized as retrofit vs. major renovation

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Commercial Sector Project Sorting

- Existing Buildings will continue to address retrofits and replacements
  - Baseline for incentive calculation
    - Retrofit: existing equipment
    - Replacement at end of useful life: common practice or code
    - If equipment is going to be rebuilt then it is considered a replacement
- New Buildings will continue to address major renovations
  - Baseline for incentive calculation: OR Non-residential Energy Code

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Replace the Following Commercial Project Sorting Rules

- Two or more systems rule
- Project chasing
- Change of occupancy

Two Possible Commercial Project Sorting Scenarios

Scenario 1

Rule	Retrofit/Replacement (Existing Buildings)	Major Renovation (New Buildings)
Change of use and >50% of electrical and mechanical system replacement	No	Yes

Scenario 2

Rule	Baseline for incentives: Existing Equipment	Baseline for incentives: Code, ASHRAE guidelines, or common practice
Change of use	No	Yes
Does existing equipment meet occupant's operational requirements	Yes	No

Production Efficiency manages all industrial buildings and campuses

- Production Efficiency program incentives serve all retrofits and major renovations in buildings that contain industrial processes
- Will function to build Energy Trust relationships with industrial facilities through PDC model
- Helps Energy Trust to better apply public purpose funds collected from industrial sector to industrial projects
  - Coincides with Energy Trust obligation to manage 838 funds according to contributing sector

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Production Efficiency manages all industrial buildings and campuses (cont'd)

- Rules for determining baseline to calculate incentives in existing industrial facilities

Rule	**Baseline for incentives: Existing Equipment**	**Baseline for incentives: Code, ASHRAE guidelines, or common practice**
Change of use	No	Yes
Does existing equipment meet occupant's operational requirements	Yes	No
Is existing equipment being rebuilt	No	Yes

PE Program Addresses Major Renovations on Production Floor (cont'd)

- A Production Efficiency program liaison will:
  - Be the first point of contact for all projects with an industrial component
  - Provide Trade Ally support including project reviews and Energy Trust representation on-site as necessary
  - Coordinate with Existing Buildings and New Buildings programs to provide retrofits and major renovations in non-production spaces (e.g. office space)

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Poking Holes

- **Discuss Pros and Cons of Commercial Project Sorting (Slide 8)**

- **PE- (Slide 10)**
  - **Change of use**
  - **Does existing equipment meet occupant's operational requirements**

- **Any others?**

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