EnergyTrust of Oregon

Policy Committee of the Energy Trust Board of Directors

March 10, 2009, 3:00-5:00 pm

Attending: Jason Eisdorfer, John Reynolds, Roger Hamilton (by telephone), Caddy McKeown (by telephone), Amber Cole, Fred Gordon, Margie Harris, Steve Lacey, Jan Schaeffer, Peter West and John Volkman

1. Report on efficiency incentives. Energy Trust has proposed and is discussing with the CAC incentive changes for the 2009 Home Energy Solutions-Existing Homes program. However, trade allies are anxious about lower incentives given the economic turmoil, and avoided costs may be higher. We have explored some increase in incentives above those assumed. We think we will reach a solution at the next CAC.

Staff will also brief the CAC on changes in the information provided to homeowners in Home Energy Reviews. Instead of a checklist of potential measures, we are working on a more customer-friendly report, prioritizing measures that would best work for the home, providing a relatively simple presentation of next steps and information about how to get follow-up support. This may generate comment from installation contractors. The committee thought the board would support a more active stance vis-à-vis homeowners, with the understanding that certain measures may be higher priority but not rank-ordering them and not implying that other measures are unimportant.

2. Portland on-bill financing pilot. We are negotiating with the City of Portland, Multnomah County, ODOE, the utilities and others for a pilot project aimed at eliminating up-front cost barriers to energy efficiency and renewable energy, using long-term, on-bill financing, and "energy advocates" who essentially act as the homeowner's general contractor in implementing energy improvements. The pilot would also require deeper home audits. The pilot, which would target 500 homes, overlaps with the House Bill 2626, discussed below. Loans would be made from a fund using state, federal stimulus and other sources. The pilot will entail additional cost but will answer some key questions. Audits will cost about $300 per home (compared to $100 for Home Energy Reviews). The audit will produce a list of measures, estimated pay-back, and ultimately a loan package. If accepted, the energy advocate would deploy implementation contractors. The loan would be repaid via the utility bill, and a lien or an assessment on the utility meter would secure repayment. The loan obligation would attach to the meter even if the house is sold later. For the pilot, Energy Trust would recover the cost of the audit only if the homeowner proceeds with the project. We will pre-screen potential participants to work with the most promising homes first. Energy Trust would also pay the energy advocate's cost ($300-500 per house). The homeowner could choose this approach or the current Home Energy Review route. The target date for launch is May, but could be somewhat later. Utilities would need to have a billing system in place in July.

3. Legislative briefing. Staff is monitoring bills with direct implications for Energy Trust. One bill would transfer the energy efficiency portion of the public purpose charge to schools, cities and counties. Another would reinstate the 2012 sunset date for the public purpose charge. A third bill would require Energy Trust board members to make more extensive disclosures of interest than is now required. HB 2626 would designate Energy

Trust as a primary implementer of a program using methods like those involved in the Portland pilot above, throughout IOU service territory, and establish a similar system for consumer-owned utility territories. A group of interested parties is working on a provision that would call for this model to be tested over the next couple of years, and allow the OPUC to direct full or partial implementation.

4. Open Solicitation Policy: This policy is scheduled for routine 3-year review. Staff expects to propose changes to this policy in April that would not require certain technologies like small wind and hydro to obtain board approval, and instead would be treated like other renewable programs. The open solicitation process would still be available for out-of-the-box projects. The committee supports administrative efficiency and does not want to lose the window for innovative projects.

5. Stimulus package: Stimulus funds could afford opportunities to form new partnerships and test new ideas (e.g., the Portland on-bill financing pilot). However, they also could produce floods of projects that expect to use Energy Trust incentives to match stimulus funds, which could quickly exhaust Energy Trust's budget. To account for both possibilities, we are initiating discussions with state and local government entities (recipients of stimulus funds) to discuss:

- The agency's needs, resources and ideas – do they need technical help? money?
- Make clear that Energy Trust doesn't have enough money to match everything (we are in the process of identifying how much each program budget can use to match stimulus projects without foreclosing program service for the rest of the year);
- How we might use Energy Trust incentives and the entity's stimulus money together to get the biggest bang;

We have begun discussions with the Department of Administrative Services, which has jurisdiction over a comparable state stimulus fund to "green" state buildings. To help what could be a large number of local government projects, we are thinking about whether we can provide expertise to help prioritize projects.

6. Information transfer policy: Lori Koho has left the OPUC and we expect delay in moving this policy proposal.