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MEMO

Date: August 31, 2009
To: Board of Directors
From: Spencer Moersfelder, Business Sector Manager
Philipp Degens, Evaluation Manager
Subject: Staff Response for the 2006-2007 New Buildings Program Process and Impact Evaluation

The evaluation has shown that the New Buildings (NB) program continues to deliver predicted energy savings. Gas and electric realization rates are above 100% in 2006. In 2007 the realization rate for gas savings exceeded 100% while realization rates for electric savings was 92.3%. The study indicated that the reduction in the electric realization rate might be due to lighting measures, which have become a larger component of program activity over time, and whose realization rates have shown a downward trend. Energy Trust is currently engaged in market research on the commercial and industrial lighting market which may shed light on whether these low realization rates are just a fluctuation or a permanent trend.

Many changes are anticipated in the commercial new construction and C&I lighting markets in the near future:

- Oregon commercial new construction code will be revised in 2010
- National energy standards will require fluorescent T8 HOs to be the minimum standard in 2012
- National energy code changes will begin the phasing out of incandescent lamps in 2012

Energy Trust plans on monitoring how these upcoming changes impact program offerings and requirements, allowing program managers to make appropriate, timely changes to the program. For example, there are presently many projects enrolled in the LEED Track. The program has been accepting the USGBC-approved energy savings established in pursuit of the LEED at face value and the realization rate for these savings in the Energy Trust program is yet to be determined.

Estimated free rider rates, though high, have remained stable over the four years 2004-2007, a period where the size of the construction market has fluctuated widely. In addition, the number of projects participating in the program has risen dramatically and the estimated program share of the total market has been high.

The evaluation noted that the program appeared to have some significant market transformation effects. Energy Trust recognizes that there is spillover from program activities but we have not expended resources to establish the spillover rates. The big savings from spillover will manifest in the code change that is pending in 2010...

Anticipated code changes are expected to require average efficiency increases of 15-20% over the current commercial code. The increase in the commercial code is unprecedented and it is going to be a situation where policy is driving code as opposed to code being the codification of common market practice. It will be interesting to see in future evaluations how this new dynamic will influence baseline and program realization rates for projects that are affected by the new code standard beginning around April of 2010.

The 2009 Commercial Building Stock Assessment will have updated gas and electricity consumption for 2007. With this data available, it will be possible to compare the performance of program buildings with current practice.

Program participants indicated a high overall satisfaction level with the program. Given the change in the program PMC in 2009, this will be one area to monitor in the future. The lower level of satisfaction associated with paperwork is expected, and has been identified as a recurring theme in all evaluations. Energy Trust is very aware that paperwork simplification is desired by all program participants, and has been working on improving this process. New Buildings program has taken significant steps to streamline the program to enhance the customer experience. Recent enhancements including:

1) Establishing market and account assignments to build relationships in the form of one contact that will result in more savings per project.
2) Specializing positions in the program team including having operations team members focus on project reviews while outreach team members are focused on outreach and customer relations. The purpose is to focus program staff members' talents and preferences in areas where they excel and this extends into more focused outreach which will enhance the customer experience.
3) Redesigning program forms in an effort to make them more consistent and easier to use.
4) Eliminating duplicative cut-sheet submittals.
5) Developing standardized technical guidelines, template reports and savings spreadsheet for the technical community that the program addresses.
6) Reinforcing cross-program coordination with Existing Buildings program to leverage contacts across programs to improve program handoffs and streamline communications on overarching Energy Trust messaging.

Furthermore, on an organizational level, Energy Trust has been migrating all of its forms to an electronic format and allows for scanned signatures. For high volume programs in the residential sector Energy Trust has created on-line forms. Eventually Energy Trust expects that this technology will also be available to the commercial market.