research/into/action inc

Final Report

Process Evaluation of SB 838 Supplemental Funding Activities

Funded By:

EnergyTrust of Oregon

Prepared By:

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EXECUTIVE SUMMARY

In 2007, a provision of SB 838 enabled a substantial increase to the public purpose funding collected by utilities serving Oregon electric customers. With their SB 838 funds, Pacific Power created a staff position to be the company's liaison with Energy Trust, and to develop and deliver marketing and outreach activities to support Energy Trust's programs throughout Pacific Power's service territory in Oregon. PGE has used its SB 838 funds for portions of five staff positions. These staff positions include two individuals to serve as Energy Trust liaisons and direct outreach staff for commercial and industrial customers, and three staff who primarily engage in, or are supportive of mass marketing and public relations activities. Energy Trust, with its SB 838 funding, has increased the budgets for its programs directed at hard-to-reach residential, commercial, and industrial customers.

Overall, the electric utilities and Energy Trust view SB 838 funding as beneficial and positive, and see value in the mutual collaboration fostered by SB 838 funding. In addition to the benefit of greater funding to increase Energy Trust program savings, specific opportunities offered by SB 838 include the possibility:

- To leverage the utilities' relationships with their customers;
- To leverage Energy Trust's relationships with electric utility customers;
- To leverage Energy Trust's experience and expertise with energy efficiency program development and delivery; and
- For Energy Trust to be more deeply engaged in the utilities' integrated resource planning processes.

In pursuit of this collaborative endeavor, communication has been good, but improvements can be made. Energy Trust communications with one utility, PGE, have an added level of complexity because of the presence of multiple individuals as SB 838 contacts for that utility.

There are barriers to the assessment of the energy conservation results of SB 838-funded activities. One barrier is the absence of necessary baseline data for commercial and industrial customers. Such data might include these customers' awareness of Energy Trust and of opportunities to improve their energy efficiency, as well as the process by which they arrive at a decision to undertake an energy efficiency project. Determination of appropriate data for a baseline can be facilitated by articulation of the theory and logic underlying expenditures of SB 838 funds.

Other barriers to the assessment of the results of SB 838 funding include the unknown effects of the economic decline that occurred between 2007 and late 2008, and the typical lag between the time of program expansion in 2008 and the time program results will appear, as customers move their projects from inception through implementation to completion.

In addition to difficulties in measuring the performance of SB 838 activities, other challenges for the activities underwritten by the new funding included common program start-up circumstances. One of these circumstances was the availability of SB 838 funding for only a portion of the first year of activity (2008), diminishing both the amount of activity and the time in which results could occur. Other challenges have been the normal learning curves associated with reaching new markets, developing and delivering new programs, and working collaboratively in the new way called for by the funding.

- ➡ **Recommendation: Articulate an explicit description of the theory and logic underlying SB 838 expenditures** to identify the most useful data to measure the effectiveness of SB 838-funded marketing and outreach activities.
- ➡ **Recommendation:** To **obtain a baseline for the data identified by the SB 838 theory and logic**, future evaluations of Energy Trust's Multifamily Residential, Existing Buildings, and Production Efficiency programs should incorporate questions about sources and time of program awareness, questions to shed light on decision-making and free-ridership issues, and other issues as indicated by the theory and logic.
- ➡ **Recommendation: Staff of all three organizations should strive for early and frequent collaboration with staff from other organizations in the creation and development of all SB 838-funded marketing and outreach.** This may be neither simple nor easy. It may require additional staff time and, as plans unfold, differences in corporate preferences or even objectives may become apparent that will require more additional time and effort to resolve.
- ➡ **Recommendation: The two utilities and Energy Trust should each designate one staff person to serve as liaison to the other organizations for all of their SB 838 activities**.