Briefing Paper

Savings Goals in Energy Trust, IRP and Utility Contract Processes

May 4, 2011

Summary

Staff has developed a method for characterizing energy savings goals consistently for purposes of the board, utility integrated resource plans, and utility contract reporting.

Background

Energy Trust staff presented this concept at the Utility Roundtable on February 9th:

- Divergent savings ranges were used for the supplemental funding agreements and board approved budget savings
- In 2011, utilities and Energy Trust agreed to use a consistent range in utility-Energy Trust funding contracts
- In integrated resource planning, different utilities viewed IRP targets differently:
    - PGE viewed the IRP savings as a stretch target averaging over time and expressed in net savings terms
    - Pacific Power viewed the IRP savings in gross numbers with high confidence that the savings will be achieved annually.
- Energy Trust staff proposed a consistent procedure for formulating and reporting savings in these processes:
    - Energy Trust annual conservative goal (85% of the stretch goal) will also be the IRP target.
    - Utilities will fund Energy Trust at a level to achieve the Energy Trust stretch goal, Energy Trust will endeavor to achieve that goal, but the contract commitment is to meet the IRP/conservative savings goal.

Discussion

- Energy Trust staff believes the conservative-case goal is a better planning figure for utility planning than a stretch figure that may or may not be achieved on an annual basis.
- On March 9th this topic was presented to the Conservation Advisory Council for input and guidance. The council members were unanimous in agreement that this approach was a good solution.

  Note: CAC notes on this subject are in the March 30th board packet for reference.

Next Steps

1. We reached consensus among funding utilities on this approach at the February Utility Roundtable.

2. We received endorsement of the recommended process at the March Conservation Advisory Council.

3. If the board does not object, staff will propose the approach to OPUC.