Briefing Paper
CSG Contract Extension

May 4, 2011

Summary

Staff proposes to extend the Home Energy Solutions contract with Conservation Services Group (CSG) for one year, through December 31, 2012. This would be the final extension and the contract would be rebid for the next year. The executive director may extend the contract for one year if extension criteria are met and the board does not object.

Background

- The Existing Homes program provides technical assistance and financial incentives for single-family homes, 2-4 unit multiplex buildings and mobile homes and includes customer engagement, administration and call center management, home energy reviews, development of a skilled trade ally contractor network and leveraging Home Performance with Energy Star.
- In October 2007, the board authorized a contract for program management and delivery services through Conservation Services Groups (CSG) with a first-year budget of $4.7 million.
- The 2012 budget is proposed as $7.3 million with a stretch savings goal of 34,422,350 kWh and 1,128,449 therms.
- The October 2007, board resolution also directed staff to report to the board on CSG's progress toward meeting contract extension criteria prior to recommending whether to extend the contract for up to two years. The contract extension criteria include:
    1. Cross-program referrals
    2. Project pipeline
    3. Innovation
    4. Teamwork
    5. Satisfactory execution of statement of work deliverables

Discussion

- Staff has assessed CSG's performance in relation to the extension criteria and determined that CSG has satisfactorily performed in all categories, through:
    1. **Cross-program referrals**: CSG has done a good job referring homes for Energy Trust solar and products program participation through marketing collateral, customer triage and call center efforts. In 2010, 7,177 (about 11%) existing homes customers also participated in the products program; in 2011, 15,000 existing homes customers are expected to participate in the products program.
    2. **Project pipeline**: CSG has increased program participation in cash incentives delivered to the market by 255% from 2007 to 2010. CSG has also established and maintained a growing network of over 550 qualified trade allies who originate projects. CSG has developed 85 Home

Performance with Energy Star trade allies who conduct comprehensive home performance assessments in support of transitioning a portion of program delivered Home Energy Review audits to those delivered by qualified contractors.

3. **Innovation**: CSG has introduced new technologies and methodologies, such as a phone-based, customer engagement triage process; integration of demographic and GIS data for outreach/marketing strategies, creation of assessment-based whole house energy use analysis, and support for on-bill financing of efficiency improvements. In addition, the technical expertise of CSG has been extensive in shaping the Clean Energy Works Portland pilot project which achieved completed 500 comprehensive retrofits in March 2011. The scaled-up Clean Energy Works Oregon program launched in March 2011, leveraging Energy Trust's Existing Homes program and engaging in an independent contract with CSG for quantifiable program delivery services. In 2011, CSG is introducing a new, comprehensive contractor audit and software tool.
4. **Teamwork**: CSG has been flexible in meeting Energy Trust's priorities to provide new initiatives, incorporate planning and evaluation results, submit invoices on time, provide monthly reports and improve the accuracy of forecasting.
5. **Deliverables:** CSG has consistently met high-confidence contract savings goals and often exceeded stretch savings goals. The following table summarizes achievements between 2007-2010:

CSG	**Electric** (contract kWh)			**Gas** (contract therms)		
Year	Stretch Goal	Electric Actual	% of stretch	Stretch Goal	Gas actual	% of stretch
2007	17,401,529	19,967,000	115%	701,412	537,600	77%
2008	22,955,757	26,000,812	113%	977,656	992,478	102%
2009	23,029,198	27,740,100	120%	1,000,097	1,197,774	120%
2010	22,433,367	35,668,000	159%	1,176,765	1,147,858	98%
2011	42,764,769			1,307,045		

- Staff recommends that the contract with CSG for delivery of the Home Energy Solutions program be extended for a final year to the end of December 2012.
- A final, one-year extension continues the current, successful program format and allows Energy Trust to monitor CSG's success in supporting the Clean Energy Works Oregon scale up, along with its ability to address other market influences during the next year.

Next Steps

Staff recommends that the contract with Conservation Services Group for delivery of the Home Energy Solutions program be extended to December 31, 2012. If the board does not object, the executive director is authorized to sign a one-year contract extension.

Staff plans to issue a RFP for Existing Homes Program Management Services in May 2012.