Board Decision – Consent Agenda
Amending Equity Policy

October 5, 2011

Summary

Adopt changes to the board policy on equity.

Background

- Since 2002, Energy Trust has had an equity policy, intended to make programs available to all customer classes, to pay special attention to customers that have not had access to programs historically.
- The 2009-2014 strategic plan (pp. 18-19), covers much of the same ground, and in certain respects adds to it:

  Bring a broad perspective to two-year action plans and annual budgets by considering their overall balance and equity. In addition to individual programs and initiatives, Energy Trust will view its investment of ratepayer funds from a portfolio perspective by considering how well budgets and action plans address the following:

  - Long-term and short-term perspectives: Do they include an appropriate mix of initiatives and measures with near-term (1-3 years) and longer-term benefits? Investment in new technologies and innovative pilot initiatives like the Path to Net Zero pilot and the Positive Energy/OPOWER behavioral pilot will take years to generate large quantities of energy savings, and while some will pay off, some will not. Yet these investments provide the "next generation" of energy efficiency, energy conservation and renewable energy development. It is vital that Energy Trust's portfolio puts due weight on these forward-looking investments.
  - Sector and geographic diversity: Will all customer sectors that contribute funding to Energy Trust have equitable opportunities to participate in programs? Is there sufficient emphasis on geographic diversity and customers whose participation previously was more limited? Energy Trust already explores ways to cost-effectively reach more rural consumers, moderate-income households and small businesses. Continuing to invest in these efforts is an important way to demonstrate the value of energy efficiency and renewable energy state-wide, and that ratepayer funds are managed equitably.
  - Reach upstream: Is there appropriate emphasis on reaching upstream to manufacturers and supply chains? For example, Energy Trust works with the Northwest Energy Efficiency Alliance to coordinate nationally to promote efficient electronic devices, such as televisions and computers. Similar efforts may be appropriate for efficient new manufactured homes, refurbishing vending machines, and influencing design choices and equipment selections of national chain stores. Keeping a place for these upstream initiatives in Energy Trust's portfolio will complement programs with more immediate focus.

Analysis

- The Policy Committee sees no problem in having an equity policy, which is quite general, and a more specific elaboration of its principles in the strategic plan.

- The one exception is the final paragraph of the equity policy (see attached), given that the strategic plan specifies how the subject will be handled over the 2009-2014 period.

Recommendation

Staff recommends that the board delete the final paragraph of the equity policy, by adopting resolution #595.

RESOLUTION 595

AMENDING THE ENERGY TRUST EQUITY POLICY

WHEREAS:

1. **Since 2002, Energy Trust has had an equity policy, intended to make programs available to all customer classes, to pay special attention to customers that have not had access to programs historically. The current policy is functioning appropriately.**
2. **The 2009-2014 Energy Trust strategic plan (pp. 18-19), covers much of the same ground, and is in certain respects more specific.**
3. **The only aspect of the policy that requires correction is that the 2009-2014 strategic plan will govern how the equity policy will be implemented over that time period.**

It is therefore RESOLVED, that the board of directors of Energy Trust of Oregon, Inc. authorizes amendment of the board policy on equity as shown in the attachment.

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

4.08.000-P Equity Policy

Introduction

Recognizing the Energy Trust's long-term goals to save electricity and natural gas, and that other public purpose funds have been earmarked for schools and low income housing needs, the Energy Trust of Oregon, Inc., Board of Directors hereby adopts as policy using the following principles in designing energy efficiency programs and allocating funding among various electricity and gas customer classes:

Policy

- Make programs available to all electricity and gas customer classes by implementing programs in the residential, commercial, and industrial sectors.
- Design and implement programs for private utility electricity and gas customers that have not had access to prior conservation programs and/or where penetration rates have been historically low, such as rural or agricultural customers.
- Monitor penetration rates for all programs and adjust them as needed to ensure that all private utility electricity and gas customer classes are being served. The Energy Trust will pay particular attention to programs for underserved electricity and gas customers to ensure that they achieve penetration rates that are comparable to other successful programs operating to serve these markets.
- Improve program effectiveness to increase conservation savings and reduce costs, thereby making it possible to serve more households and businesses.
- Improve and disseminate information about the cost and availability of conservation in each private utility electricity and gas customer class.

~~The Energy Trust will strive for this kind of equitable distribution of programs over the next five years. Annual results may vary; however, the Energy Trust is committed to achieving these results over the course of the five-year program planning period~~.