2013 Program Plan

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OVERVIEW

Existing Multifamily will continue to build sustained savings and continued growth by focusing on the program's key strategies developed over the past two years: **build** strong market based relationships with the key property management firms/owners; **innovate** program delivery by engaging the marketplace with newly designed initiatives; and **develop** cost- effective measures that create long-term market-based value. An overview of the program's continued growth and market visibility strategy includes:

New or Continuing Initiatives

1. HE Clothes Washer Buy Down
2. HE Refrigerator Buy Down
3. Multifamily Efficiency Month (in collaboration with MMHA, PGE, Portland Water Consortium)
4. MPower Oregon Pilot
5. Memory Care Lighting Pilot
6. Tenant Education Collateral, Contest and Promotion
7. Ductless Heat Pump Pilot
8. Multifamily Benchmarking Tool (WëgoWise)
9. Direct Install Coordination on Cold Water Detergent (Residential Sector Pilot)

Process Improvement

1. Walkthrough Assessment Calculator (derivation of one page proposal)
2. Implementation Manual Redesign and Training
3. Custom Project Process Redesign (to develop streamlined process and new benchmark threshold for MF energy usage)
4. Common Area Lighting Process Redesign

Measure Development

1. HE Bath Fans
2. Steam Trap Replacement Offering
3. Boiler Pipe Insulation
4. Demand Control System
5. DHW Pipe Insulation (pending)
6. Roof Top Tune Up (MF specific measure that will build on lessons learned in Existing Buildings)

Goals

The overall savings summary for the 2013 budget is shown below.

Savings Goals	2013 Conservative	2013 Stretch
PAC	3,400,000	4,000,000
PGE	11,900,000	14,000,000
CNG	9,741	11,460
NWN	97,436	114,630
Electric Total	15,300,000	18,000,000
Gas Total	107,177	126,090

The 2013 savings goals reflect the continued growth that Existing Multifamily has seen since it was moved from the residential to the commercial sector in 2010. Compared to 2012 stretch goals they represent 20 percent growth in PGE, 59 percent growth in Pacific Power and 29 percent growth in NW Natural service territories. This is also the first year that Cascade Natural Gas will have savings goals attributed to Existing Multifamily.

The Existing Multifamily budget is developed by using a matrix of both Track and Building Use Type dimensions in order to give the adequate flexibility and focus to dissect and build up the program budget and performance as goals, performance, scope and complexity continue to increase.

Track

There are four primary tracks that are found in all five Building Use Types in the budget.

1. Common Area Lighting
2. Direct Install
3. Prescriptive (Including Appliance Buy-Down Promotions)
4. Custom

The historical performance, proportion of savings and incentive run rate for these incentive tracks are used extensively to drive the total budget number. The expected average percentage of savings expected from each respective Track dimension by fuel type is shown below.

Track	Common Area Lighting	Custom	Direct Install	Prescriptive
Electric	17%	8%	66%	10%
Gas	0%	23%	71%	7%

Market Segments

The multifamily housing market is composed of 6 types of ownership/use segments and the program is designed to reach each through a variety of program offerings.

1. Market Rate
2. Affordable
3. Retirement
4. Campus Living
5. Small Multifamily Market Rate
6. Small Multifamily Affordable

The market rate, retirement and campus living segments are expected to be the sources of more than 80 percent of program savings for gas and electric in 2013. Affordable housing will provide another 20 percent of program savings.

Delivery

Despite the change in the Existing Buildings implementation contract the 2013 plan is focused only on staff that is critical in optimizing Existing Multifamily to support continued growth and innovation in this market. This outlook has produced the delivery budget, which is right-sized to focus on many important areas that will take Existing Multifamily to the next level in positive customer service, increased savings, continued innovation, and heightened visibility throughout the Market Rate, Affordable, Retirement, Small Multifamily, and Campus Living market sectors.

Resources

Existing Multifamily has proposed enhancing the 2013 staffing plan to reflect the addition of Assisted Living (2012), Campus Living (2013), and Small Multifamily (2013) to the program, and to support continued market engagement with pilots and special initiatives. Multifamily 2013 will see a growing demand on program resources due to a projected business development and application processing increase from acquiring Small Multifamily, while also seeing a greater demand for program innovation and measure development. To address the program's growing resource needs, the PMC staffing was re-aligned and bolstered for business development to support savings attainment and program development and to expand into new markets and/or offerings. Included in the expansion of offerings are:

- MPower Oregon
- Memory Care Comprehensive Lighting
- And the development of an Affordable Housing Incentive Track

Base Program

Throughout 2013, the PMC will implement a continuous growth strategy designed to innovate new approaches to engage the market which continuously delivering increased savings.

Objectives:

- Increase program reach in all four zones
- Increase savings per project
- Enhance customer satisfaction to 90 percent or better
- Implement innovative pilots that achieve energy savings
- Continued gas measure development and modifications
- Improve program processes
- Redesign Custom Track process to cut study costs and duration of projects
- Respond to key market indicators
- Increase non-direct install projects by 15 percent
- Increase common area lighting projects by 50 percent
- Increase common area lighting project savings by 100 percent
- Increase Multifamily Benchmarking Tool enrollees to 150
- Integrate the Enhanced Sales Approach for Multifamily

Strategies:

- Provide offerings and services to appeal to a broad mix of multifamily owner/managers
- Collaborate with New Buildings, Homes and Existing Buildings to maximize program effectiveness in the marketplace
- Develop innovative marketing strategies by leveraging CoStar
- Build and develop MPower Oregon project pipeline and pursue opportunities identified in the process that will not go through MPower Leverage MPower custom process design for inclusion in normal Custom Track redesign
- Launch seasonal and/or special limited-time-only bonuses for specific technologies
- Develop enhanced web landing page as a technical resource to multifamily property owners
- Develop building maintenance staff education curriculum

Tactics

- Continue to engage Affordable Housing Agencies and USDA Housing
- Develop new customer hero stories
- Develop new technology fact sheets (demand controls , bath fans, steam traps)
- Develop lighting collateral and market messaging around T12 to T8
- Targeted mailings to large untouched properties using the Co-Star database
- Create video library of efficiency minute vignettes

Key Assumptions

- Gas Avoided Costs
  - Drop by 45 percent in 2013
    - 41 percent of prescriptive and 89 percent of custom savings originally planned in Round 1 being included.
    - Measures that score a 0.7 or higher on the societal test will be given near-term reprieve and any possible measure elimination will be phased in during 2013 budget year.
  - Any measures that don't pass the utility test will have incentives adjusted or will be eliminated.