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OVERVIEW

Energy Trust will begin 2013 with a new PMC for Existing Buildings program, ICF Resources LLC. Initially, the program design for 2013 will build upon the current program structure that focuses on past successes in continued pursuit of Energy Trust's strategic long term plan. The fundamental tracks (custom, prescriptive, lighting and O&M) that have brought success to the program will remain in place. Modifications may be applied to the tracks to keep them effective in the current market. Over the course of the year, we will:

1. Increase the joint delivery of lighting and non-lighting measures with the Trade Allies
2. Change offerings to adapt to the new federal lighting standards
3. Explore tiered incentives as a means to encourage customers to install more energy saving measures in a shorter time period
4. Refine the sales model for business development, outreach and technical studies to better present the value of energy efficiency projects to multiple decision maker.
5. Enhance call center service to more efficiently engage and influence existing commercial customers
6. Leverage other program success throughout the nation to bring energy savings ideas from other markets to bear in Oregon

Existing Buildings will continue to emphasize comprehensive savings in the existing commercial market while expanding the reach to new small and medium-size and geographically dispersed customers. The program plan in 2013 includes initiative development to encourage uptake on lighting and non-lighting measures together, program improvements such as streamlined project applications and more direct access to program technical experts. The savings reflect the new

factors used to adjust for net savings due to new estimates for free ridership and other savings realization factors. The new adjustment factors decrease recorded savings by an average of 3.8 percent per electric measure and an average of 1.3 percent for each gas measure.

Avoided costs for gas are expected to fall by 45 percent reducing the number of gas custom and O&M measures that will be cost-effective. NW Natural is expected to reduce commercial rates by 2 percent and Cascade Natural Gas is expected to reduce commercial rates by 20.5 percent. This will have an adverse effect on customer enthusiasm to invest in gas efficiency measures.

In 2011 and 2012 the program introduced a series of bonus incentives to offset the impact of dramatic changes to the Oregon Department of Energy (ODOE) Business Energy Tax Credit (BETC) program. These were phased out in mid-2012 and Existing Buildings will continue to transition from relying on ongoing bonus offerings in 2013.

GOALS

2013 Savings Goals	
Utility	Stretch Savings Goals
PGE	83,131,920
PAC	38,551,583
NWN	1,183,828
CNG	156,956
NWN DSM	105,835

Strategic Themes:

1. Enhance program participation and customer service through three major project intake channels: direct program outreach, lighting trade allies and non-lighting trade allies by fostering a more technically driven outreach model that will sell more inclusive projects on based on the merits of consolidated measure packages.
2. Streamline customer service and achieve high rate of customer satisfaction by simplifying the participation process, decreasing the processing time for projects and increasing communication with customers
3. Provide cost-effective program offerings that appeal to a wide range of customers with a focus on operational enhancements that provide low-cost and no-cost savings
4. Continue to bolster relationships with market actors such as key customers, trade groups, utilities, trade allies and allied technical assistance contractors with a goal of reaching more customers and increasing savings per project.
5. Expand depth and breadth of the program's impact by providing technical support to help customers to shape their long-term energy and cost saving goals and actively support their annual budgeting process to fund energy efficiency projects
6. Continue to work with ODOE to provide services for schools in parallel to the Cool Schools program

BASE PROGRAM

The 2013 program design is built on the historical foundation of program activity. Additional program emphases include operation- based savings, implementing solutions to prepare for the revised federal lighting standards, expanding the

focus on Trade Allies to sell lighting and non-lighting efficiency projects and expanding the strategic energy management offering to commercial businesses.

Objectives:

- Adapt incentive structure to move away from trend of consistently offering incentive bonuses
- Increase overall savings per project
- Implement pilots including the Building Performance Tracking and Control Systems (BPTaC) pilot, the Comprehensive Lighting Pilot, Strategic Energy Management (SEM) pilot and Resource Conservation Manger (RCM) pilot
- Reach more potential customers and help them to implement a broader range of program opportunities

Strategies:

- Continue to coordinate with ODOE on their Energy Incentive Program and leverage these opportunities when possible
- Retain the range of offerings and services that appeal to a wide-range of participants
- Deliver program to commercial entities through new Program Management Contractor (ICF), PMC subcontractors and a comprehensive statewide network of trade allies
- Reach out to underserved commercial customers throughout the state by locating outreach team members outside of Portland and the Willamette Valley.
- Develop specialized program teams to focus on specific customer groups with more efficient customer service

- Leverage long-term relationships, including those in the municipal sector, established by Energy Trust to achieve a deeper and sustained pipeline of savings.
- Increase the focus on budget activities for key customers to ensure energy efficiency investments are in their budget planning processes
- Leverage alliances with contractors and service providers to develop program leads and transform the market
- Continue state-wide outreach, visibility and marketing
- Acquire more operations-based savings through BPTaC pilot, SEM pilot, Resource Conservation Manager pilot and Building Operator Certification (BOC) scholarships.
- Leverage resources to help commercial customers plan more strategically for energy efficiency implementation
- Continue to deliver services to the entire value chain of target markets from business owners, property owners, tenants, property management companies, service providers, electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers
- Leverage other energy efficiency initiatives like NEEA's regional lighting coordination program and public energy programs in the marketplace to feed the program with project leads.

Tactics:

- Expand enrollment of customers with portfolios of buildings in Commercial Energy Improvement (SEM) cohort pilot to help them develop energy efficiency building operating practices.
- Work with a few large customers to help them develop and implement strategic energy management practices through the Integrated Energy Management pilot.

- Develop tools and resources to help customers see the financial business case for continued investment in energy efficiency and provide training to contractors, ATACs and program staff to better communicate this with customers.
- Assign a specialized “Account Management/Trusted Energy Advisor” to key stakeholders and property owners/managers.
- Continue to provide outreach resources to service customers in Eastern, Central and Southern Oregon.
- Continue comprehensive education and incentives for T12 to T8 conversions in advance and in support of pending 2012 federal lighting standard.
- Leverage NEEA and regional efforts to increase capacity for lighting contractors to provide comprehensive lighting design services and coordinate upstream with lighting manufacturers and distributors.
- Provide incentives for building information systems and help building owners/operators maximize building operation.
- Expand Trade Ally outreach and development capabilities.
- Review results of Building Performance Tracking and Control Systems pilot and analyze next steps to modify pilot for additional market penetration.
- Build on current collaboration with organizations such as BOMA, IFMA, ORLA and NEEA.
- Coordinate with electric utility 838 representatives and collaborate on marketing and outreach opportunities to small and medium size customers.
- Develop a packaged approach to working with public institutions working to provide energy efficiency initiatives to their constituencies.
- Continue to screen for financial provide scholarships for building operators to attend the Building Operator Certification course to learn how to operate their buildings more efficiently.

- Support commercial real estate firms to become more conversant on operational savings opportunities, and help them implement these opportunities and then report back to the other participating customers on their successes and challenges.
- Continue to provide services to NWN customers on firm and interruptible rate schedules as equipment on these meters is identified.

Key Assumptions:

- The economy has recovered somewhat; there is some capital available and customers need direction to assess how to invest in energy efficiency opportunities.
- Trade allies will continue to be instrumental in lighting project development. It will be possible to work with these trade allies to also promote non-lighting opportunities.
- Cost and effort per project will go up due to widespread market penetration and a need to recruit new harder-to reach customers like small businesses.
- Gas avoided costs are going down, reducing the number of cost-effective projects and retail rate reductions reduce customer motivation for investing in gas efficiency projects.
- The ability to manage savings within budget is based on delivering savings in the respective program tracks at the following levels:

PGE	TRACK	REPORTABLE SAVINGS (kWh)
	Custom	24,293,771
	O&M	2,551,007
	Prescriptive	4,433,521
	Lighting - Prescriptive	24,007,149
	Lighting - Custom	5,462,768
	Total	**60,748,217**

PAC	TRACK	REPORTABLE SAVINGS (kWh)
	Custom	13,466,776
	O&M	427,430
	Prescriptive	2,703,594
	Lighting - Prescriptive	11,948,835
	Lighting - Custom	2,727,349
	Total	**31,273,983**

NWN	TRACK	REPORTABLE SAVINGS (therms)
	Custom	530,151
	O&M	273,273
	Prescriptive	149,089
	Total	**952,513**

CNG	TRACK	REPORTABLE SAVINGS (therms)
	Custom	81,340
	O&M	13,130
	Prescriptive	19,652
	Total	**114,121**

Risks:

- Maturing market translates to the reality of completing more projects, with fewer savings per project, and increased cost-per-unit savings.
- Underestimating the real cost of recruiting and completing additional projects on the margin.
- Uncertainty associated with the performance of a new PMC.