OPUC Gas Efficiency Cost Effectiveness Exceptions Docket UM 1622

March 12, 2014

Conservation Advisory Council

UM 551 Exceptions:

- Non-cost effective measures can be included if:

A. significant non-energy benefits
B. will increase market acceptance and lead to reduced costs
C. for consistency with other programs in region
D. helps increase participation in cost-effective program
E. package of measures cannot be changed frequently and will be cost effective in future
F. pilot or research project
G. required by law or is consistent with Commission policy and/or direction

18 months ago…

Weatherization measures for gas heated homes not passing the TRC test.

- Duct sealing, air sealing
- Ceiling, wall, and floor insulation

Why?

1. Lower savings estimates (from bill analysis)
2. Higher measure costs
3. Gas avoided costs are down 45%

OPUC & Energy Trust Consulted

- Outreach, Utilities, other stakeholders, advisory group
- Two year cost-effectiveness exception from the OPUC for gas weatherization measures
  - Tied to exceptions listed in UM551
  - Received approval in October UM1622, Order 12-394
  - Exception is good through October 18, 2014

Current OPUC Guidance to Energy Trust

- By July 2014 – Energy Trust to review all remaining gas measures / programs from utility and societal perspective
- If measures are not cost effective
  - Make the case for exceptions to continue
  - Make plans to remove
- Provide recommendations on cost effectiveness practice going forward by July 2014
- Those recommendations will be considered by the OPUC as part of the UM1622 Docket

About Docket

- The OPUC open docket, Docket No. UM1622, is specific to gas efficiency measures
- Energy Trust provides report to Staff
- Staff will create a schedule for receiving comments from interested parties on Energy Trust's report
- Following comment period(s), Staff will make final recommendations to the Commission
- Commission to make a decision by October 2014

More about UM 1622

- Not a wholesale re-visiting of how cost effectiveness is handled in Oregon
- Commission believes current policy is flexible
- In comments, parties can make case to the Commission to open a separate proceeding to revisit current policy
- In comments, parties should cite specific measures (and savings) not being addressed properly within current policy, and how a specific remedy would benefit rate-payers

Q: Why TRC?
A: Good stewards of public $$

- Use resources in the most cost effective way possible
- Participants are also rate payers
- Don’t want to incent something that doesn’t make economic sense for participant
- Truth in advertising
- Economic efficiency
- Generous and flexible in using TRC