Funding Limitations for Large Energy Users

Conservation Advisory Council

April 23, 2014

EnergyTrust of Oregon

Purpose

- Inform CAC on background, limitations of SB838 funding
- Prepare for further discussion in June CAC meeting

SB838 Background

- Allowed for collecting additional funds for IRP efficiency needs
- Resulted in doubling of annual savings
- Limits to application

SB838 Limits

A consumer with load greater than 1aMW:

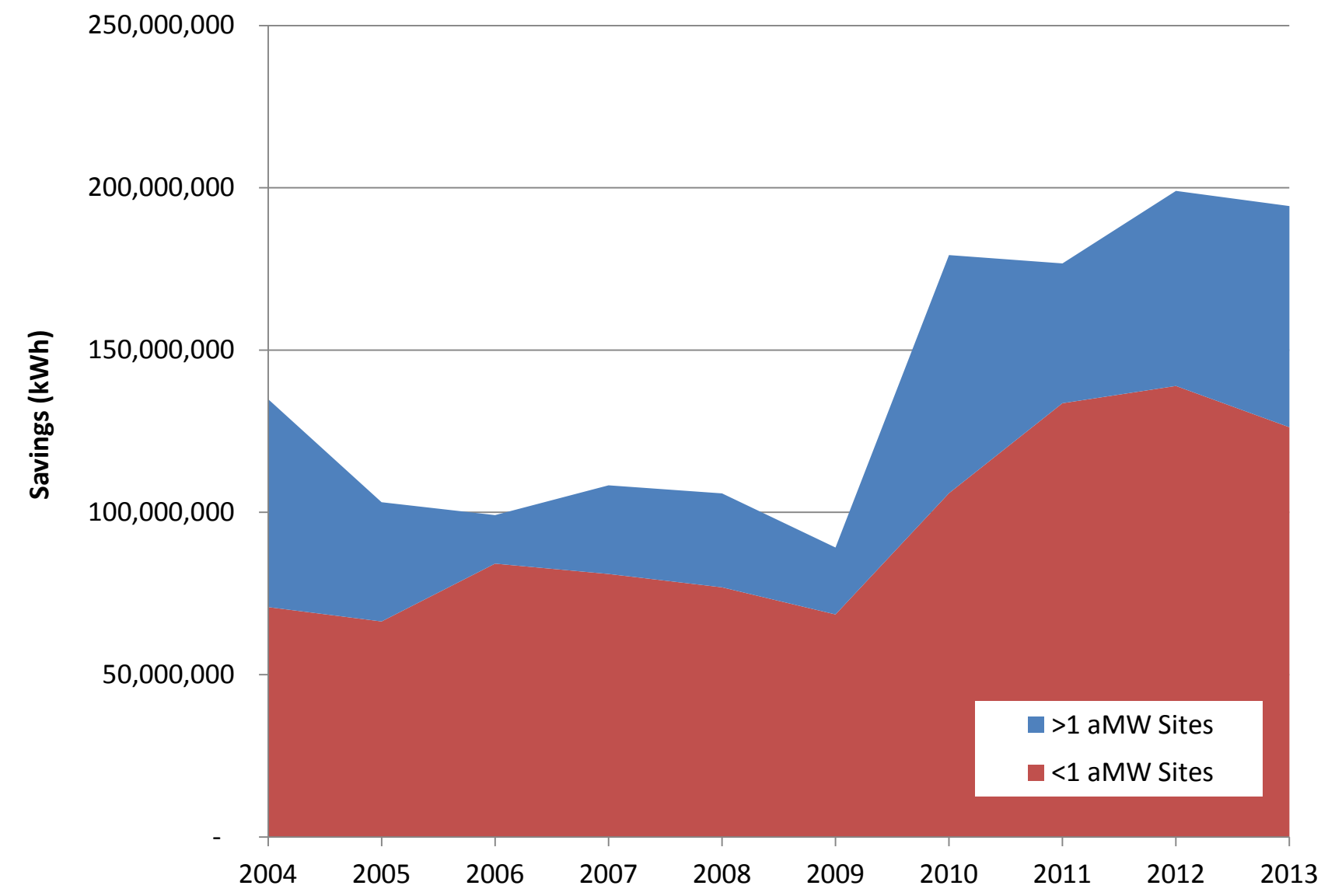
(a) Is not required to contribute more than 3% for the public purpose charge

(b) Does not receive direct benefit

Who are the large users?

- Large industrial, agricultural sites
- Large commercial real estate
- College campuses
- Hospitals

Savings - PAC


250,000,000
200,000,000
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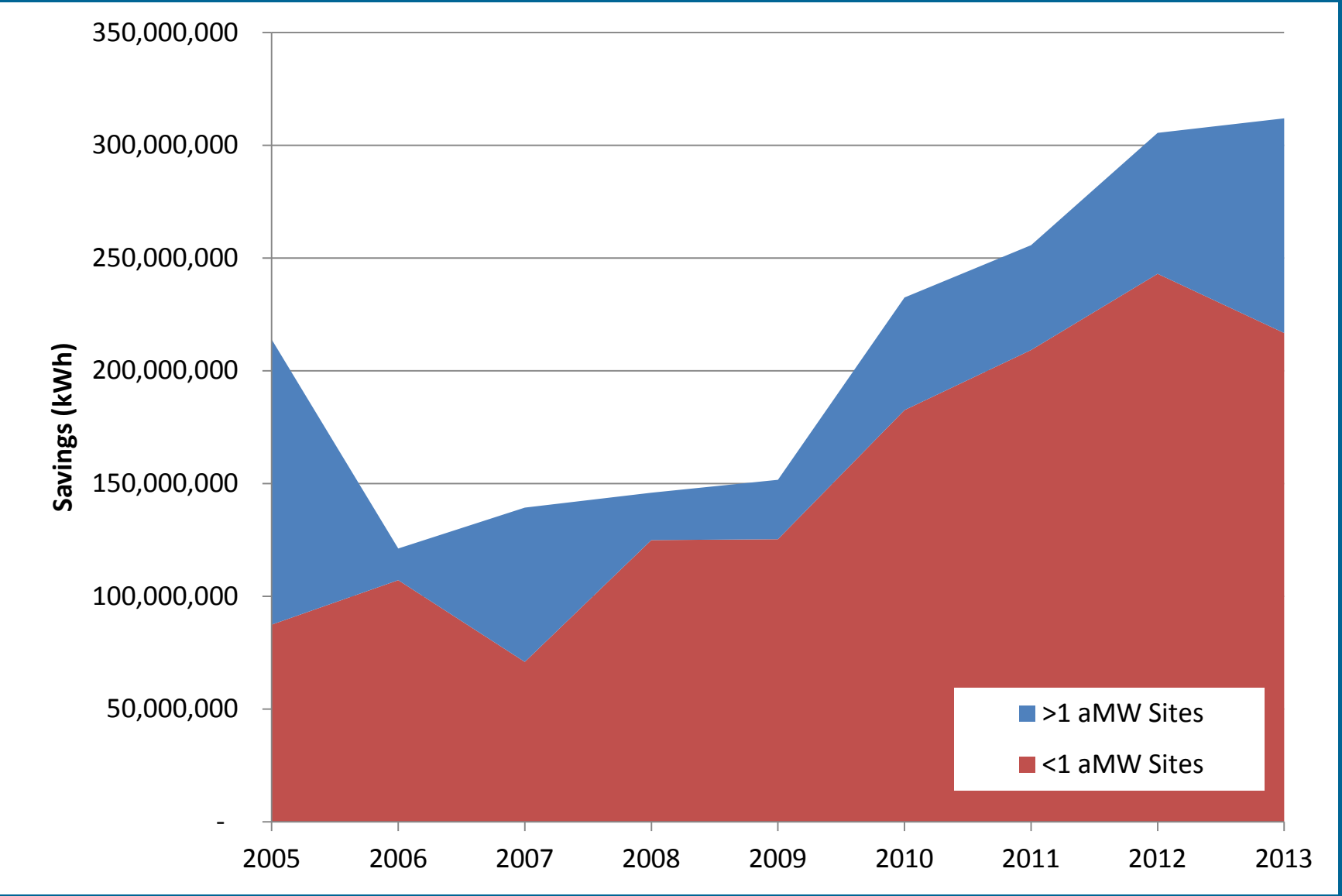
-
Savings (kWh)
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
>1 aMW Sites
<1 aMW Sites

Savings - PGE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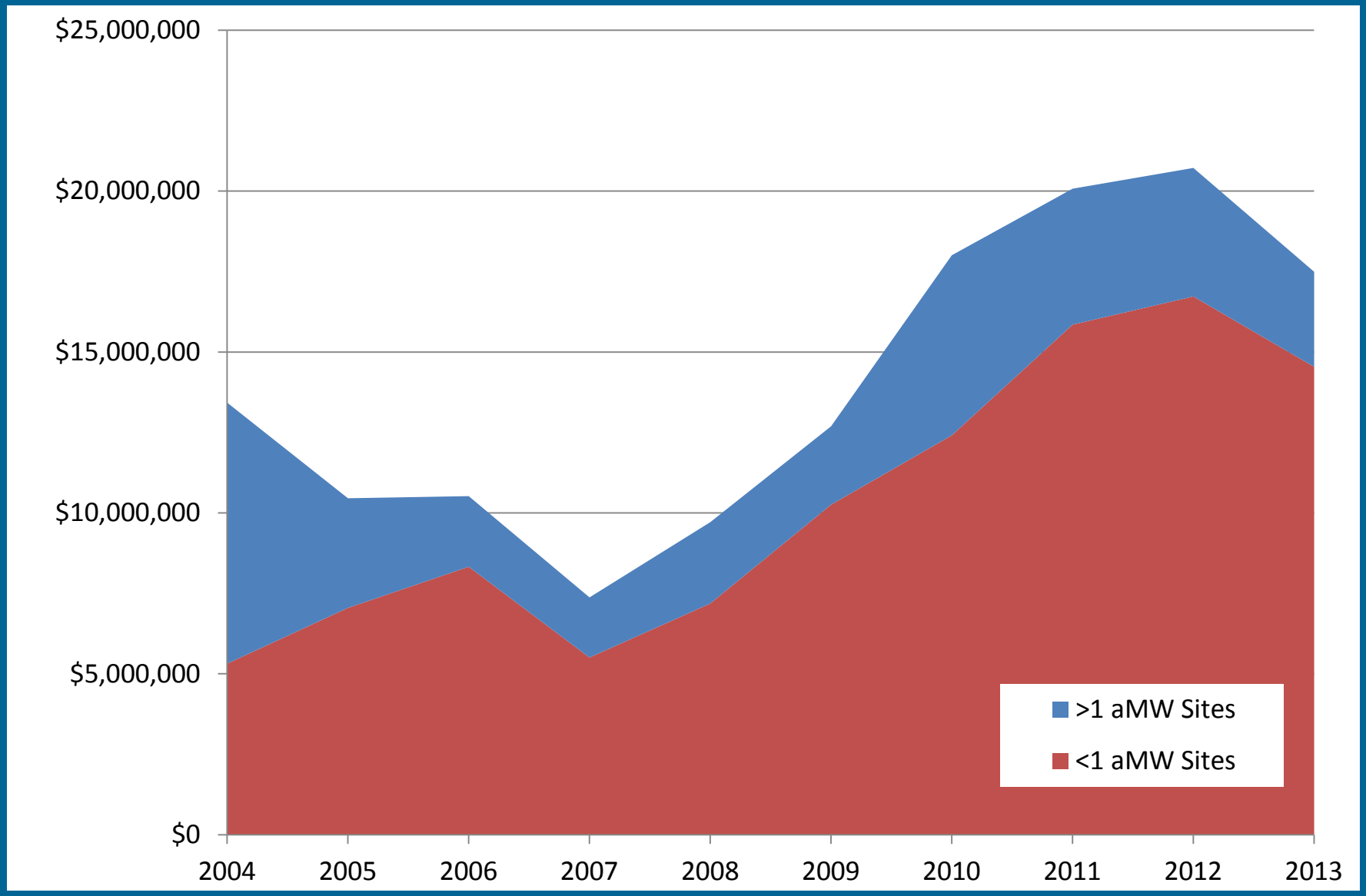
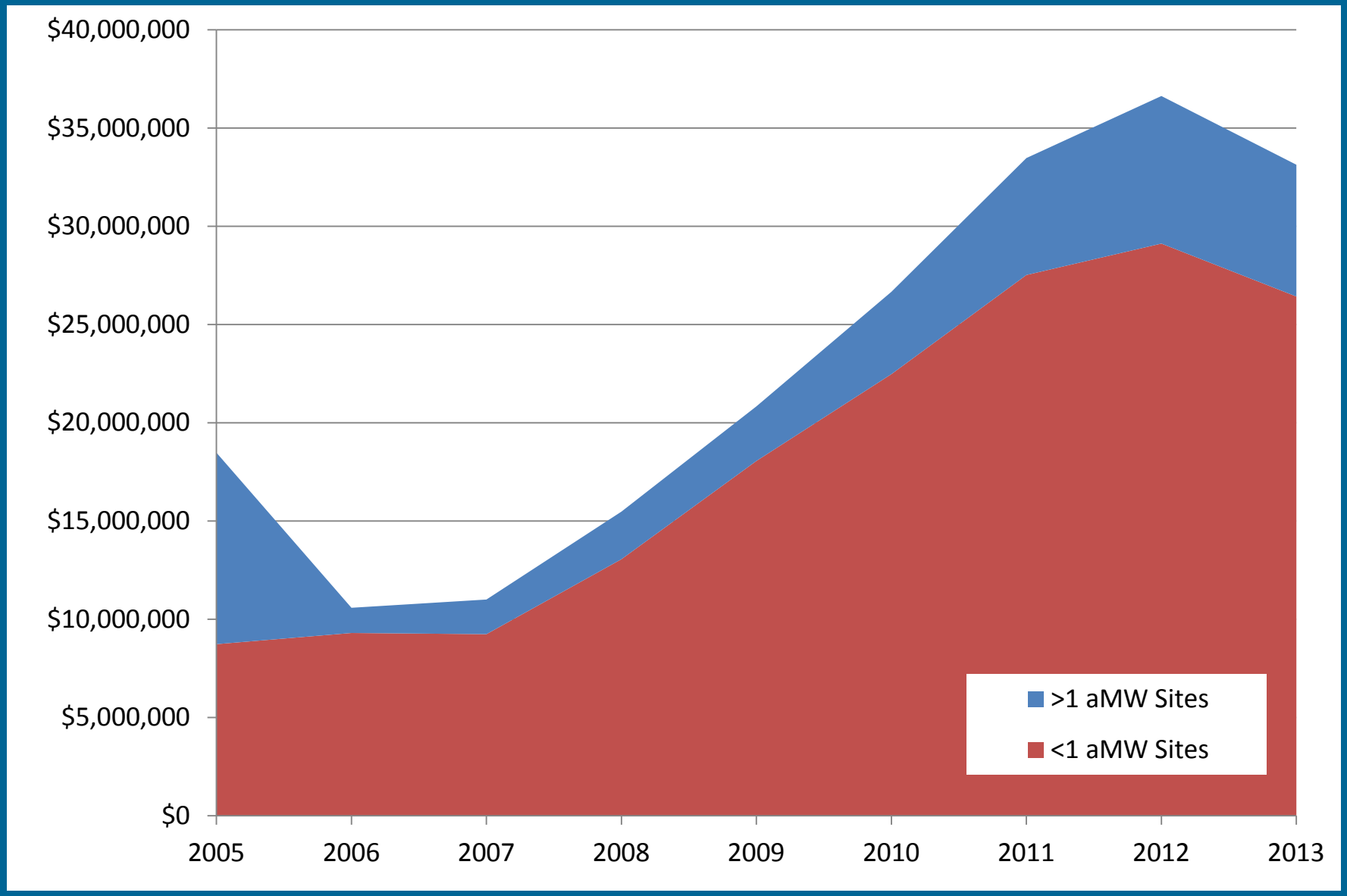
Incentives - PAC



Incentives - PGE



What are the impacts of limits?

- Potential loss of low cost resource
- Why lost? Timing matters
  - Individual business decisions
  - Less efficient options or no action
- Savings included in utility IRP goals
- Our role to acquire all cost effective efficiency resource for each utility

Design of Methodology

- Based upon informal stakeholder agreement
- Incentives used as a proxy for program costs
- Total cost of serving large sites may be more cost-efficient, but difficult to track

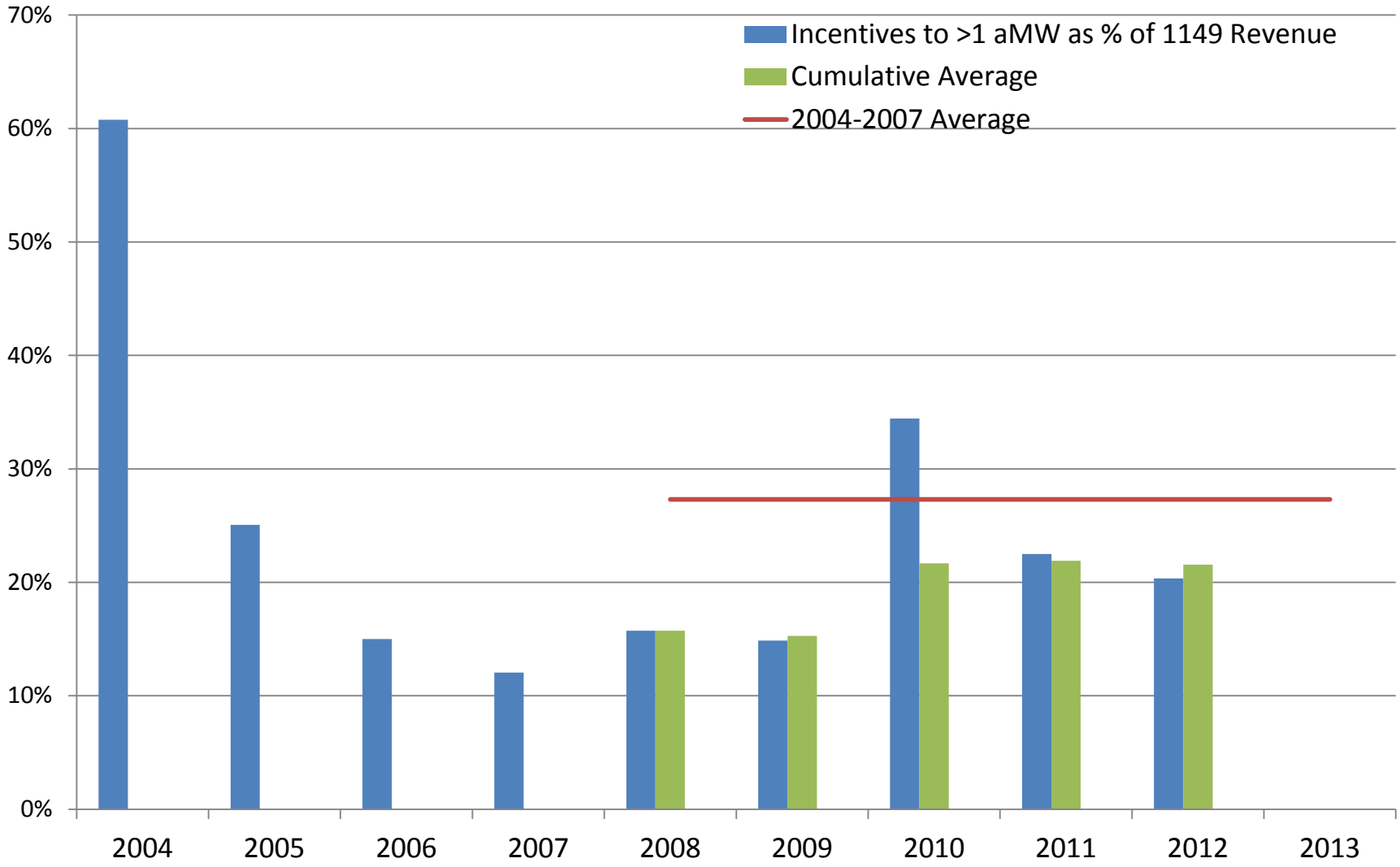
Design of Methodology

1. Defining the baseline “pre 838”
   - What % of past spending went to >1aMW?
   - Utility specific, over multiple years
   - Sum of incentive $s to >1aMW sites as a % of total SB1149 EE revenues
   - PAC (2004-2007) = 27%
   - PGE (2005-2007) = 18%

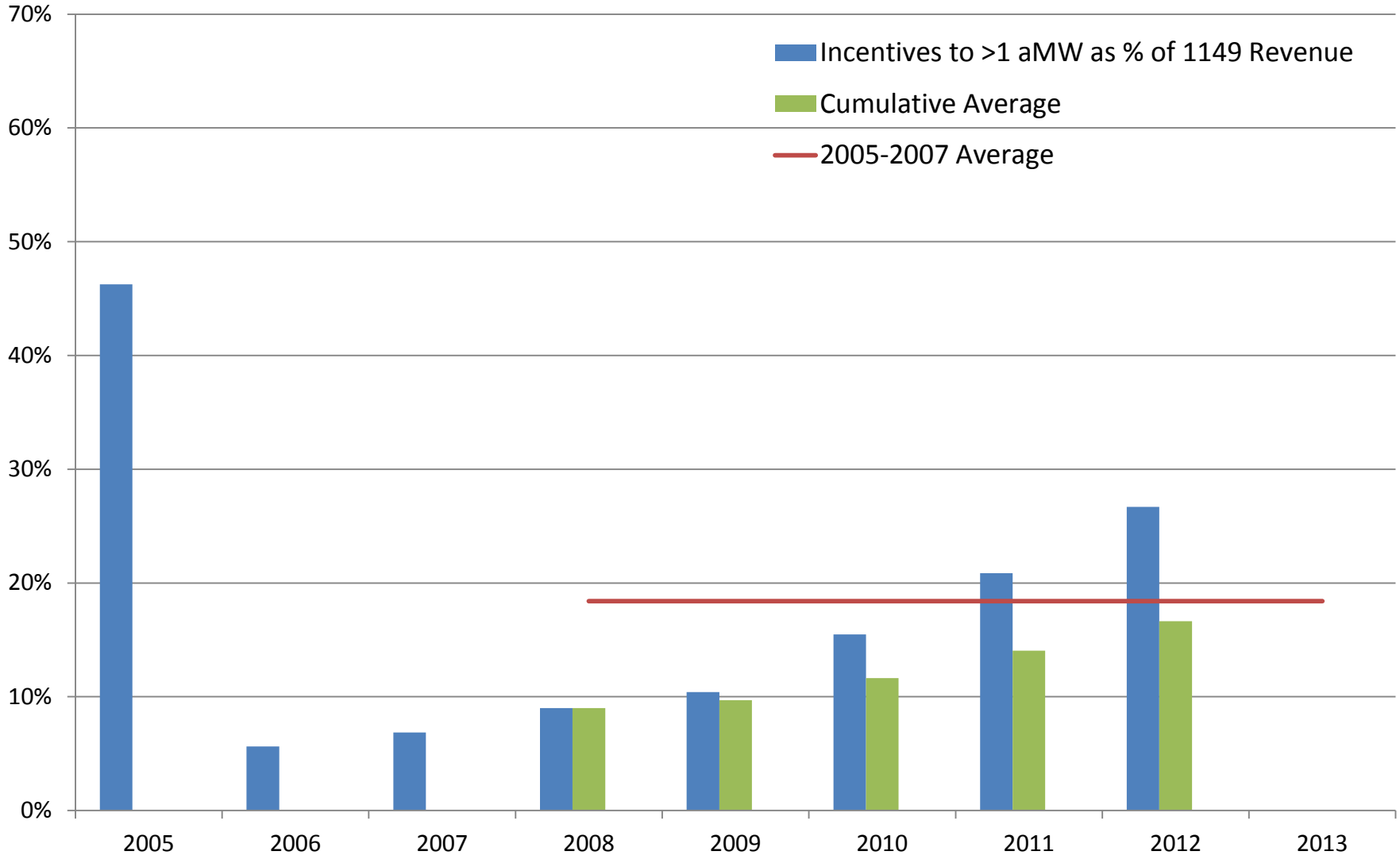
Design of Methodology

2. Measure against baseline, “post 838”
   - Is current spending in line with past?
   - Cumulative, multi-year, 2008 through present
   - Sum of incentive $s to >1aMW sites as a % of total SB1149 EE revenues
   - If post > pre, time allowed for correction

Results - PAC


70%
60%
50%
40%
30%
20%
10%
0%
Incentives to >1 aMW as % of 1149 Revenue
Cumulative Average
2004-2007 Average
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

Results - PGE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Incentives to >1 aMW as % of 1149 Revenue
Cumulative Average
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How to Quantify Impacts?

- Challenges in estimating resource potential
- Outlook
  - High level of interest and activity, demand
  - Likely limits in PGE, sustained cap equates to $5-5.5M/yr.
  - Less likely for PAC
  - Potential for new opportunities, CHP

History and Next Steps

- 2012 and 2013 Annual Board Retreats
  - Growing concern – PGE focus
  - Risk of not acquiring all cost effective resource
  - Pros/cons of programmatic actions 2013 packet
- 2013 Retreat led to growing interest in impacts
- January 2014 stakeholders meeting
- Next CAC – June 18
  - Final results for 2013
  - Review of programmatic options/timing

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