Briefing Paper
Lockheed Martin Existing Multifamily Contract Extension

May 23, 2012

Summary

The executive director may extend the Existing Multifamily contract with Lockheed Martin Services, Inc. (LM) for one year if extension criteria are met and the board does not object Staff proposes to extend the contract through December 31, 2013. This would be the first one-year extension out of a possible three.

Background

- The Existing Multifamily contract provides technical assistance and financial incentives for multifamily properties of five or more attached units, retirement centers and assisted-living facilities.
- In November 2010, the board authorized a contract for program management and delivery services through Lockheed Martin, Inc. with a first-year budget of $1.3 Million.
- The anticipated 2013 budget for Existing Multifamily is $1.7 million, with a stretch savings goal of 15,076,302 kWh and 101,104 therms. Actual budget and savings goals will be established consistent with the board-approved 2013 budget.

Discussion

- Staff has assessed LM's performance and determined that LM has satisfactorily performed to date, through:
    1. **Cross-program referrals**: LM has done a good job referring project and direct install leads for Energy Trust Existing Buildings, Existing Homes and Solar program participation through the efforts of business development staff.
    2. **Program Results**: LM increased program participation and reportable savings achieved from this market by 42% (kWh) and 12% (therms) in 2011, achieving savings of 13.2 million kWh and 67,860 therms. These savings met 99% of the stretch goal for electric savings and 88% of stretch the goal for gas savings.
    3. **Project pipeline**: At this early time in the year Existing Multifamily is currently forecast to exceed conservative goals in Pacific Power territory and stretch savings goals in PGE and NW Natural. Growth of savings potential and increased customer satisfaction is expected in 2013 as small multifamily, 2-4 attached units, will be integrated into the contract.
    4. **Innovation**: LM has introduced new technologies and methodologies, such as the custom study and incentive track, ductless heat pump pilot, midstream appliance incentive efforts and an in depth key account customer relationship plan. In addition, the technical expertise of LM has been extensive in shaping the MPower Oregon pilot project which is

scheduled to begin its first pilot phase in Q3 2012 targeting energy efficiency in affordable housing. In Q4 2012, LM is also planning to launch a tenant behavior pilot.

5. **Teamwork**: LM has been flexible in meeting Energy Trust's priorities to provide new initiatives, incorporate planning and evaluation results, submit invoices on time, provide monthly reports and improve the accuracy of forecasting.
6. **Deliverables:** LM has consistently met deadlines for deliverables in their contract, as well as for information requested on an as needed basis.

- Staff recommends that the Executive Director extend the contract with LM for delivery of the Existing Multifamily contract to December 31, 2013.
- The extension continues the current, successful program format and allows Energy Trust to monitor LM's success in supporting the MPower Oregon scale up, along with its ability to address other market influences that may arise from the ongoing Existing Buildings RFP process.

Next Steps

If the board does not object, the executive director may sign a one-year contract extension, as appropriate later in the year.