

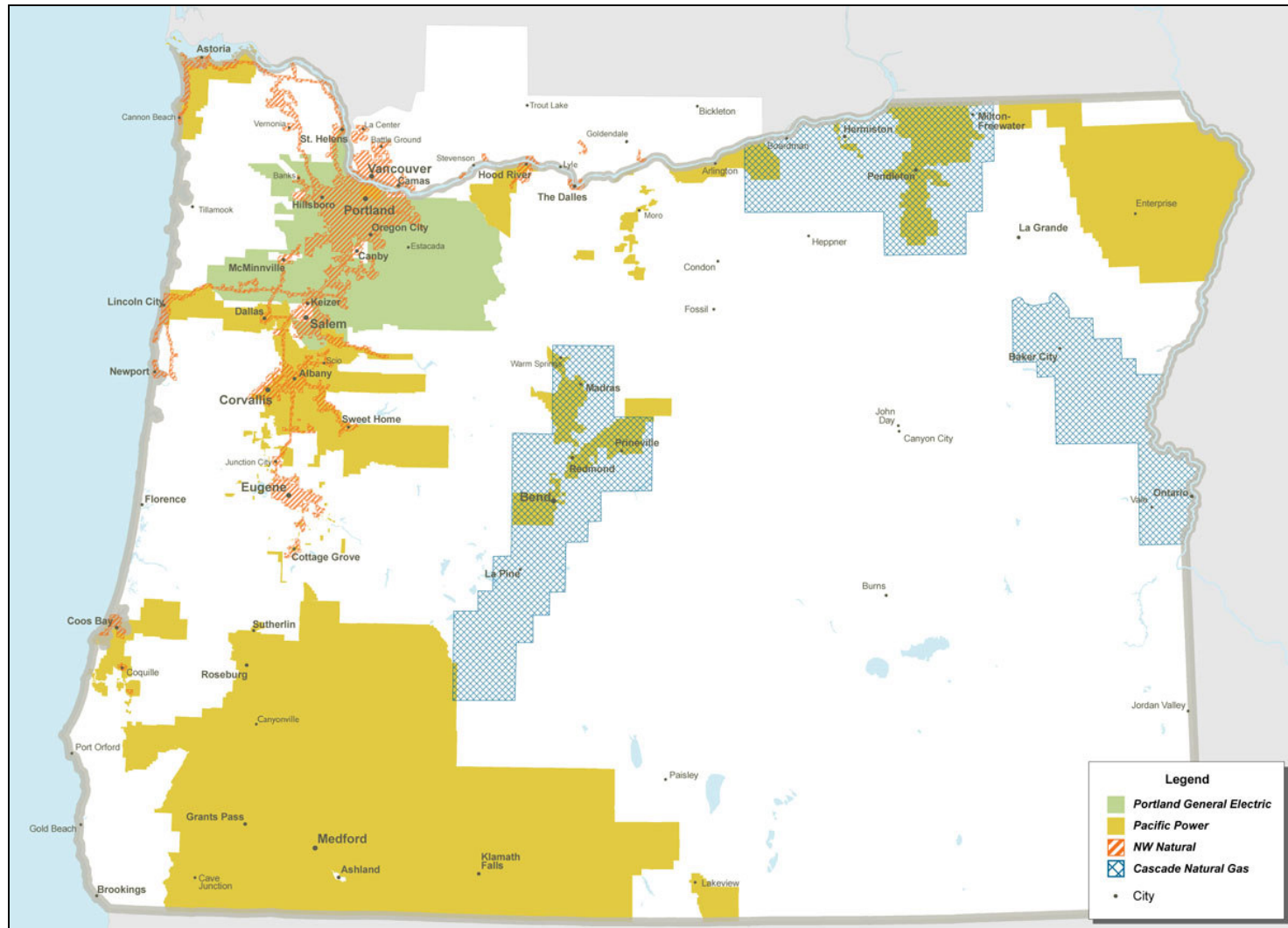


# Energy Trust Measure Qualification Process

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# Energy Trust service territory





# Separate Law and Rules for Efficiency and Renewables

- Renewable Resources, by law, generates electricity. E.G., photovoltaic, wind, biomass generation.
- Efficiency reduces use of gas or electric. This can include direct use of renewable energy (solar water heat).



# Energy Trust Renewable Generation Investments Help Pave the Way

Short-term objective: Make small scale renewable generation a competitive buy with other utility resources.

- Energy Trust can pay part of the “above market costs”
- Energy Trust gets a share of the green tags to retire on behalf of ratepayers.

Long term objective: Build markets and capability to deliver



# Efficiency: Energy Trust Makes Investment on Behalf of Ratepayers

## Benefit/Cost Tests:

- Efficiency should cost less than the cost of generating and delivering electricity
- and/or buying or delivering natural gas



# Energy Trust and NW Energy Efficiency Alliance (NEEA)

- NEEA is a contractor funded by Energy Trust and by its fellow program deliverers for Oregon, Washington, Idaho, and Montana.
- Energy Trust primarily focuses on programs that will deliver savings in a short time (every year).
- NEEA primarily focuses on activities to foster long-term market change, including design practices and codes and standards.
- There is a carefully coordinated set of roles and responsibilities for each.
- NEEA has lead for code change, ET for rebate programs.



## Two Benefit/Cost tests

Societal: All benefits to everyone  
All costs to everyone

Utility System: Costs of Energy Trust  
Benefits to Utility  
System

B/C tests are applied to programs, also to measures when considering incorporation in programs- if that measure is a *discrete choice*.



## What's a Discrete Choice? (separately screened for B/C)

- Energy Trust looks individually at efficiency investments that, from a technical and market perspective, can be made discretely.
- We recognize practical limits, but do not lump investments in that fail our criteria with those that pass, and call it good. That would reduce the benefits to ratepayers.



## Custom Vs. Prescriptive

- If a measure has about the same costs and savings everywhere, we do the B/C analysis and incentive level “prescriptively”- analyze a typical installation, for cost, savings, and B/C
- If costs and savings are site-specific, we rely on a “custom” analysis. Based on simulation for new buildings.



# Where Do We Get Cost and Savings Estimates?

- Regional studies (NEEA, Regional Tech Forum, California's DEER database)
- Our experience
- Our evaluations
- Special studies

Simulation tends to overestimate savings- we look for ways to verify over time.



# How Do We Consider Future Costs and Savings?

## **For Fossil**

- We compare efficiency costs to utilities' long-term forecast of the cost of power
- Fuel cost increases and carbon costs are included.



# How Do We Consider Future Costs and Savings?

## For Efficiency

- We can include a measure if it's almost cost-effective
- *and we have designed a field test,*
- *or we believe costs will go down or savings go up with volume and experience.*

For the last point, we need a story and some evidence



# ET Programs and Building Codes and Appliance Standards

- Energy Trust and NEEA (our regional contractor) plans its programs to pave the way for building codes and appliance standards.
- When projecting future program benefits and costs, we include the benefits of influencing codes and standards.
- If evaluation tells us that we helped accelerate codes and standards, we claim some of the savings toward our goals.



# Our View of the Reach Code and ET Programs

If a Reach Code efficiency package that is:

- Clear
- Potentially cost-effective
- Widely applicable

it will be a high priority for the Energy Trust to promote it, both to acquire immediate savings and in hopes of influencing future codes to save more.

We can offer an incentive package around the reach code and promoting it.



# Considerations for New Homes

- Current program pays based on an Energy Performance Score
- We do B/C testing based on ENERGY STAR BOP, which is one point on the scale.
- There could be a “bump” in payment/point at the Reach Code level.
- As we see significant use of design strategies to reach beyond ENERGY STAR we will apply B/C tests to those strategies; this will help determine whether the score-based payment is working for us.

## Some Complications and Solutions

- Reach code may exceed our estimates of available conservation
  - We can change the estimates if we have the strategies and the evidence.
- Reach code may not yet appear to be cost-effective
  - We will look at prospective cost-effectiveness



Questions?