2012 Budget Themes

Conservation Advisory Council
September 14, 2011

Background

- Generation
  - Residential solar solidified gains, commercial stalled
  - BETC allocations shifted projects to 2012
- Savings
  - In 2010, grew 38% for electric and 67% for gas
  - In 2011
    - Growth solidified in residential programs
    - Business sectors variably impacted by BETC changes
- Meeting IRP still assumed as key goal
  - Requires additional revenues
- Challenges for 2012
  - Uncertain economic recovery
  - More stringent energy codes and standards
  - Higher tiers for appliances
  - Transition to a different energy tax program
  - Expanded and more diversified market actors

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Themes

1. Address a slow economic recovery
2. Transition to new tax credit programs
3. Manage costs and cost effectiveness
4. Support Trade Allies and Customers
5. Diversify portfolio
6. Respond to new codes and standard
7. Complete legacy BETC projects

Address a slow economic recovery

- Low-cost and no-cost measures, including
- Expand direct-install for renters
- Grow Savings Within Reach efforts
- Limited bonus incentives to spur lagging markets
- Provide more customer support to ‘sell’ projects
- Support financing options
- Expand strategic energy management efforts

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Transition to new tax credit programs

- Engage in the rule making and revisions
- Support customers understanding
  - Ensure customers are aware of the full range of measures
  - Manage expectations
- Respond in ETO program design and specifications
  - Discovery year
- Partially mitigate for lost BETC credits
  - Within budgets
  - Where the economic case warrants
  - Without impacting residential sector program

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Manage costs and cost effectiveness

- Program efficiencies
  - Revised approach for new homes
  - Lower delivery per unit costs for appliances
  - Enhanced deployment of ATACs
  - Earlier intervention in contractor issues
  - Program re-bids
- Measure costs
  - Address results of impact and market evaluations
- Close monitoring of market and program pipelines
- Strategies to aid competitive prices & high quality
- Pilot Process and Initiative Plans
  - Continue to use to assure orderly innovation
  - Develop earlier indicators to adjust before formal evaluations

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Support Trade Allies and Customers

- Program and process simplification
    - On-line forms and offerings
    - Enhanced phone and web engagement
- Revised customer information
    - Greater emphasis on key actions, and their
        - Comparative benefits (EPS)
        - Dollar savings
        - Market information and feedback
    - Studies for businesses additional financial data
- Trade Ally support
    - Emphasis of the benefits of the network to customers
    - Leverage Market-based training
    - Deploy development fund

Diversify portfolio

- Support the 32 targeted segments across the 5 major programs
- Expand comprehensive solutions engagement
  - Strategic energy management
  - Deep savings focus: targeted markets where non-energy benefits leverages action
- Expand offerings
  - Water heater options
  - LEDs and lighting design
  - EPS for existing homes
  - Revised approaches for new, small commercial buildings
  - Capital projects for a multifamily
  - Post-occupancy analysis
- Expand channels to reach customers
  - Customer-owned utilities in overlapping areas
  - Non-lighting trade allies, particularly rural commercial
  - Community-led initiatives
  - Develop a plumber channel
  - CEWO in rural areas
  - Upstream support
- Complete behavioral pilot (OPower)
- Continue to leverage market actors

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Respond to new codes and standards

- Going further upstream for more expensive savings
  - Higher appliance tiers
  - New Oregon codes and federal standards
- New Buildings
  - Aiding market transition to 2010 code
  - Promoting Reach Code
  - Diffuse information learned

    path to net zero pilot
    server-farms
    semiconductor
- Commercial and Industrial Lighting
  - Support an accelerated end to the T12 market
  - Address new ballast standards for 2014
  - Work with NEEA on lighting design alternatives

Additional Renewables

- Constrained BETC with fixed ETO budget requires
  - more focus on smaller projects
  - less support for relatively high capital cost projects
  - acceleration of a budget plateau
- Near-term
  - complete substantial pipeline of legacy BETC projects
  - continue portfolio of 3 programs and >10 targeted resource types
- Long-term
  - Focus on custom projects that succeed
    - w/out BETC
    - highly leverage other funds
  - Continue to grow healthy pipeline of future projects
  - Revise custom tracks to competitively allocate funding

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Next Steps

- Feedback
  - questions
  - what's missing
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- Present draft budgets 10/26