

## 4.10.000-P Eligibility of Self-Direct Businesses for Energy Trust Incentives

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<b>History</b>			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 8, 2001	Approved (R27)	November 28, 2001
Board	November 28, 2001	Reviewed, Revised (R58)	January 30, 2002
Board	January 30, 2002	Reviewed, Revised (R69, R70)	April 3, 2002
Board	April 3, 2002	Reviewed, Revised (R96)	October 30, 2002
Board	October 30, 2002	Reviewed, Revised (R137)	October 2005
Board	May 25, 2006	Reviewed, Revised (R392)	May 2009
Policy Committee/Board	September 2, 2009	Reviewed, no changes	August 2012

### ENERGY TRUST POLICY ON SELF-DIRECTION

**WHEREAS:**

1. Oregon law allows entities that use over one average megawatt of electricity a year at a single site to direct their own electric efficiency and renewable energy projects and deduct the cost from the public purpose charge on their electric bills.
2. In 2002, Energy Trust adopted a policy allowing self-directors a full Energy Trust incentive for the new project only if the self-director agrees not to use self-direct credits at the same site for 36 months. The policy recognizes that self-directors should not have the same access to Energy Trust incentives as electric users who pay the public purpose charge.
3. The board wishes to clarify the policy and to make two substantive changes meant to facilitate the policy's administration.

**It is therefore RESOLVED:**

The Energy Trust policy on self-direction is as follows:

**Purpose:** Energy Trust generally supports projects only of energy users who pay into the three percent public purpose fund on which Energy Trust programs are based. At the same time, Oregon's self-direction requirement can lead to situations in which an energy user reduces or eliminates its contribution to the public purpose fund by implementing energy efficiency or renewable energy measures certified by the Oregon Department of Energy. This policy outlines circumstances in which a self-directing energy user nevertheless qualifies for Energy Trust support.

1. **Incentives:**
  - A. **No incentives for self-directed measures:** No Energy Trust incentive will be given for any measure (“measure” includes technical studies and commissioning services) for which self-direction credit is also claimed.
  - B. **Measures exempted:** As long as it claims no self-direct credit for these measures, an energy user may receive 100% of the standard Energy Trust incentive for the following measures:
    - unitary HVAC systems;
    - motor replacement; and
    - measures determined by Energy Trust staff to have modest costs (\$3,000 or less per project) and savings, and where application of this policy's requirements would unreasonably interfere with efforts to encourage participation in an Energy Trust program.
  - C. **All other measures:** An energy user that seeks an Energy Trust incentive for a measure other than those exempted above:
    - must agree not to use any self-direct credits for 36 months at the same ODOE-certified site as the site of the proposed Energy Trust measure, and receive 100% of the standard Energy Trust incentive for the measure. After 36 months, the energy user may resume using self-direct credits, or
    - if the energy user continues to use any self-direct credits for non-Energy Trust measures at the same site, the energy user will receive 50% of the standard Energy Trust incentive for the measure.
2. **Restrictions on funding for self-directors:** No more than \$1.5 million/year of Energy Trust funds (combined total) will be paid for efficiency projects to all firms that self-direct. With board approval (in the annual budget process or otherwise), this amount could be adjusted upward if program demand is running behind funding for a sustained period.
3. **Allocation by customer class.** Allocation of Energy Trust funds to self-directing end-users will not change the allocation of funds by customer class.
4. **Repayment requirement:** If the energy user accepts a full Energy Trust incentive for a measure and agrees not to use self-direction credits on its electric bill at a site for a 36-month period, Energy Trust staff:
  - A. Shall require repayment if the self-director begins using credits before the 36 months has ended. If required, recovery will be by the following formula:  $\text{Refund Amount} = 0.5 \times A \times B$ , where A = total amount of Energy Trust incentives paid and B = 36 minus the number of months elapsed since measure installation or completion, divided by 36. Repayment must be completed within two years of the time the repayment obligation is triggered.
  - B. May waive repayment for projects whose repayment obligation would be \$3,000 or less.

5. **Energy efficiency and renewable energy measures considered separately:** Energy efficiency and renewable energy measures shall be considered separately for the purposes of this policy. That is, during the 36 months after a measure is installed at a site, a self-director may use self-direction credits for a renewable energy project at an ODOE-certified site if it receives Energy Trust incentives for an energy efficiency project at that site, or *vice versa*, with no repayment requirement.

Adopted on May 25, 2006, by the Energy Trust Board of Directors.