

4.04.000-P Lost Opportunities Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	February 27, 2002	Approved (R85)	February 2005
Policy Committee	March 5, 2005	No change	February 2008
Policy Committee	March 18, 2008	No change	March 2011
Policy Committee	March 8, 2011	No change	March 2014
Board Decision	April 5, 2017	Approved (R799)	April 2020
Board Decision	May 20, 2020	Retired	NA

Purpose:

Provide guidance to Energy Trust efficiency programs to avoid lost opportunities – situations in which an opportunity to implement an efficient solution will be lost if not done when new equipment is selected and new facilities are constructed – while also taking advantage of opportunities to maximize efficiency by retrofitting functioning equipment near or at the end of useful life with more efficient equipment and optimizing the efficient operation of new equipment.

Background:

Lost opportunities can occur if efficiency is not built in at times when new equipment is being selected and new facilities are constructed. At these times, efficiency features can be installed that are impractical or much more costly to install at other times. For example it may not be cost-effective to throw away a working air conditioner simply to replace it with a more efficient unit. However, when that air conditioner fails or is nearing failure, it may be cost-effective to pay for the incremental cost of purchasing the most efficient possible new unit instead of a standard new unit.

Energy Trust may set up specialized programs and incentives to work with designers, developers, vendors and customers to assure that high-efficiency equipment and designs are selected and installed during these events.

The question is how to balance between lost opportunities, “retrofit” and operational program offerings. Retrofit offerings encourage customers to replace or augment working equipment with more efficient equipment. Operational offerings help customers run equipment to meet their needs in the most efficient manner. While there are situations where the Energy Trust can increase emphasis on lost opportunities, there are not enough of these opportunities to achieve Energy Trust’s efficiency goals. Furthermore, equity considerations argue that programs should be made available for some customers who rarely make capital investments on their own (e.g., small commercial customers and some public entities). Finally, given the high levels of Oregon building codes and national equipment standards, some lost opportunity savings are more expensive per kWh than some retrofit savings.

Policy:

- Energy Trust should avoid lost opportunities and focus appropriate amounts of its budget and program design efforts in that direction.
- This should be considered in the context of other issues and values that influence implementation decisions.

- Energy Trust should encourage comprehensive treatment of an end-use where this is practical to avoid creating lost opportunities by doing half the job.
- Financial resources should also be reserved for retrofit and operational program offerings, especially where these are low cost or serve customers who would not otherwise be served.
- Work with partners who have special resources to efficiently capture lost opportunities, e.g., Northwest Alliance, Consortium for Energy Efficiency, Oregon Department of Energy.