# Board Decision
# Authorizing an Efficient Electronic Equipment Program

February 11, 2009

## Summary

Authorize approximately $1 million for an efficient home and business electronic equipment program to be implemented by the NW Energy Efficiency Alliance (NEEA). At the time of this writing, Energy Trust is closing out its 2008 accounting books, a process to be completed by the time of the February 11, 2009 board meeting. Between now and then, the amount of carryover funds and other potential funding sources for this program will become known. At the board meeting, staff will provide a resolution enabling staff to undertake this program opportunity, outlined below, identifying corresponding Energy Trust funding sources, and authorizing contract amendments to implement the program.

## Background

- The California utility Pacific Gas &Electric (PG&E) has begun a program that will provide incentives to national manufacturers and chain stores (e.g., Dell Computers, Best Buy) to sell efficient electronic equipment for homes and businesses. PG&E intends the program to be a platform for others across the nation to join.

- Staff has explored the program with PG&E and believes it could be a valuable initiative in our state. The Bonneville Power Administration also supports this initiative, and Puget Sound Energy is actively considering 2009 funding.

- The NW Energy Efficiency Alliance (NEEA) would implement the program in the region, providing strategic direction based on deep experience with efforts of this kind, further complementing PG&E's excellent work on a delivery system. NEEA would like to initiate the program in April.

- Energy Trust's share of 2009 funding would be approximately $1 million. After 2009, the program would be included in NEEA's annual budget, to which Energy Trust contributes along with NEEA's larger membership. Increasing Energy Trust's NEEA funding to support this program in 2009 requires board authorization of: (1) a new program; (2) shifting funds within the budget; and (3) a change in the NEEA contract.

## Analysis

- In Energy Trust service territory, the program is projected to save roughly 2.4 million annual kWh in 2009, avoid ___tons of carbon emissions, and secure an estimated ___ in peak savings. We estimate a first-year benefit/cost ratio of 1, which we view as conservative. We expect much higher benefit/cost in later years as efficiency specifications are upgraded, the program diversifies to additional technologies, and market share improves.

- We also believe the program will build support for and leverage faster and more stringent state and federal equipment efficiency standards.

- This opportunity was reviewed against various candidate criteria for new investments that were discussed at the 2008 board workshop on innovation and risk, with these results:
    - Are there significant savings? Savings are likely modest in year one and then grow significantly.

    - Likelihood of Success: high.

    - Likelihood of changing the market: high.

    - Are these benefits likely to be shorter or longer-term? There would be some immediate benefits, with more in the second year.

    - Is it manageable? There are some challenges inherent in working with a new organization and, we believe these are manageable. No long-term commitment to PG&E is being made.

    - Is it an area of core staff competence? Yes, NEEA staff has the capability to implement this program in the region. It would be inefficient for Energy Trust, BPA or other individual utilities to undertake this work internally within their individual service territories.

    - Would the initiative have broad geographic impact? Yes, it would include wholesalers for smaller stores and chains reaching both rural and urban communities

    - How would it impact core Energy Trust programs? It would be complementary.

    - Other: This is an opportunity to achieve efficiency for products that are otherwise difficult to reach.

- We did not anticipate this expenditure in the recently-approved 2009 budget. By the time the board meets on February 11, 2009, we will have determined the amount of unexpended (carryover) electric efficiency funds from 2008, updated revenues received, and determine whether the $1,000,000 can be funded from such sources. If not, staff will propose a reallocation of funds from other programs. Funding would be contingent on at least two other funders, Puget Sound Energy and BPA.

- This program concept was endorsed by the Energy Trust Policy Committee and the Conservation Advisory Council.

## Recommendation

Authorize the program outlined above, approve Energy Trust funding (to be provided at the board meeting), and authorize the Executive Director to negotiate and sign contract amendments to implement the program.

*Note: this is a draft resolution – the numbers will be made available at the time of the board meeting.*

**RESOLUTION 506**
**AUTHORIZING AND FUNDING AN EFFICIENT ELECTRONICS PROGRAM**

**WHEREAS:**

1. **PG&E of California has begun a program that will provide incentives to national manufacturers and chain stores for efficient electronic equipment for homes and businesses and PG&E intends the program to be a platform for others across the nation to join.**

2. **Energy Trust staff has explored the program with PG&E and believes it could be a valuable initiative, projected in 2009 to save roughly 2.4 million annual kWh, secure an estimated ___ in peak savings, and achieve efficiency in products that are otherwise difficult to reach. The benefits are expected to be significantly greater after 2009.**

3. **The Northwest Energy Efficiency Alliance (NEEA) is the appropriate entity to carry out this work, and is prepared to do it.**

**It is therefore RESOLVED that the Energy Trust of Oregon, Inc., Board of Directors:**

1. **Authorizes a new Efficient Electronics program;**

2. **Authorizes movement of $_____ from** [carryover and/or program budgets] **in the 2009 budget to a 2009 Efficient Electronics program budget; and**

3. **Authorizes the executive director to contract with the Northwest Energy Efficiency Alliance to carry out this work.**

Moved by: _____ Seconded by: _____

Vote: In favor: _____ Abstained: _____

Opposed: [list name(s) and, if requested, reason for no vote]