# Briefing Paper
## Energy Trust Eligibility to Provide Conservation Programs to BPA Utility Customers

February 11, 2009

## Summary

Energy Trust and Bonneville Power Administration (BPA) have negotiated a memorandum of agreement allowing Energy Trust to be listed as eligible to contract with BPA electric utility customers for electric efficiency services in Oregon, with the utilities recovering the cost through BPA's conservation program. No Board action is required.

## Background

- Energy Trust's natural gas territories often overlap with BPA's retail electric utility territories. BPA and Energy Trust have explored whether and how BPA could fund Energy Trust to provide efficiency services to BPA's utility customers in these overlapping areas, which include public utility districts and municipal electric suppliers.
- Under an agreement reached with BPA in January 2009, BPA's retail utilities would be permitted to contract with Energy Trust to provide efficiency services to utility end-use customers. Participating utilities would pay Energy Trust up front and recover their costs through BPA's conservation program.
- The current focus is a package of prescriptive hospitality industry measures that Energy Trust would provide to a participating utility's end-use customers through the Existing Buildings program. The agreement allows for additional packages of measures for other targeted participants to be offered in the future.

## Discussion

- The agreement has two dimensions:
    - In the short term, it would allow Energy Trust to provide hospitality-related efficiency services to BPA commercial customers. Several BPA utilities are interested, and we are scheduling visits with them for later this month
    - In the longer term, Energy Trust would be able to provide more Energy Trust programs to these utilities if there is mutual interest.
- There are obvious efficiencies gained by Energy Trust providing electric efficiency services in areas where we now provide services to gas customers who receive their electric service from BPA utility customers. Currently, Energy Trust can address only part of these customers' efficiency potential. For electric efficiency service, we refer these customers to their public utility district, municipal utility or rural electric cooperative.
- The agreement with BPA would allow Energy Trust to serve these customers' needs comprehensively if the BPA customer utility and Energy Trust choose it. The agreement does not require these utilities to use Energy Trust services, it permits it.

- No electric funds from investor-owned utilities would be used for this effort. Participating BPA utilities would pay Energy Trust in advance to cover incentives and operational expenses (including management, delivery, and marketing) to provide these electric services. These payments would be a credit against the utilities' obligations to BPA in accordance with BPA's conservation program requirements. Energy Trust would combine these payments with gas funds already allocated for gas customers, to provide electric and gas program services.
- Staff also expects this arrangement to bring in more gas savings from customers outside of PGE and Pacific Power territory, who will be able to deal with one entity (Energy Trust) for energy efficiency services instead of two (Energy Trust for gas and the BPA utility for electricity, if service is available).
- The impact to Energy Trust operations appears manageable. BPA customer-utilities would have until the end of March to enroll through Energy Trust's Existing Buildings program for services through October, 2009. Less than .25 of an FTE from that program's staff will be needed to enroll utilities and provide reporting over this time period. The Energy Trust IT and Finance departments will need to update FastTrack and the general ledger to track expenditures and savings in these service territories.
- Any packages of measures and services that would be offered to BPA's utility customers due to the agreement would be approved by BPA and would be identical to those included in Energy Trust's standard program offerings.
- Energy Trust would not claim energy savings from this work. The savings would be reported to the utility customer and BPA.
- Because the agreement would involve no expenditure of Energy Trust funds, it is within the Executive Director's signing authority. However, staff believes it is necessary to brief the board before signing the agreement because it would authorize an expansion of Energy Trust's participant base to BPA's Oregon public power customers.

## Next Steps

- With BPA's help, Energy Trust staff will work with 11 retail electric utility customers to execute contracts to participate in the hospitality initiative by March 31, 2009.
- Future packages and work will be defined as needed.