



For Businesses



For Homes



Renewable Energy



For Trade Allies



About Us

EnergyTrust of Oregon

Portfolio Planning at Energy Trust of Oregon

Fred Gordon

December 17, 2008

CEE "Ask the Alleged Experts" forum



I will cover

- Portfolio Purposes
- Accountability structures and impact on portfolios
- Balancing long and short term- how principles have evolved
- Innovation choices
- Candidate criteria (separate) for R&D, program innovation, near-term program actions, and juggling cash flow.

Portfolio for Different Purposes

Energy Trust has separate mandates for gas/electric efficiency and for renewable generation

- Efficiency- “cost-effective”
 - Resource acquisition
 - Market Transformation
- Renewables- “above market cost”-
 - bring renewable generation to market price eventually.
- 1 year, 3 year, 10-25 year

Energy Trust 2012 Goals (under renovation):

- *Save 300 average megawatts of electricity.*
- 2. *Save 21 million annual therms of natural gas.*
- 3. *Help Oregonians meet 10 percent of their electric energy needs from renewable resources.*
- 4. *Expand participation by customers that have been hard to reach historically.*
- 5. *Help businesses to thrive by promoting energy efficiency and renewable energy.*
- 6. *Encourage Oregonians to integrate energy efficiency and renewable energy in daily life.*

Likely New Goal/Accountability Structure

New legislation gives Energy Trust 2025 time frame.

In Energy Trust plans

- Five-year quantitative goals
- 2025 concept goals

In Utility Agreements (thru IRP)

- Budgets/goals for 2 years.
- Resource forecasts for up to 20 years.

Minimum Performance Measures for PUC contract:

- 1-3 years
- Progress indicators on some very long-term investments

Efficiency Portfolio Principles Have Evolved

Old:

- Lowest hanging fruit.

New

- When we're done with all the fruit, can we eat the bark too?
 - Accelerate flow of savings short term
 - Invest in activities for the long term (5 and 20 year)
 - More field testing and R&D to add opportunities
 - hopefully a regional approach
 - Cost-effectiveness still counts, but more latitude to develop resources that we think (for reasons, not carte blanche) will be cost-effective later

Example of Long vs. Short Term: Commercial lighting

Short term:

- Commercial lighting retrofit

Long Term

- (2004) Premium T-8 ballast introduction
 - Introduced gradually so the flow is not impeded.
 - Minimum spec for incentives in third year.
- (2008) Templates for comprehensive new construction and retrofit
 - NBI core performance
 - Retrofit lighting layouts
 - Zero net energy new building demo

Board Perspective

- Resource Acquisition should be about 80%
- But get it all and find more.
- Bring us best areas for innovation.

Board Workshop: Candidate Areas for Program Innovation

- 1- Pay High Incentives if there are no more strategic options
2. Invest in Deeper Long-Term Strategies to Change the Way Businesses Invest in Efficiency
3. Research, Development, & Demonstration
4. Change How People Think About Energy Efficiency
5. Use Efficiency Funds to further Leverage Other Money

Some Candidate Criteria for New Initiatives (1-10 year frame)

- Expands on current practices and competencies
- New roles are within current mandate (prefer)
 - Or we could be asked if we define the opportunity
- How much savings?
- How soon? How certain? How laborious?
- Will it happen without us?
- Is now the time?

Some Candidate Criteria for R&D (3-10 year frame)

- Big loads
- No really good measures exist now
- Ideally, products that could enter our market exist or are close
 - But there are some compelling ideas not as far along
- Users will like it
- Will it happen without us? Will we know what is saved?
- Looks potentially cost-effective
- Critical for key initiative (e.g., zero net energy buildings)

Some Candidate Criteria for Program Initiatives (3 year frame)

- Significant potential savings
- Technically established, commercially available
- Infrastructure exists to sell, install, service
- It's coming too slow without innovation
- There are established program models we could follow, we know the cost.
- Or, we have a compelling idea-
 - Preferably a phased test (e.g., restaurant initiative built gradually over 3 years)
 - If compelling enough, or no gradualism won't work, take “the big plunge” (e.g., new home scoring)

Cash Flow is still an Issue

- We can ask for more money if we find more cost-effective efficiency.
 - But...it's not instant.
- Principles for short-term (1 year) juggling:
 - No sudden shifts
 - What is really necessary vs nice?
 - You sure you can spend that?
 - What markets depend on heavy push marketing and will slow down without damage?
 - Nobody likes to be held back.
 - What activities are interdependent? E.G., gas and electric
 - Where is momentum and short-term opportunity?
 - Are we still serving all classes of customers?

Examples of Cash Flow Management

- Until our funding increased, we didn't push hard on commercial lighting retrofit. When we pushed, it was there for us.
 - But we didn't cut it off either.
- We considered slowing down growth in multifamily retrofit activity
 - Requires sustained push marketing
 - But current market economics may create a short-term opportunity
 - Vendor pressure
 - We scrambled and found the money

Contact info

Fred.Gordon@Energytrust.org

503-445-7602

