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EnergyTrust of Oregon

MEMO

Date: June 18, 2009
To: Tom Eckman, NW Power Planning and Conservation Council

From: Margie Harris, Executive Director

Subject: Comparison of Energy Trust Plans to Draft 6th NW Power Plan Acquisition Levels

In response to inquiries from utilities and other parties, this memo provides a comparison between the draft 6th Plan acquisition levels (middle case, or 1200 AMW case) and Energy Trust's planned resource acquisition levels. These comparisons are based on our work with PacifiCorp and PGE on their Integrated Resource Plans for the five years 2010-2014. The estimates are intended as information and a point of reference, not to imply judgments about what may be possible in service territories beyond these.

The level of planned efficiency acquisition through Energy Trust programs represents our best projection of the fastest acceleration rate for cost-effective savings that we can reliably achieve. These are "stretch case" Energy Trust goals within an environment where utilities are being expected to acquire all cost-effective savings and when we believe it is necessary to maximize our results. Energy Trust is confident that over the five year period, we can achieve these aggressive goals.

The current public purpose charge is not sufficient to fund acquisition of savings at these higher levels. To potentially capture these opportunities, Energy Trust has agreements in place with both PacifiCorp and PGE allowing us to jointly revisit funding levels every two years. This is part of our supplemental funding arrangement under SB 838, allowing for utilities to meet IRP resource acquisition targets.

The following table shows that Energy Trust commitments to PGE and PacifiCorp through IRP are well in excess of Energy Trust's share of draft 6th plan targets:

COMPARISON OF PACIFICORP/PGE AND POWER COUNCIL TARGETS FOR ENERGY TRUST (Average Megawatts)

Year	Energy Trust Target	NWPCC Target for Energy Trust
2010	52	40
2011	59	44
2012	60	48
2013	65	52
2014	65	56

The "Energy Trust Target" numbers shown above differ slightly from those used in utility IRP. Energy Trust/utility IRP targets are for efficiency actions which exceed the level of electric efficiency assumed in utility load forecasts. Thus, forecasts of free riders are removed. To provide a number comparable to 6th Plan targets, Energy Trust adjusted savings estimates to add back in free riders, about 15% overall. However, the comparison is still not exactly "apples to apples" because:

1. **No State or Federal Programs are included in Energy Trust numbers -** Energy Trust did not include savings that are not attributable to Energy Trust or the NW Energy Efficiency Alliance. This means that projections of savings in PGE and PacifiCorp Oregon service territory related to State and Federal tax credits, the State Energy Loan Program, School and low income funding under SB1149, and Federal and state stimulus funding are not included unless those projects also participate in Energy Trust funding. There is some overlap -- many Energy Trust projects also use tax credits and some are expected to tap stimulus funding. However, the school and low income programs and self-direct fund separate measures, and some tax credit and loan users do not use our programs. In particular, we expect a large volume of savings in 2010-11 from lower income and government projects stemming from stimulus funding. This is expected to result in *more* savings in Oregon PGE and Pacificorp service territory than are shown in the first column, and these savings will count toward the 6th plan targets.

2. **No Emerging Technologies -** Energy Trust did not forecast savings from residential heat pump water heaters or ductless heat pumps, two technologies the Power Council has included in their plan but which we treated as emerging technologies. Should these two technologies enter the marketplace, they may permit further modest acceleration of savings.

Even in this down economy, we continue to see significant uptake on investments made particularly in our existing commercial buildings and existing residential markets. In combination with the market awareness of the value of energy efficiency and renewable energy, we expect our program results continue to grow.