

April 23, 2015



Via Electronic Mail
Oregon Public Utility Commission
Attn: Filing Center
3930 Fairview Industrial Drive SE
PO Box 1088
Salem, Oregon 97308

Re: UM 1622: Energy Trust Memorandum on South Salem Feeder Project

Attached to this letter and certificate of service, please find Energy Trust's Memorandum on the South Salem Feeder Project. This memorandum is filed in connection with OPUC Staff recommendation dated April 1, 2015, requesting approvals of incentive cap proposals submitted by Energy Trust developed to address Commission guidelines issued in Order 14-332.

Thank you for your assistance with respect to this filing. If you have any questions, please do not hesitate to contact me.

A handwritten signature in black ink, appearing to read "Debbie Menashe", with a long, sweeping flourish extending to the right.

Debbie Menashe
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cc: UM 1622 Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Report to Commission Staff upon all parties in this proceeding by causing a copy to be sent via electronic mail to the following parties at the following addresses.

Dated at Portland, Oregon, this 23rd day of April, 2015

A handwritten signature in cursive script, reading "Debbie Menashe", with a long horizontal flourish extending to the right.

Debbie Goldberg Menashe, OSB No. 89050

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Memorandum Submitted in UM 1622

Date: April 23, 2015

To: OPUC Staff

From: Fred Gordon, Director of Planning & Evaluation, Energy Trust of Oregon

Subject: South Salem Feeder Project

Energy Trust requests that the OPUC's final ruling in docket UM1622 not direct Energy Trust to develop a campaign to reduce loads in the South Salem area potentially served by a new Northwest Natural pipeline. Northwest Natural, in the attached memorandum communication, has informed Energy Trust that additional load data shows a decreasing likelihood that the new pipe will be needed in the near future. Northwest Natural plans to further study the area over the next several months and report to the OPUC. Until that report is complete, Energy Trust proposes to look for opportunities to accelerate efficiency in South Salem within the scope of our existing program, but not to offer any different measures, incentives or marketing initiatives in that area.

Energy Trust further requests that the OPUC reconsider its direction that Energy Trust keep current incentives available in the Salem area for measures that otherwise were not granted exceptions to in UM-1622. This pertains to gas home wall, floor and duct insulation. There are three reasons:

1. If there was a push to acquire rapid additional gas energy savings in the Salem area, floor and wall insulation and duct sealing would be a very small part of the savings; a few percent.
2. There are administrative costs to running different incentives for measures or offering additional measures in a limited geographic area.
3. A program with different incentives and offerings in different parts of the same utility service territory can be confusing for customers and contractors, so seems appropriate only if there is a clear need.

M E M O R A N D U M



Date: April 21, 2015

To: Fred Gordon

From: Dave Lenar, Tamy Linver

Subject: Analysis of Peak Demand in Salem

Following the Public Utility Commission of Oregon's (OPUC) requirement in Order No. 15-064 to further evaluate the South Salem Feeder project, NW Natural is in the early stages of reviewing its load and customer forecast methodology. Preliminary results of peak day demand suggest it is unlikely the South Salem Feeder will be needed in the time frame reflected in the 2014 IRP. Analysis of the load and customer forecasts will continue over the next several months. Once NW Natural finalizes its analysis, the Company plans to bring its updated methodologies for review by stakeholders through the 2016 IRP Technical Work Group process beginning later this year.

In light of NW Natural's preliminary results, the Company would be supportive of putting a temporary hold on Energy Trust continuing to offer those measures which were not granted exceptions to the Oregon Public Utility Commission's cost effectiveness guidelines for certain gas energy efficiency measures as reflected in Order No. 14-332 and incurring incremental expenses unique to Salem until such time as we complete our analysis and have it appropriately reviewed.