

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

UM 1565

Energy Trust of Oregon

Cross-Answering Testimony of Steve Lacey

ETO EXHIBIT 200

February, 2013

I. INTRODUCTION AND SUMMARY

Q. Please state your name and position.

A. My name is Steve Lacey. I am Director of Operations of the Energy Trust of Oregon ("Energy Trust"). My witness qualification statement is part of Exhibit Staff – ETO/102, filed June 6, 2012.

Q. What is the purpose of your testimony?

A. To summarize how Energy Trust intends to modify its fuel-switching policy and manage its marketing pending any Commission order directing a different course.

II. ENERGY TRUST FUEL-SWITCHING POLICY

Q. Staff and parties have suggested in this docket that Energy Trust clarify its fuel-switching policy. Do you agree, and if so how would you propose to revise the policy?

A. Energy Trust staff agrees that the Energy Trust fuel-switching policy should be clarified. Currently, the policy is open to an interpretation that Energy Trust will not provide incentives to consumers who for their own reasons decide to switch fuels. Energy Trust staff will suggest to the Energy Trust Policy Committee and Board that the policy state more clearly that Energy Trust may provide incentives for high-efficiency equipment for whatever fuel the customer is considering.

Q. Staff and parties have suggested that Energy Trust ensure that its messaging does not promote fuel-switching. Do you agree, and if so how would you propose to do that?

A. Energy Trust will manage its website and marketing materials to make clear that fuel choice is a consumer decision and Energy Trust incentives are not intended to promote fuel-switching. Energy Trust will continue to provide consumers with clear and appropriate information about fuel choices, and will not manage its programs and incentives to encourage fuel-switching. Energy Trust will pay particular attention to ensuring that its heat-pump webpage and marketing materials convey this message clearly.

Q. OPUC staff has suggested that utilities should scrub their mailing lists and take other steps to ensure that heat-pump marketing materials using ratepayer funds do not target gas customers. Would Energy Trust play a role in this?

A. Energy Trust does not control utility marketing or mailing lists, but would be glad to assist utilities in these steps.

Q. OPUC staff and parties have suggested that Energy Trust should ensure that its incentives are not offered in cases where fuel-switching would not be cost-effective. Do you agree?

A. Energy Trust agrees that incentives should be offered for cost-effective measures. Energy Trust is not aware of any framework in current OPUC rules or orders regarding this principle insofar as it applies to fuel switching. Moreover, it is our understanding that this docket, or this phase of this docket, is not engaging this subject. If the OPUC adopted such a framework, Energy Trust may be required to play a much different role than it has in the past, assessing which fuel choice would be cost-effective for consumers, possibly studying a range of

variables -- fuel prices, the impact of new technology, differences in lifestyle, occupancy hours, number of people per family, condition of home, etc., against a range of futures. Depending on the OPUC framework, we might need to revisit these analyses as market conditions change, adjust incentives, and educate contractors about the changes. Obviously, this could be a much more complex model of program administration, and we would want to explore issues of cost, administrative efficiency, contractor and consumer confusion, and other implications in the context of a proceeding that is focused on these issues.

In the meantime, absent OPUC guidance on how energy conservation programs should encourage or discourage fuel-switching, Energy Trust would continue to leave fuel choice decisions to the consumer.

Q. Does this conclude your direct testimony?

A. Yes.

DATED this 14th day of February, 2013.

Energy Trust of Oregon

By: _____

A handwritten signature in cursive script, appearing to read "M. R. Jay", is written over a horizontal line.

UM 1565 – CERTIFICATE OF SERVICE

I hereby certify that, on February 14, 2013, I served the foregoing Cross-Answering Testimony of Steve Lacey upon each party listed in the UM 1565 PUC Service List, all of whom have waived paper service, by email, and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

**W=Waive Paper
service**

W	*OREGON DEPARTMENT OF ENERGY	
	MAUREEN BOCK	625 MARION ST., NE SALEM OR 97301 maureen.p.bock@state.or.us
	VIJAY A SATYAL SENIOR POLICY ANALYST	625 MARION ST NE SALEM OR 97301 vijay.a.satyal@state.or.us
W	AVISTA CORPORATION	
	DAVID J MEYER VICE PRESIDENT & CHIEF COUNSEL	PO BOX 3727 SPOKANE WA 99220-3727 david.meyer@avistacorp.com
W	AVISTA UTILITIES	
	SHAWN BONFIELD	PO BOX 3727 SPOKANE WA 99220-3727 shawn.bonfield@avistacorp.com
	LINDA GERVAIS SR REGULATORY ANALYST	PO BOX 3727 SPOKANE WA 99220-3727 linda.gervais@avistacorp.com
W	CASCADE NATURAL GAS	
	ALLISON SPECTOR	1600 IOWA ST BELLINGHAM WA 98229 allison.spector@cngc.com
W	CASCADE NATURAL GAS CORPORATION	
	JIM ABRAHAMSON	8113 W. GRANDRIDGE BLVD KENNEWICK WA 99336 jim.abrahamson@cngc.com
W	CITIZENS' UTILITY BOARD OF OREGON	
	OPUC DOCKETS	610 SW BROADWAY, STE 400 PORTLAND OR 97205 dockets@oregoncub.org
	GORDON FEIGNER	610 SW BROADWAY, STE 400 PORTLAND OR 97205 gordon@oregoncub.org
	G. CATRIONA MCCRACKEN	610 SW BROADWAY, STE 400

PORTLAND OR 97205
catriona@oregoncub.org

W	CITY OF PORTLAND - CITY ATTORNEY'S OFFICE	
	BENJAMIN WALTERS	1221 SW 4TH AVE - RM 430 PORTLAND OR 97204 ben.walters@portlandoregon.gov
W	CITY OF PORTLAND - PLANNING & SUSTAINABILITY	
	DAVID TOOZE	1900 SW 4TH STE 7100 PORTLAND OR 97201 david.tooze@portlandoregon.gov
W	ESLER STEPHENS & BUCKLEY	
	JOHN W STEPHENS	888 SW FIFTH AVE STE 700 PORTLAND OR 97204-2021 stephens@eslerstephens.com; mec@eslerstephens.com
W	NORTHWEST NATURAL	
	E-FILING	220 NW 2ND AVE PORTLAND OR 97209 efiling@nwnatural.com
	JENNIFER GROSS	220 NW 2ND AVENUE PORTLAND OR 97209 jennifer.gross@nwnatural.com
W	NW ENERGY COALITION	
	WENDY GERLITZ	1205 SE FLAVEL PORTLAND OR 97202 wendy@nwenergy.org
W	OREGON DEPARTMENT OF JUSTICE	
	RENEE M FRANCE	NATURAL RESOURCES SECTION 1162 COURT ST NE SALEM OR 97301-4096 renee.m.france@doj.state.or.us
W	PACIFIC POWER	
	SARAH WALLACE	825 NE MULTNOMAH ST STE 1800 PORTLAND OR 97232 sarah.wallace@pacificorp.com
	MARY WIENCKE	825 NE MULTNOMAH ST, STE 1800 PORTLAND OR 97232-2149 mary.wiencke@pacificorp.com
W	PACIFICORP, DBA PACIFIC POWER	
	OREGON DOCKETS	825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com

W PORTLAND GENERAL ELECTRIC

TERRI BOWMAN

121 SW SALMON ST, 1WTC0702
PORTLAND OR 97204
pge.opuc.filings@pgn.com

DOUGLAS C TINGEY

121 SW SALMON 1WTC13
PORTLAND OR 97204
doug.tingey@pgn.com

KARLA WENZEL

121 SW SALMON ST. 1WTC0702
PORTLAND OR 97204
karla.wenzel@pgn.com

W PUBLIC UTILITY COMMISSION

JULIET JOHNSON

PO BOX 2148
SALEM OR 97308-2148
juliet.johnson@state.or.us


W PUC STAFF - DEPARTMENT OF JUSTICE

JOHANNA RIEMENSCHNEIDER

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301-4796
johanna.riemenschneider@doj.state.or.us

Dated this 14th day of February, 2013, at Portland, Oregon.

By: _____


John M. Volkman, Senior Counsel
Energy Trust of Oregon

