

ORDER NO. 11 039  
ENTERED JAN 28 2011

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1519

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON

Review and Recommendations concerning  
the Energy Efficiency and Sustainability  
Technology Act of 2009 (EEAST).

ORDER

**DISPOSITION: STAFF RECOMMENDATION ADOPTED IN PART**

The 2009 Legislative Assembly passed House Bill 2626<sup>1</sup> to establish an energy efficiency and sustainable technology (EEAST) loan program to encourage investments in energy efficiency and renewable energy. The Energy Trust of Oregon (ETO) is tasked, by the Legislature, with implementing the EEAST loan program in the service territories of the investor-owned electric utilities, and is required to submit a report to the Public Utility Commission of Oregon (Commission) on the effectiveness of the EEAST pilot program. The Commission, in turn, is tasked with reviewing the ETO's report, and ordering the full or partial implementation of the successful measures and strategies of the EEAST loan program.

At a Public Meeting on January 25, 2011, the Commission Staff presented its review of the ETO report and recommendations to the Commission. The details of the filing and Staff's recommendation are described in Staff's Report, attached as Appendix A, and incorporated by reference.

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<sup>1</sup> Codified as Chapter 470 of the Oregon Revised Statutes.

After discussion, the Commission adopted Staff's recommendation as modified to read as follows:


Staff recommends the Commission:

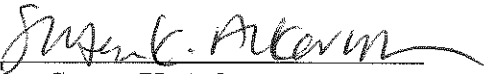
1. Order the partial implementation of EEAST by extending the pilot program phase through 2012;
2. Provide a report to the Legislative Assembly describing the extension of the pilot program phase of EEAST, ~~but make no recommendation for statutory modifications to EEAST at this time;~~ and
3. Continue to evaluate EEAST pilot program implementation and monitor the issues raised by the parties in this proceeding, **and convene a workshop to address proposed statutory modifications to EEAST** ~~to determine if solutions are needed and whether the solutions require statutory modification prior to the full implementation.~~

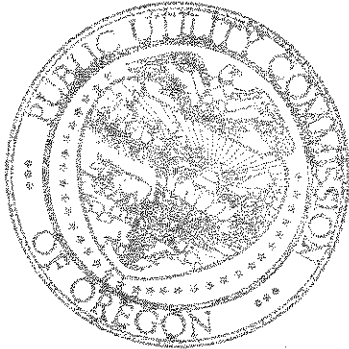
**ORDER**

IT IS ORDERED that Staff's recommendations concerning the Energy Efficiency and Sustainability Technology Act of 2009, as modified above, are adopted.

Made, entered, and effective JAN 28 2011

  
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**John Savage**  
Commissioner

  
\_\_\_\_\_  
**Susan K. Ackerman**  
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.



ULM 1519

ORDER NO. 11 039

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: January 25, 2011

REGULAR  X  CONSENT      EFFECTIVE DATE      N/A    

DATE: January 19, 2011

TO: Public Utility Commission

FROM: Maury Galbraith *MG*

THROUGH: *Li* Lee Sparling

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: Consider full or partial implementation of Energy Efficiency and Sustainability Technology Act of 2009 (EEAST) load program measures and strategies and appropriate statutory modifications to recommend to the Legislative Assembly.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission:

1. Order the partial implementation of EEAST by extending the pilot program phase through 2012;
2. Provide a report to the Legislative Assembly describing the extension of the pilot program phase of EEAST, but make no recommendations for statutory modifications to EEAST at this time; and
3. Continue to evaluate EEAST pilot program implementation and monitor the issues raised by the parties in this proceeding to determine if solutions are needed and whether the solutions require statutory modifications prior to full implementation.

**DISCUSSION:**

The 2009 Legislative Assembly passed House Bill 2626 (HB 2626) to establish an energy efficiency and sustainable technology loan program to encourage significant investments in energy efficiency and renewable energy. The bill was codified as Chapter 470 of the Oregon Revised Statutes.

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The Energy Trust of Oregon (ETO), as the Public Purpose Fund Administrator, is tasked with implementing the EEAST loan program in the service territories of the investor-owned electric utilities. On October 1, 2010, the ETO submitted a report on the effectiveness of the EEAST pilot program to the Commission.<sup>1</sup> On October 26, 2010, the ETO presented the findings of its report to the Commission at its regular public meeting.<sup>2</sup> The ETO recommended that full-scale implementation of EEAST be delayed and that pilot program implementation, through Clean Energy Works Oregon (CEWO), be extended beyond 2011. With CEWO managing and investing \$25 million in federal grant funding, the ETO believes there is further opportunity to learn from pilot program implementation.

The Legislature tasked the Commission with reviewing the ETO's report and fully, or partially, implementing the successful measures and strategies of the EEAST loan program in investor-owned utility service territories. Specifically, Section 43(3) of HB 2626 states:

The commission shall review the report and:

- (a) Order full implementation of the successful energy efficiency and sustainable technology loan program measures and strategies in investor-owned utility service territories; or
- (b) Order the partial implementation of energy efficiency and sustainable technology loan program measures and strategies and make recommendations to the Legislative Assembly for appropriate statutory modification of the program.

On December 20, 2010, Commission Staff solicited public comments and recommendations regarding the full or partial implementation of the EEAST loan program measures and strategies. On January 12, 2011, the following parties submitted comments on EEAST implementation:

- NW Natural Gas Company (NW Natural);
- Cascade Natural Gas Company (Cascade);
- Avista Corporation (Avista);
- PacifiCorp;

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<sup>1</sup> A copy of the ETO report is available at:  
[http://energytrust.org/library/reports/101001\\_EEAST\\_OPUC.pdf](http://energytrust.org/library/reports/101001_EEAST_OPUC.pdf)

<sup>2</sup> The Staff Report is available at:  
<http://www.puc.state.or.us/PUC/meetings/pmemos/2010/102610/reg3.pdf>

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- CEWO;
- Enterprise Cascadia;
- City of Astoria;
- City of Lake Oswego;
- Clackamas County;
- Greater Eastern Oregon Development Corporation;
- Hood River County Community Development;
- Rogue Valley Council of Governments;
- Southern Oregon Green Jobs Council;
- Home Energy Life Performance Group;
- The Environment Center;
- Sunlight Solar Energy;
- Richart Family Inc.; and
- Colleen Neel

All of these comments were forwarded to each Commissioner. All of the parties support (or do not oppose) the ETO's recommendation to delay full-scale implementation of EEAST and to extend pilot program implementation beyond 2011.

The investor-owned utilities listed technical concerns with full implementation of EEAST and identified specific statutes that may need clarification or modification. For example, NW Natural indicated that full implementation could result in multiple Sustainable Energy Territories (defined in ORS 470.050(31) and ORS 470.555) overlapping its service territory and, as a result, could require the company to work with multiple program managers and banks.<sup>3</sup> Cascade raised a concern with the utility being placed in the position of loan enforcement, especially if the loan was made to an economically vulnerable customer. Avista emphasized the utility consent clause contained in ORS 470.510. PacifiCorp recommended extending the pilot phase through 2012. Both PacifiCorp and Cascade emphasized that extension of the EEAST pilot program phase provides an opportunity to clarify many of the issues and concerns raised by the investor-owned utilities in the Commission's upcoming rulemaking in compliance with ORS 470.660(3).

CEWO, the local government entities, and other interest groups encouraged the Commission to follow the ETO's recommendation and order partial implementation of EEAST. Richart Family Inc. and Colleen Neel provided detailed recommendations for improving program delivery and customer participation.

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<sup>3</sup> NW Natural supports continuation of the EEAST pilots as long as not more than one pilot is required per utility and under the condition that strict compliance with ORS 470.500 through ORS 470.715 is not necessary during the pilot phase.

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Pilot Program Extension (Partial Implementation of EEAST):

Portland General Electric (PGE), PacifiCorp, and NW Natural are currently providing on-bill repayment services to Enterprise Cascadia as part of their participation in the City of Portland's Portland Clean Energy Fund pilot program. The provision of these billing services is governed by agreements reached between the utilities and the City of Portland and Enterprise Cascadia. The utilities have also included the terms of their on-bill repayments services in schedules in their respective Oregon service tariffs.

Staff interprets the proposals to extend the pilot program implementation of EEAST as the continuation of the negotiated, jurisdiction-by-jurisdiction, utility-by-utility approach to extending the EEAST pilot programs. In its comments, CEWO indicates that it is currently negotiating participation agreements with 17 other jurisdictions throughout the state. CEWO also indicates that it is currently working with investor-owned utilities to reach memoranda of understanding regarding on-bill repayment services in these jurisdictions. The extension of the pilot program approach means that EEAST implementation requires the continued mutual agreement of CEWO, the community jurisdictions and the investor-owned utilities.

Staff recommends that the Commission:

1. Order the partial implementation of EEAST by extending the pilot program phase through 2012;
2. Provide a report to the Legislative Assembly describing the extension of the pilot program phase of EEAST, but make no recommendations for statutory modifications to EEAST at this time; and
3. Continue to evaluate EEAST pilot program implementation and monitor the issues raised by the parties in this proceeding to determine if solutions are needed and whether the solutions require statutory modifications prior to full implementation.

**PROPOSED COMMISSION MOTION:**

EEAST be partially implemented by extending the pilot program phase through 2012.

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