

ORDER NO. 13 256

ENTERED JUL 03 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1622

In the Matter of

ENERGY TRUST OF OREGON,

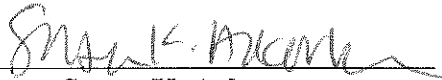
Request for Approval of Exceptions to Cost
Effectiveness Guidelines.

ORDER

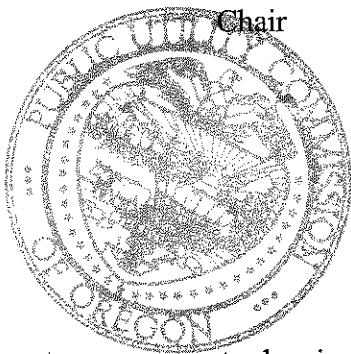
DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the public meeting on July 2, 2013, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

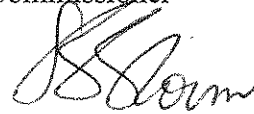
Dated this 3rd day of July, 2013, at Salem, Oregon.



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
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.

ORDER NO. 13 256

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 2, 2013

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: June 24, 2013

TO: Public Utility Commission

FROM: Juliet Johnson

THROUGH: Jason Eisdorfer, Maury Galbraith and Aster Adams

SUBJECT: ENERGY TRUST OF OREGON: (Docket No. UM 1622) Regarding exceptions to energy efficiency cost effectiveness guidelines.

STAFF RECOMMENDATION:

The Commission should grant the Energy Trust of Oregon (Energy Trust or ETO) an exception to current cost effectiveness guidelines for all gas efficiency measure and programs through October 18, 2014. The Commission should further require the Energy Trust to submit a report by July 1, 2014 that contains the information set forth later in this memorandum.

DISCUSSION:

Energy Trust's first request for limited exceptions to the Commission's cost effectiveness guidelines contained in Commission Order No. 94-590 (Docket UM 551) for gas efficiency measures was approved by the Commission in its Order No. 12-394 (Docket UM 1622) on October 18, 2012. These exceptions are valid for two years, ending October 18, 2014.

Subsequently, on November 12, 2012, the Energy Trust submitted a second request for exceptions to the Commission's cost effectiveness guidelines for additional gas efficiency measures. After review, Staff requested that Energy Trust withdraw its second request because Staff is proposing a new approach as detailed below. ETO withdrew its second request on June 5, 2013.

Energy Trust UM 1622
June 24, 2013
Page 2

After careful consideration and further discussion with ETO, Staff recommends that the Commission take the following holistic approach for gas efficiency measures rather than continue the current practice of having ETO file multiple requests for exceptions.¹ Order 94-590 in UM 551 lists conditions under which non cost effective measures can be included in utility programs. Condition g) states that measures can be included if they are consistent with Commission policy or direction. Staff recommends the Commission issue the following direction:

1. Starting July 2, 2013 and ending October 18, 2014, the Commission grant the Energy Trust an exception from the current cost effectiveness guidelines for all gas efficiency measures and programs. During this time period, the Energy Trust should take active steps to make its gas programs as cost effective as possible. Energy Trust must also develop a plan to modify or eliminate measures that are:
(a) clearly not cost effective now, (b) not likely to be cost effective in the future, or (c) do not meet the exception criteria set forth in Order No. 94-590.
2. The Energy Trust submit a report (Report) to Commission Staff by July 1, 2014 which contains the following information²:
 - (A) An analysis of the estimated benefit/cost (b/c) ratios for all of its remaining gas programs and measures, viewed from a utility and societal perspective, for those measures and programs where the b/c ratios are close to or less than one;
 - (B) The projected achievable savings for each gas measure and program. For measures and programs with societal b/c ratios of less than one, the Energy Trust must identify that such measures and programs:
 - a. Produce significant non-quantifiable non-energy benefits;
 - b. Will lead to market transformation and reduced costs;
 - c. Are needed for consistency with other DSM programs in the region;
 - d. Will help to increase participation in a cost-effective program;
 - e. Cannot be changed frequently, and will be cost-effective during the period the program is offered;
 - f. Are included in a pilot or research project; and
 - g. Are required by law or are consistent with Commission policy or direction;and

¹Staff will continue to work with Energy Trust to review and where appropriate approve non-gas efficiency measures that meet current Commission exception criteria contained in Order 94-590.

² Interested parties would be allowed an opportunity to review and comment on the Report. Staff would then consider the Report, and parties' comments if any, and make a recommendation to the Commission to be considered at or before the first public meeting in October 2014. The Commission would then make a determination regarding the gas efficiency cost effectiveness of ETO's gas programs and measures.

Energy Trust UM 1622
June 24, 2013
Page 3

(C) An identification of the programs and measures which the ETO proposes to continue and those it proposes to discontinue. The proposals should be based upon the criteria stated immediately above, as well as any other relevant considerations.

PROPOSED COMMISSION MOTION:

The Commission grant the Energy Trust exceptions to the Commission's current cost effectiveness guidelines for all gas efficiency measure and programs starting July 2, 2013 and ending October 18, 2014. The Commission direct the Energy Trust to submit a report to Commission Staff by July 1, 2014 as set forth in this memorandum.

UM 1622 - Energy Trust cost effectiveness exceptions