

Concepts for Governor's Energy Efficiency Working Group

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These ideas were offered by the Energy Trust. We do not profess to be the experts or the advocates- we're offering them as ideas for further reflection.

1. **Make SEED program mandatory and raise the requirements.** This program requires that state buildings be constructed 10% more efficient than the state energy code. We are not experts in this program, but from our work with SEED we are under the impression that not all state programs go through the process. Perhaps the state could (1) raise the requirements to 25% beyond code (with a year or two lead time), (2) create a mechanism to assure compliance, and (3) require that in addition to state-owned buildings, all new buildings being constructed for lease to the state should comply. WE do not know if this would require a legislative change. We suspect it would require more technical support from ODOE than their current staffing can provide.
2. **Align building management and energy bill-paying in state agencies.** This is about creating the right incentives for state managers to save energy. We are not the experts in how state agencies manage their buildings or at what level bills get paid. We think that most state agencies pay their own utility bills. This is better than some states where bills are paid out of a general account. We wonder if building management (including O&M and capital improvements), and energy bill-paying happen at different organizational levels, or in different parts of the organization, in many agencies. If so, it would be extremely beneficial to integrate these functions so that the benefits of savings on utility bills and the ability to do so are in the same person. This may be more of an administrative action than legislation.
3. **Fund long term investments in expanding the amount of available efficiency and renewables.** This is about the tug of war between meeting short term and long term objectives. We are not sure if this is a legislative or administrative issue. Energy Trust conducted a review of how efficiency supply has evolved over time. One conclusion from our study is that the amount of available conservation grows faster when program delivery entities are engaged in testing, training, and demonstration of practices and technologies that don't quite fit into cost-effectiveness criteria- yet. Oregon has focused its funding on meeting shorter-term goals. More conservation and renewables may be available

if there are additional resources focused on developing the conservation supply so we can do more by 2030 or 2050.

Ideas like zero net energy commercial buildings and homes (if selected for action) will take significant front-end investment not only in technology development, but in working with leading developers to experiment with design, evaluate results, create criteria, promote the brand, refine applications, train people, all the elements of a good program design. The major benefits will start in ten years or so, because ideas for building design must be invented, tested in the field, and refined before they can be applied on a volume basis.

Are the resources there to do this now?

- Currently, ODOE has limited cash funds for this and tax credits cannot do the whole job.
- Energy Trust is guided by PUC performance measures which specify one to three year performance. Most public and legislative expectations of the Energy Trust focus on next year's savings and generation. This permits only a limited amount of resources to go to long-term project development.
- NEEA (as a contractor to Energy Trust and to utilities in parts of the Northwest that Energy Trust does not serve) does some of this work, but their funds are fully committed to a limited number of projects, and their accountability is to provide results within five years. That's because their funders are expected to produce results quickly.
- Energy Trust's renewables funding is in high demand, especially solar. This may complicate funding the renewable part of net zero energy demonstration homes or buildings.
- For the RPS acquisitions are likely to focus on established technologies.
- There are national efforts, but to move forward the local infrastructure, design capabilities, and business case for developers and contractors must move advance, not just the hardware.

It may take administrative or legislative decisions to provide or set aside cash funding aimed at more savings in the long run. This could happen at ODOE or the Energy Trust and public utilities, or someone else.