



Pay for Performance (PfP) - Commercial

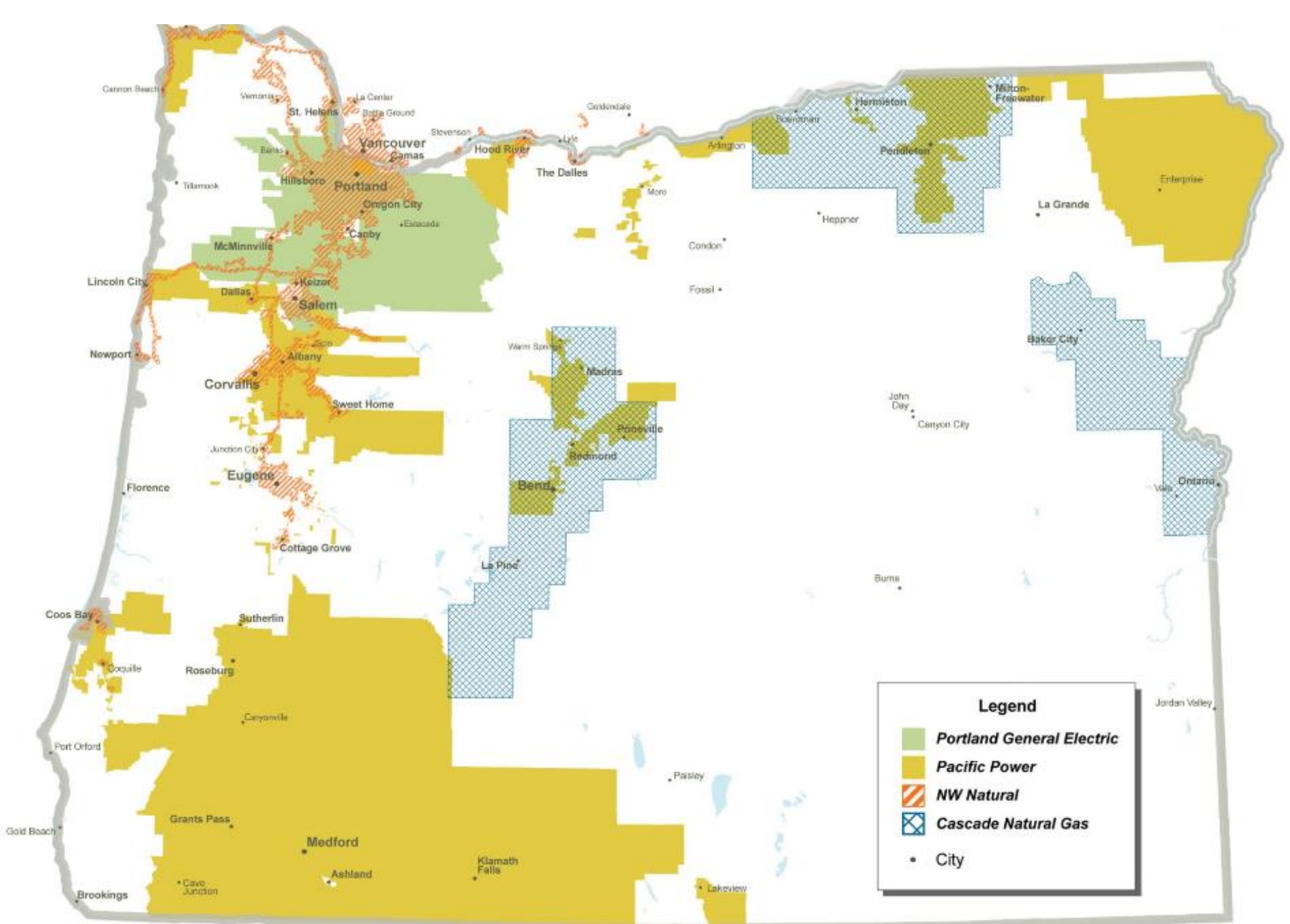
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NW Energy Coalition Energy Efficiency Workshop

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About Energy Trust of Oregon

- Independent nonprofit
- Serving 1.5 million customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas
- Providing access to affordable energy
- Generating homegrown, renewable power
- Building a stronger Oregon and SW Washington



Legend

- Portland General Electric**
- Pacific Power**
- NW Natural**
- Cascade Natural Gas**
- City**

Pay for Performance Overview

- History of operations and maintenance offers
 - Strategic Energy Management
 - Retrocommissioning
- Incentives paid annually for 3 years
- Whole building measurement & verification
- Service providers are key
- Measures: O&M, behavioral, and capital

Pay for Performance Benefits

- Holistic approach achieves deeper savings
 - Blended measure approach
 - Whole building approach
- Minimizes risk overall; some risk shift
 - Incentives paid only for delivered savings
 - Customer assurance that measures are performing
 - Some risk shifted to service providers, but...
- Streamlined approach minimizes administration
- Flexible implementation schedule

Not Pay for Performance



Not Pay for Performance



Pay for Performance Pilot

- One pilot participant
 - Energy Star certified
 - Measure mix
- Service provider
 - Customer relationship
 - Past experience
 - Contracting
- Results
 - 778,000 kWh, 16% savings
 - High customer satisfaction

1000 Broadway Building, Portland, OR



Pay for Performance Future Offering

- Goal is to further assess effectiveness of PfP
- Incentives
 - Option 1:
 - O&M and behavioral: \$0.05/kWh for 3-years
 - Capped annually at 200% of proposed
 - Option 2:
 - At least 50% capital: \$0.10/kWh for 3-years
 - Capped annually at 150% of proposed
- Eligibility – Commercial (office, healthcare, grocery)

Pay for Performance Future Offering

- Recruitment in 2017
- Prequalified service providers
- ‘Simple’ regression analysis required
 - Leveraging SEM modeling guidelines in-development
- Incentive rate(s) established by Energy Trust
- Alignment with other offerings



Thank You

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