

## LEGISLATIVE CONCEPT

### Title - Energy Efficiency Benefits Act of 2009

**Key Concept** – Capture cost-effective energy efficiency for all residential and commercial customers statewide. Provide pathways for energy providers to meet the Energy Efficiency Benefits level.

### Key Components

- Set the minimum Oregon Energy Efficiency Benefit level at the current level established for electric companies' Public Purpose Charge. New conservation is subject to a fuel-specific cost-effectiveness test. Current levels for energy efficiency as a percentage of revenues (total of 2.51%) are approximately:
  - 1.71% for new cost-effective conservation and market transformation
  - 0.30% for energy conservation in schools
  - 0.36% for new low-income weatherization
  - 0.14% for Housing and Community Services Department Electricity Public Purpose Charge Fund
- Eliminate the 'number of customer' qualification criteria for electricity and other energy providers. (OR Stats. 750.601(3))
- Provide pathways to meet the Energy Efficiency Benefits program level:
  - Consumer-owned utilities: Minimum service level will be net of obligations and commitments to energy efficiency programs provided by the Bonneville Power Administration. Services provided in addition to BPA programs can be administered by the utility's "Commitment to Efficiency" program or through a standard offering of a statewide benefits administrator
  - Bulk fuel providers (e.g. propane and fuel oil) – Energy efficiency programs can be state-administered (e.g. expansion of SHOW) or offered through a standard offering of a statewide benefits administrator
  - Natural gas distribution utilities shall offer programs through a statewide benefits administrator
- Ensure adequate reporting criteria to document energy providers are meeting annual minimum Energy Efficiency Benefits service level.
- Allow all energy providers to exceed the minimum Energy Efficiency Benefits service level
- Integrate the new providers, service levels and programs into existing Commission and Department report requirements to the Legislative Assembly

### What problem does concept this address?

Many energy customers and areas of the state do not have offerings available to meet need and demand for energy efficiency. This LC also contributes to state's emission reduction goals.

**What elements of the current policy context are necessary to understand the concept?**

Knowledge needed of existing energy efficiency program deliveries successes and shortfalls, and of energy efficiency potential in Oregon.

**What happens if this concept isn't implemented?**

Customers demand and need for energy efficiency services will continue to be underserved, wasted energy will continue to contribute to higher energy bills, and cost-effective emission reduction opportunities will be missed.

**Would you characterize energy and GHG benefits of this proposal as a major, medium, or minor? What data are needed to quantify these benefits?**

Approximately 31% of electric sales are not covered by a state minimum energy efficiency level. Approximately 56% of heating fuel (primary fuel) customers are not covered by a statewide minimum level. Large energy savings, bill savings, and emission reduction benefits are available from this proposal. Data needs include survey of existing gaps in program service and summary of energy savings potential from expanded coverage,

**Who is affected by this proposal? Who will support it? Who's likely to oppose it?**

All of Oregon gains by accessing the most cost-effective emission reductions. Newly served customers will receive an increased fuel rate charge, but will gain reductions in energy bills. Likely to be supported by customer groups that focus on financial, economic, and environmental benefits of energy efficiency savings. Likely to be opposed by customer groups that will focus on the increased rate on bills.

**Will there be a fiscal impact? Order of magnitude estimate?**

A small fiscal impact to administer reporting mechanisms.

**What are the likely training and infrastructure needs?**

Will drive the need for training in delivery of energy efficiency services and for energy efficiency business development, especially in more rural areas.