

4.10.000-P Eligibility of Self-Direct Businesses for Energy Trust Incentives

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 8, 2001	Approved (R27)	November 28, 2001
Board Decision	November 28, 2001	Reviewed, Revised (R58)	January 30, 2002
Board Decision	January 30, 2002	Reviewed, Revised (R69, R70)	April 3, 2002
Board Decision	April 3, 2002	Reviewed, Revised (R96)	October 30, 2002
Board Decision	October 30, 2002	Reviewed, Revised (R137)	October 2005
Board Decision	May 25, 2006	Reviewed, Revised (R392)	May 2009
Policy Committee	September 2, 2009	Reviewed, no changes	August 2012
Policy Committee	October 23, 2012	Reviewed, no changes	October 2015
Board Decision	December 12, 2014	Amended (R732)	December 2017
Board Decision	February 24, 2016	Amended (R769)	February 2019
Policy Committee	May 09, 2019	Reviewed, no changes	May 2022
Board Decision	December 15, 2023	Retired via R1012	NA

Introduction

Oregon law allows entities that use over one average megawatt of electricity a year at a single site to direct their own electric efficiency and renewable energy projects and deduct the cost from the public purpose charge on their electric bills. In 2002, Energy Trust adopted a policy allowing self-directors a full Energy Trust incentive for the new project only if the self-director agrees not to use self-direct credits at the same site for 36 months. The policy recognizes that self-directors should not have the same access to Energy Trust incentives as electric users who pay the public purpose charge.

Policy

Purpose: Energy Trust generally supports projects only of energy users who pay into the three percent public purpose fund on which Energy Trust programs are based. At the same time, Oregon's self-direction requirement can lead to situations in which an energy user reduces or eliminates its contribution to the public purpose fund by implementing energy efficiency or renewable energy measures certified by the Oregon Department of Energy at a self-direct site. This policy outlines circumstances in which a self-directing energy user nevertheless qualifies for Energy Trust support.

1. Limitations on incentives at sites that are eligible to self-direct:
 - A. **No incentives for self-directed measures:** No Energy Trust incentive will be given for any measure ("measure" includes technical studies and commissioning services) for which self-direction credit is also claimed.
 - B. **All other measures:** However, an energy user that is eligible to self-direct may seek an Energy Trust incentive for a measure if the energy user:
 - agrees not to use any self-direct credits for 36 months at the same ODOE-certified site as the site of the proposed Energy Trust measure, and may receive 100% of the standard Energy Trust incentive for the measure. After 36 months, the energy user may resume using self-direct credits, or
 - if the energy user continues to use any self-direct credits for non-Energy Trust measures at the same site, the energy user may receive up to 50% of the standard Energy Trust incentive for the measure for which an Energy Trust incentive is sought.

- C. Measures exempted: As long as it claims no self-direct credit for these measures, an energy user may receive 100% of the standard Energy Trust incentive for the following measures even if the energy user uses self-direct credits for other measures at the same site:
- Non-lighting prescriptive measures. These are measures where Energy Trust offers consumers a fixed payment per piece of efficient equipment, per watt, per square foot, or other simple basis. Prescriptive measures are subject to eligibility requirements but involve no site-specific technical analysis. In most situations, customers may apply for prescriptive measures after installation. In some situations, the customer has an option to assign the incentive to a contractor. This exemption does not include prescriptive lighting measures where incentives are calculated and pre-approved in a standardized procedure, or other measures where incentives are based on multi-variable calculations and include pre-approval of incentive offers.
 - Midstream and upstream incentives. These incentives are offered to retailers, distributors, manufacturers or other agents in the supply chain to provide efficient equipment or efficiency services to customers.
 - Measures determined by Energy Trust staff to have modest costs to Energy Trust (\$5,000 or less per project) and savings, and where application of this policy's requirements would unreasonably interfere with efforts to encourage participation in an Energy Trust program.
2. Allocation by customer class. Allocation of Energy Trust funds to self-directing end-users will not change the allocation of funds by customer class.
3. Repayment requirement: If the energy user accepts a full Energy Trust incentive for a measure and agrees not to use self-direction credits on its electric bill at a site for a 36-month period, Energy Trust staff:
- A. Shall require repayment if the self-director begins using credits before the 36 months has ended. If required, recovery will be by the following formula: $\text{Refund Amount} = 0.5 \times A \times B$, where A = total amount of Energy Trust incentives paid and B = 36 minus the number of months elapsed since measure installation or completion, divided by 36. Repayment must be completed within two years of the time the repayment obligation is triggered.
- B. May waive repayment for projects whose repayment obligation would be \$5,000 or less.
4. Energy efficiency and renewable energy measures considered separately: Energy efficiency and renewable energy measures shall be considered separately for the purposes of this policy. That is, during the 36 months after a measure is installed at a site, a self-director may use self-direction credits for a renewable energy project at an ODOE-certified site if it receives Energy Trust incentives for an energy efficiency project at that site, or *vice versa*, with no repayment requirement.