

Conservation Advisory Council

Notes from meeting June 16, 2004

Steve Lacey convened the meeting at 1:40 pm.

Attending from the Council:

Steve Bicker, NWN
Carol Brown, PGE
Gary Curtis, D&R International
Tom Eckhart, UCONS
Jason Eisdorfer, Energy Trust board
Bill Nesmith, ODOE
Mat Northway, EWEB
John Reynolds, Energy Trust board
Steve Weiss (for Sara Patton), NW Energy Coalition

Attending from the Energy Trust of Oregon:

Dave Bonkowski
Diane Ferington
Fred Gordon
Margie Harris (joined at 3:15 pm)
Steve Lacey
Spencer Moersfelder
Jan Schaeffer
John Volkman

Others attending

Suzanne Dillard, ODOE
Teri Duncan, PECl
Lois Gordon, Ecos
Lisa Rehbach, PECl
Sam Sirkin, Ecos Consulting
Jim Volkman, Efficiency Concepts
Geoff Wickes

1. Introductions

Steve welcomed attendees and reviewed the agenda.

2. Board action update

Refrigerator recycling initiative. Steve noted the refrigerator recycling initiative, scaled back as a pilot, was presented to the board in the context of a written status report. There was no discussion, and the pilot will proceed.

Evaluation and savings true-ups. Fred presented his primer on this topic. He noted three types of savings data: initial projections; tracking estimates after installation, inspection and verification; and impact evaluations, which update energy savings projections. He reviewed the mobile home duct sealing example, which reported savings at half the projected level. Going forward, we are assuming 800 kWh saved/home/year instead of the projected 1,200 kWh saved/home/year. There was discussion about experiences elsewhere and details of the evaluation summary.

Fred continued explaining the true-up report that will adjust savings from 2002 and 2003 based on evaluations to date. The first true-up will be in fall 2004, with subsequent reports coordinated with annual reports to the OPUC.

3. CFL update

Diane Ferington made a presentation on CFL recycling, beginning with language on a flyer left behind at every State Home Weatherization Audit in Energy Trust territory. A similar flyer is left behind at multifamily units getting CFLs from Energy Trust. She noted the flyers make reference to the Lightsite website, and said we may wish in the future to help fund this website. She noted the Portland Office of Sustainable Development is working with the Energy Trust to develop a pilot CFL recycling project in connection with neighborhood cleanups, or turn in at transfer stations, in concert with local haulers in our territories, and coupling this with a coupon for \$X off a new CFL.

Steve Weiss said Fair & Clean Energy Coalition is considering ideas to promote in the legislature, such as 50 cent deposit and redemption, and asked if we know of other states with successful CFL recycling programs. Mat said in Eugene they're considering a pilot working with the three major retailers shown to have sold 75% of the CFLs in a past EWEB promotion, using advertising money from NEEA to promote CFL sales and having the retailers recycle them for free, and bearing the cost at something like 35 cents/bulb.

Lisa Rehbach explained Energy Trust's Efficient Home Products' proposed pilot in October to sponsor a Lights for Learning fundraiser, whereby students in a Beaverton middle school and Hillsboro elementary school sell CFLs instead of wrapping paper or candy. With Energy Trust buydown, the fundraiser provides a 50% profit back to the school. Goal is to have 50%-66% of the students participating, averaging 10 bulbs sold per student. We'll examine the results and decide whether to expand the program. Tom Eckhart suggested coordinating with Betty Merrill of ODOE on actually installing efficient lighting in schools. Lisa said we're considering developing a thank-you note with recycling information on it for buyers.

The CAC agreed CFL recycling merits longer discussion in a future meeting.

4. Irrigation measure discussion

Fred noted this is an issue for Klamath Falls farmers, who face a 1,000% increase in Pacific Power electricity rates in 2005. We are looking to do a pilot there. We are working with consultants, Walt Trimmer and John Fazio. Klamath farming is a mix of crops and systems; some flood, some pressurized. NRCS runs a major federal program that pays 70% of cost of system improvements that save water, including sprinkler systems for flood irrigation. They are short on staff so coordination in Klamath has been difficult. In the near term, we think we might be able to start a nozzle exchange program, developing literature and holding a training meeting. Farther out, we may tackle pump screening and testing and 60% incentivized repair for on-farm pumps. We may also do pump testing and repair incentives for the few big pumps run by the districts. In the longer term, we might work with NRCS, providing design assistance and pump tests to save energy while conserving water. We are also trying to analyze the merits of land leveling for flood irrigation as an alternative to NRCS-funded conversion to pressurized irrigation.

The nozzle replacement program assumes 500 participating sites, 1,815 kWh saved in 3 years; b/c ration is 1.4 on the utility test and 1.5 on the societal test. The pump testing and repair

program assumes 300 fields for screening and 200 pump tests, for a b/c utility and societal tests of 2.6. We are continuing to examine the numbers, since they look unexpectedly favorable.

Tom Eckhart noted ENERGY STAR is looking at adding pumps and motors. Geoff Wickes said the Hood River Irrigation District has done a number of progressive measures, including nozzle replacement, and suggested Fred check in with them. Steps to action: review initial pilot plan with Pacific Power and entities in Klamath, identify an implementation approach and contractors, do a detailed design, recruit trade allies and implement.

5. Blue Heron project

Steve summarized this initiative to save 106 million kilowatt hours at the Blue Heron plant in Oregon City. ODOE is providing tax credits and loans, and additional funding will come from the Climate Trust. The technology involves a more efficient process for de-inking pulp. The project, at a cost of 5.1 cents per annual kilowatt hour, is highly cost effective compared to the 10 cents per kilowatt hour assumed for the industrial process program in the 2004 Energy Trust budget. Currently we're negotiating a final contract with Blue Heron to enable them to begin. Construction should be complete about a year from now.

Commercial announcement: Sam Sirkin announced the Ecos' open house in their new offices at 309 SW 6th, 10th floor, Wed., July 23, 4-8 pm.

6. Conservation Advisory Council role

Steve said this discussion grew out of a meeting of some members of the council April 29 (Ken Keating, Carol Brown, Bill Nesmith, Gary Curtis, Steve Bicker, Paul Olsen, Tom Eckhart (by phone), Phil Welker and Terry Egnor. As a prelude for today's discussion, Steve reviewed the history of the CAC. It was initiated in the Energy Trust bylaws, which state the advisory councils shall assist the board in developing the strategic plan and in implementing key elements of that plan. Its current role is advice in development, review and recommendation to the board of programs and policies.

Steve summarized discussion points, based on Bill's notes, including:

- Longer and less frequent meetings (problem for Tom Eckhart to attend every meeting)
- Each meeting features old and new business segments
- 2 CAC airings prior to board recommendation (first for initial discussion, second to debate and settle on recommendation)
- Ask individual CAC members their opinions on issues, policies and programs
- Distinction between stakeholders and CAC
- Reevaluate CAC facilitation process (better listening)
- Appoint a chair (consider Ken Keating)
- CAC representative works with board to ensure issues raised by CAC are acted upon
- More informal and less lecture-like presentation style
- Vary presenters
- Ample time to review materials before meetings

Steve Bicker explained the notion of iterative discussion in multiple meetings. Tom Eckhart noted he serves on technical advisory committees in other states. They are given a portfolio of issues to be covered over a long period, and then are expected to do their homework. Here, there is less opportunity for the CAC to work on a problem and provide information back – less work than he's prepared to put into it.

Steve Lacey noted during start-up we chose the path of fast processing of program designs through the council to expeditiously get programs on the street. However, he would like to move toward the process outlined by the group, with longer periods for discussion and consideration.

Gary Curtis noted often the material the CAC gets is fairly well designed, with little room for input. A good example to follow was the discussion on the refrigerator recycling program, which allowed for more input.

Jason said the idea in creating the CAC was to foster two-way discussion. He appreciates multiple two-way vetting of the ideas. He agrees the refrigerator recycling discussion is a good example. We should allow ample time for input, but notes there will be times where time is tight. John Reynolds would much rather meet more frequently in order to have the iterative process than to have less frequent, longer meetings. Steve Lacey thinks we've landed back on the monthly meetings. Steve Bicker noted the opportunity to participate by conference call. Carol noted the opportunity to decide whether to attend or not depending on one's interest in items on the agenda.

There was discussion of whether the CAC members should "vote," while tradition has been to report the sense of the CAC's support for a measure. Carol said the group's intent is to elicit opinions from a group that tends to be introverted and unlikely to respond without being asked individually. She remembers the meeting about CHP, at which a roomful of stakeholders skewed the council's feedback. Jason noted even CAC members often have a stake in items before the group. Steve Bicker noted the difference between the stake a utility has in Energy Trust programs serving their customers compared to contractors who stand to make money from an Energy Trust decision.

Gary Curtis thinks sometimes the full breadth of the discussion is not characterized to the policy committee or board at their point of decision. This led to consideration that a CAC member might lead the presentation to the board or policy committee. Steve Lacey noted the time constraints board and policy committee members have.

Bill said one impetus of the group was to invigorate the CAC and stimulate attendance. One way possibly to get members to engage is to assign them to present the issues to the board. He noted another shortcoming: that some issues never reach closure in front of the CAC, leaving the CAC feeling shortchanged. Dave Bonkowski noted how much he feels staff has benefited from the CAC's input during program development.

Steve Lacey said he will put this topic on the agenda for next month's meeting. We will officially go back to monthly meetings. Tom Eckhart asked to have an email roster of CAC members.

7. OPUC Benchmarks discussion

Margie summarized the process and timetable for adopting benchmarks to measure Energy Trust performance. She noted benchmarks are more like indicators, or tripwires, as distinct from the longer term Energy Trust goals. They are the basis for telling legislators and the public whether the Energy Trust is meeting PUC expectations. They are likely to be compared to past utility achievements in spite of many differences in context.

OPUC hosted a public workshop Monday on their draft benchmarks. She noted some input at the workshop asking for more time to allow the board to weigh in on the benchmarks. She said the group reached agreement Monday on a number of issues. The one outstanding issue is the way to measure energy efficiency achievements.

Margie said Energy Trust agrees with PUC staff on the need for annual financial audits with an unqualified opinion.

A second benchmark relates to operational efficiency. The grant agreement calls for one in 2005. The draft PUC benchmark calls for biennial or annual. We think this takes too much time away from doing our job. We propose a 3-5 year cycle, which is more in keeping with practice elsewhere. Steve Weiss suggested having the management audit every 5 years or more frequently if tied to poor performance on another benchmark.

There was discussion about letting the PUC track the continuous improvement processes in order to get early warning that we may not meet a benchmark, and recognition that the PUC wants a simple, clean way to track our performance so that they can exercise their oversight role.

A third benchmark deals with customer satisfaction. We suggested a series of standard questions collected over two years. Include participants and others who inquired about programs principally through our evaluations, moving away from the PUC staff suggestion of a scale.

A fourth benchmark would measure administrative costs. We prefer maximum 10% of annual revenues, which is consistent with best performance among nonprofits. Measuring against expenditures is inconsistent, as these vary widely from year to year.

A fifth benchmark addresses operational efficiency and effectiveness. We suggest continuing with cost per average megawatt for 2004 and considering a shift to cost/benefit in out years. The CAC would be heavily involved in discussions about any such shift. There was mixed feedback on one vs. multiple benchmarks. We suggested a three-year rolling average.

A sixth benchmark, the renewables goal, was acceptable as presented by PUC staff.

The seventh benchmark, dealing with equitable distribution of programs, also was acceptable as presented by PUC staff, which suggests spending at least 20% in each market sector.

Gary and Steve Weiss suggested Energy Trust submit its counterproposal soon and to accept as much as possible of the OPUC's language in order to focus on the areas we want to change. Jason noted the PUC apparently doesn't anticipate submitting a revised PUC draft prior to the public hearing on July 6. Carol suggested contacting staff to ask for a revised staff proposal and an additional workshop, and if the request is denied, we can formally request an extension.

The meeting adjourned at 4:30 pm.