

Conservation Advisory Council

Notes from meeting October 13, 2004

Steve Lacey convened the meeting at 1:35 pm.

Attending from the Council:

Dave Tooze, for Sue Anderson, City of Portland Office of Sustainable Development

Steve Bicker, NW Natural

Carol Brown, PGE

Suzanne Dillard and Bill Nesmith, ODOE

Janet Fairchild, Oregon Public Utility Commission

Jim Gilroy for Don Jones, Jr., Pacific Power

Mat Northway, EWEB

John Reynolds, Energy Trust board

Attending from the Energy Trust of Oregon:

Dave Bonkowski

Kacia Brockman

Diane Ferington

Fred Gordon

Steve Lacey

Mike Laney

Anna Parry

Andy Saleh

Jan Schaeffer

Greg Stiles

Others attending:

Kathleen Belmont, Evergreen Engineering

Lois Gordon, Ecos

Lisa Rehbach, PECl

Marc Schuldt, SBW Consulting Inc.

1. Introductions

Steve reviewed the agenda and asked for self introductions.

2. Board actions on energy efficiency items

Steve noted the board approved adding a total of \$1 million to the Building Efficiency and New Building Efficiency program budgets for efficiency measures for k-12 schools. Energy Trust will work closely with ODOE, accept measures identified through energy audits conducted under ODOE supervision, and pick up costs of the more cost effective measures. This action helps close the gap between identified k-12 projects and SB 1149 funds earmarked for schools.

He noted the board approved a contribution of \$150,000 per year for two years into the Portland Office of Sustainable Development's Green Investment Fund. ET funds will be directed to energy components of new buildings. To assure benefits beyond Portland, case studies featuring leading edge energy technologies will be made available to ET programs throughout PGE, Pacific Power and NW Natural territories. An evaluation quantifying energy savings and energy-related benefits will be conducted before considering whether to continue funding for an additional term beyond the first two years.

The board also approved extending the Building Efficiency and Production Efficiency program contract with Aspen Systems through Sept. 30, 2005. A re-compete RFP will be developed and issued so a new contract can be put in place when Aspen's expires.

The board did not approve a staff proposal to decouple the board's consideration of "board-approved programs" from its consideration of program management contracts. This item was discussed, and a board subcommittee was established to consider it further.

3. Industrial transition program impact evaluation

Ben Bronfman presented this information. He noted the focus was on process measures, which were responsible for 84% of projected savings. Site visits accounted for 96% of savings; phone surveys accounted for 4%. Commercial measures were lighting and HVAC – 14% of projected savings.

He said the results were gratifying. Total projected savings were 6.41 aMW, evaluated savings were 6.01 aMW (94% of savings). He noted savings in 2002 exceeded projections, while in 2003 savings fell short of projections. He described ET's approach to "free riders." Several questions are asked, and the respondent's likely action without the program is judged accordingly. For example, if a respondent says they were going to install something before hearing from ET, the savings are penalized a small amount. If the respondent says the material was on order when they signed up for ET incentives, the savings are discounted entirely.

Ben said the report will be delivered to ET at the end of the month. He hopes to have a final report out in time for the next board meeting. He said one of the interesting findings was that in some cases there were other solutions available that would have obviated the need for the equipment installed, particularly in the case of compressed air. Another interesting result was discovering the most cost effective solutions are not always the longest lasting. The evaluators noted the data content and format of reports was inconsistent.

Janet Fairchild asked if the evaluators had calculated levelized cost or cost per average megawatt. Ben said he would ask them to do this.

4. Dishwasher pre-sprayer measure

Steve brought this initiative back for further discussion. The initiative would direct install efficient sprayers at no cost to restaurants. Greg Stiles, project manager, noted ET's intent to implement the initiative soon in order to get savings as soon as possible. Greg said he will issue an RFP with a short turnaround. The RFP will specify the desire for close collaboration with the Oregon Restaurant Association, and the further desire for collaboration with municipal water agencies. He noted that a question raised at the last meeting addressed why limit the measure to the pre-sprayer rather than bundling other measures with it. Greg said the RFP will open the door to creative bundling with other measures or even marketing materials. Steve Bicker asked if we were open to collaborating with the utilities on leave-behind materials such as instantaneous water heaters; Steve and Greg said yes.

Greg reviewed the timeline: RFP out by Nov. 8, responses due Nov.22, bidders interviewed and finalist chosen Nov. 29, contract negotiations and program design (through Aspen, not ET) by Jan. 24, program launch Feb. 1.

There was discussion about ET's desire to move quickly, and whether an RFP is needed, since ET has been contacted by two vendors with interest. Suzanne Dillard noted that last month Gary Curtis argued strongly for opening the door to all vendors, which is why ET came up with the RFP approach. Carol Brown supported the RFP approach, since it adds only about a month to the schedule. Mat Northway

concurrent. Suzanne recalled that while last month she had argued for bundling, she now believes the single measure is a good foot-in-the-door for restaurants. Janet mirrored Carol's comments. Julie said there's a reason ET isn't a state agency; she would lean toward the quicker approach but understands and is accepting of the advice from others here. Jim Cox supported the approach. Dave Tooze inquired whether having Aspen issue the RFP would streamline the process; Steve and Fred responded Aspen's resources are constrained, and in either case the ET would do most of the work.

5. 2005 action plan and budget input

Steve introduced a 2005 action plan and draft budget package. He noted the board's November 3 meeting will be their worksession on this subject, and it will come back to the CAC in November as well. The budget and action plan are to be submitted in draft to the OPUC November 15 and in final form by December 31, 2004.

He noted projected expenditures of \$52.5 million, assigned 45% to industrial, 26% to residential, 25% to commercial. He showed slides showing splits within each sector, and said he will hand out the budget pie charts to the CAC later in the day because they were not available at the time the meeting handouts were produced.

New Building Efficiency Greg Stiles explained the presentations will skip over the surface of each program; the details are included in the handout, and anyone with questions after the meeting should feel free to address them to the respective staff person. Greg discussed New Building Efficiency, making the following points:

- NBE provides incentives to owners, not trade allies
- We plan to introduce a LEED track in 2005
- We are evaluating adding another program outreach manager to the SAIC program management contractor team (3 folks now)
- We are considering offering free design software through our website to allow energy modeling to be done easily for daylighting, passive ventilation, etc. We would pay for software to be updated with local building codes, weather etc.
- We are rolling out an initiative to offer incentives to 1149 schools (\$500,000)
- We are exploring adding more standard incentives
- The budget of \$4 million includes outreach activities such as brown bag seminars, presentations to architects and engineers (not just advertising and materials)

Janet noted the amw savings goal is higher than 2004's and asked why. Fred and Greg said we expect more savings in part because of the lag time in project completions. Greg noted the large projects under construction in South Waterfront.

LED Traffic Signals Greg explained this continuing program trades out old incandescent signals for efficient green LEDs. He said we are considering expanding the program for more green LEDs, flashing yellow signals and pedestrian crossing signals. At present, the \$50,000 budget for 2005 does not include such new initiatives; it covers phasing out the existing contract with OSD, which extends through June. We will add budget estimates for the proposed new initiatives.

Production Efficiency Andy Saleh noted this is ET's largest programs. The program targets owners, plant engineers and design process engineers. We plan to expand the program to include an irrigation nozzle exchange, and an interface with the new Building Operations and Commissioning program, and the \$22.6 million budget includes these initiatives. Fred noted that we are forecasting 18 aMW savings, a large share of which comes from Blue Heron. Andy said there will be other large projects but it's not clear how large they will be.

Building Operations & Commissioning Dave Bonkowski said this program is in the development stage. We are budgeting \$824,000, and assuming 10 large facilities will sign onto the program. Projected energy savings is 0.5 aMW. Steve said a solicitation for proposals to run this program will be issued in November and we hope to have a contractor on board in March.

Building Efficiency Andy said this program serves owners and installation contractors for existing commercial buildings. The dishwasher spray valves will be included in this program, along with commercial RTUs and gas equipment, package refrigeration measures and an interface with the new Building Operations & Commissioning program. \$500,000 is budgeted for SB-1149 school projects. Projected energy savings are 3.65 aMW; projected budget is \$6 million.

Efficient New Homes Diane Ferington said this program proposes to add \$500,000 to support marketing of the new NEEM spec for manufactured new homes. We also would allocate \$450,000 for a pilot multifamily building in an effort that would coordinate with similar pilots across the nation. She noted there is a breakfast event for vendors offered jointly by ET and NW Natural scheduled for Nov. 3. John Reynolds asked about solar-ready homes; this will be covered by Kacia Brockman in a minute. Lisa Rehbach said we have nearly 35% co-branded ENERGY STAR and Earth Advantage homes in the pipeline.

Home Energy Savings Diane noted tonight is Energy Trust night at the Blazers, with a focus on our the "Fall into Savings" promotion. She said the 2005 budget includes funds for proposed duct testing, and heat pump incentives for mobile homes. For multifamily, there are several new offerings under consideration, including equipment incentives for multifamily central boiler systems, an increased incentive for windows packaged with other measures, and installation of CFLs where other elements are up to par. The Nexus Home Energy Analyzer and SHOW CFL budgets are rolled into the Home Energy Savings program. The current offerings in place will continue through 2005. The budget of \$9.5 million assumes costs through year's end at the same rate as the first six months, although the last six months will be operated under a new contract. Savings goal is 2.3 aMW.

Efficient Home Products Diane said we are adding a year-round offering for clothes washers. The incentive will be for 1.8+ MEF machines, at an added cost of \$425,000. We expect to add \$49,000 for the Lights for Learning program (CFL sales fundraiser at schools). We will evaluate dishwasher efficiency tiers to establish justification of an incentive to push higher efficiency dishwashers. She passed around materials related to the fall lighting promotion at Home Depot and Fred Meyer. Overall the proposed budget is \$2.3 million. Diane said we will look at the possibility of offering incentives for air conditioners, although no money has been added for this purpose. In closing she promoted the Founding Fathers of Energy Efficiency event Nov. 4.

Solar Water Heating Kacia Brockman said this is a market transformation program aiming to build consumer confidence in the solar industry. The program has underperformed in 2004. Next year we plan to consider raising the incentive, particularly the gas incentive (related to increase in avoided cost for gas). We will consider program improvements such as streamlining of the process to make it more attractive to trade ally contractors. Currently an evaluation is underway; we will look forward to incorporating some of its findings. She noted we will consider grants for commercial demonstration projects with strong education/outreach plans. We have increased marketing and plan to do more in the 2005. We will work with ODOE to publish a consumer guide much like the one they did for solar electric. We will review the business practices of solar contractors, and how they differ from solar electric practices. We will look for ways Energy Trust can support the contractors. We are working with EWEB on reaching their customers served by NW Natural. We will work with the New Building Efficiency and Efficient New Homes programs to streamline inclusion of solar in new construction

projects. Total budget at this point is \$623,000 across the three sectors (residential, commercial and industrial).

Market Transformation/NW Alliance Fred noted many NW Alliance programs are leveraged by Energy Trust programs to increase delivery support. We coordinate Energy Trust program operations with NW Alliance initiatives to maximize program performance. New NW Alliance initiatives operate in areas that are not yet the focus of ET programs but provide opportunity for coordinated marketing (e.g., high efficiency computer power supplies). Budget for 2005 is projected to be \$3.5 million.

Large-scale fossil cogeneration Fred noted we are creating a budget estimate for a large fossil CHP pilot project, should our board authorize us to go in this direction. There is a workshop with all parties set for early November (note: this has been delayed since the CAC meeting due to schedule conflicts), co-hosted by ODOE, ET and OPUC. We estimate a \$2 million budget, including \$50,000 for analysis/RFP contractor. The effort would require additional staffing resources for this initiative under energy efficiency programs.

Planning projects in 2005 Fred described the following efforts on tap:

- Community-based program study
- Work with utilities on T&D deferral
- Update gas alternative costs
- BETC passthrough mechanism to provide pre-approved rebate match
- Build evaluations into true-up system
- Small CHP market transformation
- Regional delivery structure
- New prescriptive measures – 3rd party engineering support

He said lower priority items include defining and quantifying additional environmental benefits and more interaction with utility integrated resource planning.

6. Open forum and future agenda topics

Steve said two items on the agenda for November include 1) more discussion on the draft budget and action plan; and 2) Home Energy Savings rebid RFP discussion.

Diane asked if there is interest in a presentation on an Energy Star performance test-based program for existing homes that includes equipment and duct sealing; packaged with financing. It's being implemented successfully in some locations, including Buffalo, N.Y. The CAC expressed interest in this topic.

Fred noted there will be a process evaluation of the solar water heating program available in the next month or so, and asked if there is interest in a presentation on this. There was interest in this, too.

Fred also suggested a presentation from Charlie Grist on the Power Planning Council's plan. Members said they are receiving presentations separately.

Steve adjourned the meeting at 3:50 pm.