

CONSERVATION ADVISORY COUNCIL

Notes from meeting September 13, 2006

Attending from the Council:

Steve Bicker, NW Natural
Suzanne Dillard, ODOE
Lauren Shapton, PGE
Andria Jacob, OSD
Paul Olsen, ORA

Kacia Brockman
Greg Stiles

Others attending:

Paul Berkowitz, CSG

Attending from Energy Trust board:

Debbie Kitchin

Attending from the Energy Trust of Oregon:

Steve Lacey
Diane Ferington
Kendall Youngblood
Lee Litchy
Elaine Prause
Spencer Moersfelder
Phillip Kelsven

1. Introductions and Announcements

Steve Lacey convened the meeting at 1:40 pm, asked attendees for self introductions and reviewed the agenda.

2. 2nd Quarter 2006 Program Updates

Steve reviewed electric savings for the second quarter and year-to-date progress toward the 2006 goal. He indicated that all programs are tracking near 50% of savings for 2006. This pace is ahead of where we have been historically at this point in the year.

Gas savings for the second quarter are on track. Efficient New Homes is expected to come in under the goal. Overall we are at 35% of our goal which is on pace for the year. The majority of our savings generally come in the final quarter of the year.

12,800 sites were served in the second quarter, with most coming from multifamily units and Efficient Home Products.

Steve Bicker indicated that it would be helpful to see how we're tracking against our 2012 goals and what it will take year-by-year to get there.

Spencer Moersfelder reported that the **Building Tune-Up and Operations** program has seven projects in the retro-commissioning track but savings will not come in until 2007. A majority of gas savings was to come from boiler tune ups but the savings are inconsistent. Average savings are not justifying the measure cost. Boilers tuned up in 2006 will be tuned up in 2007 per program commitment. The gas savings goal will not be met this year. Trade allies have tuned up 77 boilers this year. Cost effective measures of this program will be rolled in under the Building Efficiency program in 2007 and the Building Tune-up and Operations program will no longer be offered as a standalone. The reason for

this is there are few measures that are cost effective to support the infrastructure of a stand alone program.

Spencer indicated that he is now managing the **New Building Efficiency** program. Electric and gas savings are on track with several large projects coming through by end of the year. The program is working on implementing online registrations for webinars and seminars. The program is also conducting a statewide road show to educate local design teams and trade allies about the intricacies and benefits of the program.

Greg Stiles indicated that he is now the manager of the **Building Efficiency** program. The program is ahead on the electric side but is behind on the gas side. New boiler incentives will be coming online this fall to promote additional gas savings. The program rolled out an excel-based lighting tool that will determine what the incentive will be and also generate the pre-application form for the Business Energy Tax Credit. There was a breakfast meeting for all Building Efficiency lighting trade allies and the sense was all were happy with the reservation system. The program obtained another \$400,000 for incentives as a result of the last board meeting. A communication about the increased incentive funds is planned. Steve indicated that these funds are already allocated with projects in the pipeline. Debbie Kitchin indicated that trade allies are still under the impression that Energy Trust is out of money. Lee Litchy noted that messaging in advertising for 2007 will change to reflect increased money available.

Elaine Prause indicated that she is the new manager for the **Production Efficiency** program. The program is at 55% of annual goal. An additional \$350,000 was given to the program with \$250,000 going to incentives and \$100,000 going to PDCs.

Suzanne Dillard asked if projects were already in line for the new money. Elaine indicated that all of the new funds (\$250,000) are committed. Steve indicated that no projects are being denied for 2006 and that also looks to be the case for 2007.

Diane Ferington reported that **Home Energy Savings** is on track for 2006 goals with a better than planned levelized cost. A reservation system is in place for the multifamily portion of the program. Changes have also been made to simplify the incentive forms which have been well received by trade allies. The first Home Performance with ENERGY STAR® project was completed. Additional trainings have been scheduled for Home Performance with ENERGY STAR trade allies. Over 1,300 home energy reviews were conducted with over 350 outside of the metro area. Home energy review requests are now available online and there have been over 500 requests for the quarter. There were 2247 furnace and 334 heat pump incentives processed.

Kendall Youngblood reported that **Efficient Home Products** is on track to meet its goals for this year. Savings With a Twist kicked off in September featuring \$.99 ENERGY STAR compact fluorescent light bulbs. This promotion will lead to increased electric savings. There were 4193 clothes washer incentives processed and 981 Home Energy Analyzer kits fulfilled. Smart Savings Guides were distributed in the service territory. Efficient New Homes has slowed a bit this year due to market conditions. Builders have indicated that they have excess inventory. There were 229 gas and 100 zonal electric homes processed for the quarter. Data shows that housing starts are down about 8% from last year. Efficient New Manufactured Homes had a good quarter with 80 homes being certified. Model home and coop incentives have been launched with good success. RMLS approved listing of ENERGY STAR, Earth Advantage and other green building components.

Kacia Brockman reported that **Solar Water Heating** is on track to meet goal this year. Over 40 systems were installed during the quarter. Sixteen contractors attended the most recent training. Over

200 people attended the last solar seminar and five more are planned for the remainder of the year. The 2006 GSBO magazine has been distributed promoting the variety of green and solar tours statewide.

Steve reported that NEEA savings are tracking consistently. NEEA is working to support ENERGY STAR homes and products regionally through special promotions and builder recruitment. They continue to increase penetration and provide services to the healthcare, design and construction, and industrial sectors.

3. PUC Performance Measures Update

Steve presented on behalf of Fred Gordon some points to consider for discussion at the next CAC meeting. Savings goals for electric and gas will not change. These performance indicators are floors that Energy Trust shouldn't go below. Levelized cost will not change either. There is a question regarding the administrative cost indicator. Currently it is set at 11% and there is talk of moving that number downward. Energy Trust is seeing expenses increase due to IT and infrastructure needs—still within the 11% number. There has been discussion of lowering that number to 9%. Historically Energy Trust has been under 7%.

There is a question in regard to reporting and the IRP and what numbers we use when screening our programs and measures. Energy Trust board has used a 3% discount rate when screening our incentives. Each of the five utilities we serve use different rates. If Energy Trust were required to screen for each utility, it will likely result in increased staff time. More conversation is needed with the OPUC. Energy Trust would like feedback from the CAC. Likewise, Energy Trust would like to use one set of utility avoided cost figures for measure and program benefit – cost screening so as to not overburden staff.

Steve Bicker indicated that NW Natural is concerned with this. Staff has expressed a desire to work closer with Energy Trust on IRP related issues and process. They want it to be a real and authentic process. Steve suggested a potential summit with all utilities to resolve this. Debbie Kitchin indicated that Energy Trust should use a weighted average for developing the programs. Using five different figures does not make sense unless you change the programs to reflect that. Steve Lacey indicated that Energy Trust isn't suggesting the utilities use our figure. Steve Bicker commented that the PUC wants NW Natural to work more closely with Energy Trust in their IRP process. Lauren Shapton indicated that a blended societal number would be better than individual numbers from utilities.

4. Efficient New Homes and Efficient Home Products RFP Update

Kendall Youngblood reported that the RFP was released on Aug 11th and proposals were reviewed by a selection committee of five people made up of EWEB, NEEA and Energy Trust staff. The incumbent, PECL, was selected with sub-contractors including Conservation Services Group, Earth Advantage, APT. The contract terms and approval request will go to the board on October 4.

5. Multifamily Minimum Insulation Values

Projects were pulled and analyzed from July 1, 2005-June 30, 2006, pertaining to the Multifamily incentive cap. Based on that, and new additional funds, the cap was raised to \$40,000 per project. Three jobs have come in under the new cap and have been approved. It looks like incentive dollars will last until the end of the year. Increased marketing has gone out on the gas side which has resulted in increased interest in gas incentives.

The program historically has required an additional measure with windows. Windows only jobs are accepted with proper insulation installation currently in place. Attic/ceiling insulation was analyzed to see if it was cost-effective. It was determined that the results were inconsistent and there was no real pattern to make a decision to adjust the incentive. It was decided to reduce the attic and floor insulation

incentive with all other insulation incentives remaining the same. The proposed \$2.1 million incentive budget for the Multifamily program in 2007 is increased over the 2006 budget—nearly twice the amount.

Paul Olsen asked for clarification about the requirement of doing an insulation measure when windows are being installed. It was determined not to be cost effective to go from R-19 to R-38. So, to get the window incentive, if the insulation is below R-19, additional insulation must also be installed to R-38 and is eligible for the insulation incentive. If the existing insulation is R-19 then no addition insulation is required and no incentive is available to take it to a design recommended R-38. Diane indicated that this will be revisited at the December CAC to determine how this will affect the program in 2007.

6. 2007-2012 Strategic Plan

John Volkman indicated that most in attendance have been briefed on the plan so he would touch on just the highlights. He is hoping to get comments from council members and incorporate them into the strategic plan. Formal comments are due by this Friday to Jan Schaeffer. John indicated that he had received comments from NW Natural. Suzanne indicated that ODOE will be providing written comments by Friday. OSD also indicated they will be providing written comments by Friday.

Andria Jacob indicated that there was confusion when the plan was sent out since it illustrated there might be a shift in programs to a more commercial focus than residential. She said this caused some concern at OSD. John explained that the potential shift was an example or one of the scenarios to reach the 2012 goal. Energy Trust was not proposing to endorse one scenario over another. The plan presents analysis—not recommendations.

Paul Olsen asked if there was still discussion about changing the public purpose amount. Steve indicated that this will be taken up during the 2007 legislative session and isn't for Energy Trust to comment on. Paul asked for clarification on the energy efficiency volume and equity chart. John indicated that the graph was the vehicle for the discussion of the strategic plan not an actual representation of goals.

Debbie indicated that with the current public purpose charge we do not have enough money to get all of the achievable potential savings.

Suzanne commented that there are strategic options in the plan but there are not any actual actions suggested. John indicated that what Energy Trust wanted to do was go out and talk to people and get their feedback before drafting a recommendation for board action.