

Conservation Advisory Council Meeting Notes

June 3, 2015

Attending from the council:

Jim Abrahamson, Cascade Natural Gas
Brent Barclay, Bonneville Power
Administration
Stacy Blumberg, Northwest Energy
Efficiency Alliance
Warren Cook, Oregon Department of
Energy
Wendy Gerlitz, Northwest Energy Coalition
Charlie Grist, Northwest Power and
Conservation Council
Garrett Harris, Portland General Electric
Scott Inman, Oregon Remodelers
Association
Don Jones, Jr., PacifiCorp
Don MacOdrum, Home Performance Guild
of Oregon
Holly Meyer, NW Natural
Elaine Prause, Oregon Public Utility
Commission
Stan Price, Northwest Energy Efficiency
Council

Attending from Energy Trust:

Mike Bailey
Adam Bartini
Kim Crossman

Mia Hart
Ally Hoffman
Fred Gordon
Marshall Johnson
Oliver Kesting
Ted Light
Spencer Moersfelder
Thad Roth
Erin Rowland
Adam Shick
Kate Scott
Paul Sklar
Ed Wales
Peter West

Others attending:

Dave Backen, Evergreen Consulting
Susan Brodahl, Energy Trust board
John Charles, Cascade Policy Institute
Sarah Fredrickson, CLEARResult
Cameron Gallagher, Nexant
Bill Henry, EQL Energy
Aaron Leatherwood, Evergreen Consulting
Alan Meyer, Energy Trust board
Todd Poehlman, CLEARResult

1. Welcome and introductions

Kim Crossman convened the meeting at 1:30 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at: www.energytrust.org/About/public-meetings/CACMeetings.aspx.

Kim invited members to suggest guest speakers for future meetings.

Don MacOdrum: If there's extra time, a summary of key topics from the previous Renewable Energy Advisory Council meeting would be helpful.

Holly Meyer: I would like a presentation on passive houses and EcoDistricts.

Alan Meyer announced that the board of directors aims to have two board members present at each Conservation Advisory Council and Renewable Energy Advisory Council meeting. Alan attends both advisory council meetings, primarily as an observer. Susan Brodahl is now attending Conservation Advisory Council meetings.

2. UM 1622 incentive cap outcomes

Marshall Johnson presented planned residential and multifamily weatherization incentive changes and other program design adjustments related to the Oregon Public Utility Commission, OPUC, Docket UM 1622.

Marshall: Duct insulation and air sealing incentives expired for Existing Homes in January and April 30, respectively. The OPUC extended certain measures through June 30 and approved an incentive cap.

On July 1, modified insulation incentives for Existing Homes customers will be available. For prescriptive and Home Performance with ENERGY STAR® projects, certain ceiling insulation measures will be incented up to \$100, and wall and floor insulation measures will be incented for gas-heated homes up to \$150 when installed with qualifying ceiling insulation.

For Savings Within Reach and single-family rental customers, wall and floor insulation incentives are available at the current Savings Within Reach incentive levels, and a new tier of ceiling insulation measures will be incented up to \$100. Incentives for self-installed floor insulation up to \$150 will be available when installed with ceiling insulation. Knee wall insulation will be included under ceiling insulation, but can qualify as a standalone measure under certain circumstances.

In conjunction with these incentive changes, the Existing Homes multiple upgrade incentive, which was originally designed to support contractors who install more than one measure at one time, will be modified. Currently, each insulation measure qualifies independently as one measure toward a multiple upgrade incentive. The modified incentive will group all insulation measures under one of the two qualifying measures for a single project. There are no modified incentives for multifamily customers on July 1. Multifamily staff are assessing feasibility and cost-effectiveness scenarios for gas-heated multifamily properties with an incentive cap.

Alan: What is the logic behind a per-square-foot incentive for ceiling insulation and an incentive cap?

Peter West: The OPUC was interested in reducing the cost of those measures and requested incentive caps.

Marshall: Technical specifications require the whole area to be treated, and we expect average-sized homes to exceed the incentive cap. There will not be an incentive cap for electrically heated homes.

Don Jones: How does the new incentive structure minimize free ridership?

Marshall: We prioritized measures that were most cost-effective, and ceiling insulation is a priority.

Holly Meyer: The OPUC decision wasn't about changing the incentive for ceiling insulation. It was a request to reduce measure costs and free ridership, while also targeting moderate-income, multifamily and rental property customers.

Jim Abrahamson: If income is self-declared in Savings Within Reach, a customer could opt out of standard incentives and apply to receive Savings Within Reach incentives.

Marshall: Correct. The customer consents to the terms about qualifying income on the incentive application.

Jim: I would like to review the terms and conditions to ensure there is clarity about the two separate incentive tracks available to customers.

Don MacOdrum: Do these incentive changes tie into Senate Bill 844?

Marshall: There could be ties to SB 844 since it has a goal of promoting gas weatherization and a provision to target rental properties.

Holly: My understanding was that Multifamily incentives would also be modified on July 1.

Marshall: We're not confident in the cost-effectiveness of these measures yet, and the OPUC is comfortable with this decision to continue to assess viability of applying the exception to Multifamily. We don't want to announce measure changes that may need to be modified again.

Garrett Harris: What is the measure forecast for each program?

Marshall: For gas and electric homes, we expect an increase in ceiling insulation measures. We may see a decrease in wall and floor insulation measures in gas homes because of the ceiling insulation qualification.

Don Jones: Are you making program delivery changes to reduce costs?

Marshall: There are adjustments to the weatherization specification manual to simplify the criteria associated with measure installations.

Don Jones: Are there any proposed changes to the quality assurance approach?

Marshall: There will be adjustments to the quality assurance approach, including reduction in the volume of field quality assurance, introducing alternative ways of performing desk quality assurance and leveraging some evaluation elements.

Warren Cook: Is air sealing left as a prescriptive measure?

Marshall: We've completed a prescriptive air sealing pilot and are wrapping up the evaluation.

Warren: Does this change the message from the Home Performance Guild or Energy Trust?

Marshall: Energy Trust has changed our position.

Don MacOdrum: It's unfortunate that this is what the data is showing. I think the larger question will be about free ridership.

3. Advanced Power Strips Pilot for Multifamily customers

Kate Scott provided an overview of a pilot in the Multifamily program to determine if Tier 1 advanced power strips are cost-effective as a measure left behind for tenants to install as part of the programs direct-installation track. Advanced power strips shut off peripheral devices when a controlling device, such as a television, is turned off by the customer. Energy use and power strip configuration were monitored for 60 participants with advanced power strips and for 60 participants with standard power strips over two weeks. Results presented were for roughly half of the sample for which data was available at the time. Preliminary results indicate a savings opportunity from equipment such as game consoles and DVD players, and energy savings are approximately 76 kilowatt hours per year. Results and measure cost-effectiveness will be determined in early July.

Alan: Is there surge protection on the advanced power strips?

Kate: Yes.

Don MacOdrum: The advanced power strips used were all Tier 1?

Kate: Correct. Several other utilities have used Tier 2 power strips, but they're more expensive and weren't as cost-effective for this application. Existing Homes and Products programs are also looking into a similar pilot.

Garrett: What are the measure life assumptions?

Paul Sklar: The measure life is five years. There is variability, and determining measure life for Multifamily customers will require additional thought. We will need to examine how many customers are moving out of our service territory and taking power strips with them.

Alan: Does the manufacturer provide recommendations for equipment to plug in?

Kate: We worked with the manufacturer to develop our own instruction materials, and 100 percent of participants said they were helpful.

Don MacOdrum: Was there feedback about the size of the power strips and providing a sufficient number of outlets?

Kate: There's one control outlet, four controlled outlets and two are always on. The manufacturer has a power strip with additional outlets, but it wasn't tested in the pilot.

4. Commercial and industrial lighting measure changes

Spencer Moersfelder provided an update on commercial and industrial lighting measure changes in July.

Spencer: The 2014 Federal Ballast Standards change the baseline for linear fluorescent lighting measures, requiring all electronic ballasts manufactured to be 5.8 to 10.8 percent more efficient than past standards. This change reduces savings and impacts cost-effectiveness and Energy Trust's ability to offer incentives for some lighting measures. Some combinations of existing lamps and ballasts are still cost-effective when retrofitted with more efficient linear fluorescent or LED measures, and some delamping measure applications are still cost-effective. However, one-for-one and two-for-two lamp retrofits are no longer expected to be cost-effective.

Incentive changes to accommodate for impacted lighting measures will be released in July. Concurrently, many customers are gravitating towards LED lighting, and this migration will help make up for some of the savings that will be lost from linear fluorescent measures that are no longer cost-effective. Proposed measure changes will position Energy Trust to respond to both developments while we continue to meet the market demand for a wide variety of lighting measures.

Elaine: What percent of lighting savings are from the measures set to expire?

Spencer: We can provide those measure savings, but we don't have this information on hand.

Kim: There has been so much change over the past few years due to the rise of LED technology that measure data from prior years doesn't tell us anything about the measure mix this year or in future years.

Spencer: Some of the linear fluorescent measures may be cost-effective for custom projects that have long run-time hours, such as industrial facilities that operate multiple shifts in a day. The incentive changes we're addressing are prescriptive only.

Don Jones: Are you proposing to drop all these prescriptive lighting measures in July?

Spencer: Not necessarily. Some combinations of measures impacted by the federal standard will still be cost-effective. Some trade allies that have enjoyed the incentives for the linear fluorescent measures that are being phased out may have a tough time adjusting to these incentives changes.

Kim: There are challenges in communicating to trade allies about the lighting tool, and we're hitting an interesting inflection point between commercial and industrial sectors. Prescriptive measures are effective in the commercial sector and custom measures are effective in the industrial sector. Yet these two sectors share the lighting program.

Fred Gordon: There is a mixture of different measures set to expire, and we will continue to discuss how this will impact customers and trade allies.

5. Public comment

There was no additional public comment.

6. Meeting adjournment

The meeting adjourned at 2:55 p.m. The next Conservation Advisory Council meeting is scheduled on July 15, 2015.