

Conservation Advisory Council Meeting Notes

October 21, 2016

Attending from the council:

JP Batmale, Oregon Public Utility
Commission
Warren Cook, Oregon Department of
Energy
Tony Galluzzo, Building Owners and
Manager Association
Charlie Grist, Northwest Power Council
Garrett Harris, Portland General Electric
Scott Inman, Oregon Remodelers
Association
Don Jones, Pacific Power
Don MacOdrum, Home Performance Guild
of Oregon
Lisa McGarity, Avista
Holly Meyer, NW Natural
Jeff Mitchell, Northwest Energy Efficiency
Alliance
Tyler Pepple, Industrial Customers of
Northwest Utilities
Allison Spector, Cascade Natural Gas

Attending from Energy Trust:

Mike Bailey
Amber Cole

Michael Colgrove
Kim Crossman
Juliett Eck
Sue Fletcher
Mia Hart
Jessica Iplikci
Fred Gordon
Marshall Johnson
Oliver Kesting
Spencer Moersfelder
Jay Olson
Thad Roth
Mariet Steenkamp
Peter West
Mark Wyman

Others attending:

Dave Backen, Evergreen
Holly Braun, NW Natural
Alecia Dodd, Ecova
Jason Jones, Ecova
David Keller
Alan Meyer, Energy Trust board
Amanda Potter, CLEAResult
Bob Stull, CLEAResult

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 introduced new Conservation Advisory Council members: Allison Spector, Cascade Natural Gas; Lisa McGarity, Avista; and Tony Galluzzo, Building Owners and Manager Association. Kim thanked Jim Abrahamson for his service to the advisory council. Jim is retiring from Cascade Natural Gas.

2. Old business and announcements

The council approved the September meeting notes without comments or changes.

3. 2017 residential changes

Thad Roth presented on proposed residential measure changes in 2017, including the discontinuation of appliance recycling and incentives for CFLs. Appliance recycling is no longer

cost-effective as most units still on the market were manufactured after 1993. The lighting market is changing with the low cost of LEDs, and CFLs will not meet 2017 federal standards.

Don Jones: These changes for appliance recycling and CFLs are consistent with what other states are doing.

JP Batmale: Appliance recycling is a high-profile offering for residential customers. What is the plan for discontinuing recycling?

Amber Cole: The residential sector has a plan for exiting the measure, and a communications plan is in development. Communications to customers will occur after the New Year, highlighting the accomplishments and success of the offering.

4. 2017 R1 budget overview

Peter West presented on the draft 2017 budget and 2017-2018 action plan. The full presentation is available online and includes additional slides with program and utility detail.

Projected 2016 results are unofficial, but we expect to exceed savings goals for all utilities. Two renewables projects are delayed, which will cause a shortfall for generation goals in 2016. This year, we made an effort to draw down reserves and we reduced reserves by \$36.8 million, more than planned.

Energy Trust's 2017-2018 action plans focus on expanding customer participation, supporting new approaches and emerging technology, managing transition to a changing energy landscape, and cultivating efficient and effective operations. The total draft 2017 budget is \$201.2 million. It will save 56.88 average megawatts and 7.74 million therms and generate 2.75 aMW.

There may need to be rate adjustments for utilities to meet these budgeted goals. This is the draft budget, and there may be adjustments to the final budget to be approved by the board on December 16, 2016.

The public comment period is open October 26 to November 9. Submit comments to info@energytrust.org.

Don Jones: Avoided costs decreased in Pacific Power's 2013 and 2015 Integrated Resource Plans. If that trend continues, 2017 avoided costs will be even lower. They're stable now, but there could be changes.

Charlie Grist: Avoided costs are not changing in the Northwest Power Council's Seventh Power Plan. It would be worth discussing the mechanics at a later meeting.

Allison Spector: What does expansion and engagement for low- and moderate-income customers look like in 2017?

Peter: We were successful in expanding participation and offerings to low- and moderate-income customers this year, and we plan to continue those efforts next year.

Marshall Johnson: In 2016, our low-income efforts included marketing furnaces in collaboration with NW natural, working with Community Action Partnership of Oregon (CAPO) and Oregon Housing and Community Services to strengthen customer referral services and alignment with utilities on their approaches. As an example, there is a current collaboration in Coos Bay. We are supporting NW Natural and CAPO in helping to convert customers from oil to gas, and we provide our Savings Within Reach incentive to encourage efficient gas heating systems. The goal is to maximize opportunities for income-qualified customers.

Don MacOdrum: Are staffing and administrative costs included in program expenditures?

Peter: Yes, staffing and administrative costs are redistributed through our expenditures chart.

JP: Are the new Production Efficiency customers from transport?

Kim: Most of the growth is in commercial, not Production Efficiency.

Alan Meyer: How is this affecting reserves? Are we further reducing reserves in 2017?

Peter: No, we spent more than planned and need to replenish reserves in some cases in 2017.

Charlie: What percentage of Products savings are from lighting?

Thad: About 85 percent. The remainder of Products savings are from recycling and appliances.

Holly Meyer: What's causing lower savings per bulb?

Peter: It has to do with comparative baselines. LEDs are replacing CFLs, which are already efficient.

Charlie: There's also a huge uptake in bulbs outside of Energy Trust programs.

Holly: Are there metrics for how many new customers we have year by year?

Peter: There are a lot of new industrial customers, but not as many new commercial customers.

Kim: Next year, utility customer information data will allow us to do deeper analysis and show multi-year trends.

Holly: Is that for all customer segments?

Kim: That's still under discussion.

Charlie: Please bring those metrics to a future meeting.

JP: What's driving the 4 percent increase in program delivery costs?

Peter: Project volume is up in the business sector and for new construction. Without investing in good service to customers, we won't get energy savings. We're doing a lot of work directly with customers, and that drives up costs.

Charlie: The economy fluctuates and we have no control. We would like to take advantage of new projects when the economy is good, however our budget is the same. How do you plan for volatility and take advantage of opportunities?

Peter: Reserves account for that lack of control. Budget forecasts are not certain, and we work with utilities to make adjustments so we're not over or under estimating.

Don Jones: The question for customers is do we have the right mix of incentives. Where we set forecasts are still under discussion due to this uncertainty.

Don Jones: On the 2017 utility generation summary in the presentation, I would like to adjust the language for "prior IRP targets."

Peter: We can adjust the presentation in the draft 2017 budget binder for the board meeting.

Don MacOdrum: Does the budget consider city policies or Oregon Public Utility Commission dockets that haven't passed, but could in 2017? For example, the City of Portland's home energy scoring policy or the avoided costs docket.

Peter: Those are considered for the budget since we have to prep for opportunity and adapt to a changing policy landscape. For example, we participate in the City of Portland's commercial benchmarking policy and Commercial Property Assessed Clean Energy pilot. We want to make sure that our programs are leveraged for these opportunities.

5. Public comment

There were no additional public comments.

6. Meeting adjournment

The next scheduled meeting of the Conservation Advisory Council will be on November 16, 2016, from 1:30 p.m. – 5:00 p.m.