CONSERVATION ADVISORY COUNCIL
Notes from meeting March 11, 2009

Attending from the Council:
Jim Abrahamson, Cascade Natural Gas
Paul Case, Oregon Remodelers Association
Suzanne Dillard, ODOE
Andria Jacob, City of Portland
Mark Johnson, for Karen Meadows, BPA
Don Jones Jr., PacifiCorp
Stan Price, NEEC
Lauren Shapton, PGE
Bill Welch, EWEB

Attending from the Energy Trust of Oregon:
Pete Catching
Diane Ferington
Dan Enloe, board of directors
Fred Gordon
Steve Lacey
Leana Mathews
John Reynolds, board of directors
John Volkman
Peter West

Others attending:
Jeremy Anderson, WISE
Lyndsey Billington, Premium Efficiency
Eric Breon, Oregon Green Solutions
Jonathan Cohen, HP Contractors' Guild
Alecia Dodd, CSG
Emilio Hernandez
Jack Hruske, Energy Trust contractor
Marshall Johnson, CSG
Tom Kovalak, CSG
Berenice Lopez, HELD
Mary Mann, Goose Hollow Windows
Jerry Page, Total Comfort
Bruce Wickson

1. Welcome and Introductions
Steve Lacey reviewed the agenda and asked for self introductions.

2. 2009 Program Incentive Updates (Round 3 discussion)
Paul Berkowitz explained his team's work to respond to comments from the previous meeting, covering heat pumps, air and duct sealing, mobile homes (trailer parks) and cooperative marketing.

a. *Single family heat pumps*. Paul reviewed a table of installs by size. 5 ton systems have a significantly lower install rate. He proposes to lower the proposed HSPF requirement for heat pumps of 5 tons or greater to 8.8 and pay a $200 incentive for upgrades. If replacing electric resistance heat, these larger systems would get a $400 incentive.

- Contractor: proposed a promotional bonus or bundle; Paul thought this a good idea.
- Discussion: whether to *require* offering a package or bonus, disallowing stand-along installs.
- **Resolution: not make the package mandatory at this time.**

b. *Single-family furnaces*. No changes since last month.

c-1 *Single-family air sealing*. New duct sealing incentive of 50 cents/CFM reduced, up to $400.

- Lindsay Billington: homeowners don't like a sliding scale. Also, she feels this opens the door to gaming. Would like to see an incentive at 50% of job cost.

- Bill Welch: thought last month we adjusted away from 50% back to 50 cents/CFM.
- Paul Case: majority of contractors he's talked to would prefer 50%.
- Jeremy Anderson: has heard the same thing. Homeowners think 50 cents per CFM is ripping them off.
- Jerry Page: recommends 50%.
- Lindsay: is there a double standard on what is required for mechanical ventilation in sf homes versus mobile homes? Referenced a statement in letter to mobile home owners suggesting mechanical ventilation is required.
- Marshall Johnson: explained the letter reinforces the need for use of mechanical ventilation and that the letter will go out to all homes.
- Contractors: further discussion; how hard it is to measure air sealing.
- Andria Jacobs: what was the original incentive? Paul: $1.00/CFM. We proposed 50 cents/CFM but would be happy to go with 50%, which administratively is similar.
- Steve Lacey: understands support for 50% of cost up to $400; queried council members. All supported it (Jim Abrahamson was more neutral; Lauren Shapton had left the room) in the interest of simplicity and customer understanding.
- **Resolution**: duct sealing incentive of 50% of measure cost, up to $400.

c-2 *Single-family duct sealing*. New electric duct sealing incentive of 50 cents/CFM reduced, up to $400. Duct leakage test incentive reduced to $35 per duct system tested. For gas-heated homes, 50 cents per CFM reduced, up to $325. New incentives begin May 1.

- Lindsay: as with air sealing, homeowners don't like a sliding scale because they don't believe they will get the highest amount.
- Eric Breon: passed out his report on the impact of duct sealing. Four studies have shown 16% energy savings. He thinks the current incentive works well. He doesn't think an incentive should be larger just because someone charges more.
- Marshall: Energy Trust should encourage the customer to perceive a value in the services (of air- and duct-sealing). By establishing the incentive at 50% of cost, this encourages the participant to invest their own funds, thereby recognizing the value.
- Paul: if we're going to PTCS standards, doesn't see why we need the 150 CFM reduction.
- Marshall: explained why the 150 requirement is needed.
- Jeremy: flat incentive would be best, % of cost next best and better than dollar per CFM reduction.
- Fred: noted the studies referenced by Eric have come from some of the same sources who have recommended to us to reduce the incentive.
- Jerry: consistency and simplicity for contractor and homeowner are important; for this reason he would support 50%. Would like a $400 cap not $325.
- Bill Welch: asked if it's more difficult to test CFM reduction for ducts compared to air sealing. Contractors: a little more time. He's leaning toward 50%.
- Paul: would rather see 50% cap. Even at 50%, air and duct sealing are the best rebates of anything we do.
- Mark Johnson: given the societal and utility benefit, public policy should support a different approach relieving homeowners of all costs for selected efficiency measures.

- Marshall: would be nice to know why homeowner doesn't proceed after a duct sealing test.
- Lindsay: said that information is there, imbedded in pre- and post-test values.
- Paul C: sometimes when we submit the incentive form for the study, it is before the customer has decided whether to proceed.
- Mark: noted RTF is going to require any time a contractor touches a house it must provide a CO detector.
- Steve: we'll take that under advisement once RTF standards come out.
- Paul C: thinks the lower incentive will lower results this year compared to last.
- Jim: asked for savings estimates for duct sealing. Noted gas savings are lower than electric, when converted to BTUs.
- Eric: supports 50%.
- Steve: thinks he heard agreement on 50% rather than 50 cents/CFM, and asked council members. Said he cannot recommend raising the gas cap to $400 in view of the need for additional gas funds this year. Council members settled on 50% for consistency with the air sealing incentive.
- **Resolution: electric duct sealing incentive of 50% of measure cost, up to $400. Duct leakage test incentive reduced to $35 per duct system tested. For gas-heated homes, 5% of measure cost, up to $325.**

d. *Mobile home parks.* Paul outlined requirements for trade allies working in mobile home parks. Air sealing incentive is 50 cents/CFM up to $300 (was lower last month). The duct sealing incentive is 50 cents/CFM up to $400. Pre-CFM must be less than 300 to qualify for test-only incentive.

- Lindsay: asked why the 300 CFM minimum? It would still be possible to fix leaks.
- Paul C: doesn't work in this setting but understands that if the owner doesn't pay anything, cutting the incentives (which go to contractor only) will cut the program.
- Diane: A suggestion made yesterday was to give $1/CFM for first 250 CFM reduction; at that point go to 50%.
- Jeremy: had been intending to relay that point. If new lower incentives take place, need increased marketing (not co-op marketing but outreach to targeted mobile home parks). Alternately, allow contractor to charge a minimal fee to owner.
- Alicia Dodd: in this proposal, caps not changed but incentives cut in half from $1/CFM to 50 cents/CFM.
- Paul C: how would Energy Trust react to drop off in activity?
- Steve: might offer a special or time sensitive incentive.
- Lindsay: doesn't think people could afford to contribute. Could a flat rate be considered for mobile homes?
- Paul B: with no owner contribution a flat rate would be easier.
- Bill: supports a fixed amount.
- Mark: supports a fixed amount.
- Steve: hears support for a fixed amount for this incentive.
- Mark: what would the fixed fee be?
- Diane: $350? Paul B: need to run an analysis looking at average cost. Steve: will be $300-350 for duct sealing and $250-300 for air sealing.
- Paul: will look at data base, run some average costs, and set an amount.

Paul reviewed some other mobile home incentives.

- Jeremy: contractors want indemnification against breaking shower heads while installing low flow aerators.
- Paul: it's optional to install the aerators.

e. *Trade ally caps:* Paul said we have three categories of traded allies – new trade allies, established trade allies, Home Performance TAs (new and established) and real estate professionals. He noted during first year of trade ally participation, a quarterly incentive cap would be established based on number of employees (with differering amounts for different categories). A quality control requirement suspends coop advertising for the following quarter after two major job infractions.

- Jerry: would prefer a percentage rather than all or nothing.
- Steve: that's fair. We'll establish a percentage.
- Jonathan _____ of Home Performance Contractors Association: suggested allowing use of coop dollars for training. Diane, Paul: we're considering this.
- Paul C: would like a limit on dollars that could be moved.
- Bernice Lopez: can some of the $1,000 per quarter for Real Estate Professionals be used for training contractors rather than marketing for realtors?
- Paul: we plan to present this new offer and see how effective it is.
- Jonathan: can we track the effect of co-op marketing on more savings? Paul: sometimes.
- Steve: polled Council on whether home performance contractors could use $3,000/quarter (at 45% rate) for training instead of coop marketing, if they aren't having difficulty getting jobs. Bill supports this. Don suggests trying for a year. Stan supports. Lauren is neutral. Jim supports. Mark is neutral. Paul supports.

3. Home Energy Review Customer Interface Enhancement

Margie Harris noted Energy Trust is going through an organizational redesign and is reexamining its customer services. The interest is going up, with the stimulus package, governor's support for efficiency, activity in the legislature, etc. She noted the existing materials provided during a Home Energy Review do not clearly communicate to customers. We want to re-design the materials to be simpler in presentation, and to offer recommendations and some sense of cost and savings. We need to train our home energy reviewers to impart to the customer choices about what they should do first and next, how do I do this and what do I get for it. We're looking at revising the forms this spring. The back side of the form would have a series of low- and no-cost measures homeowners can do themselves. She noted customers trust the neutral third-party person doing the assessment and are looking for information and guidance from this person. She noted a lot of homes who have received home energy reviews do not follow through to implement measures. We would provide a way for customers to re-contact their energy advisor with questions after the assessment. She noted this effort is in play and not completed and asked for comments.

- Jeremy: sounds great on paper but has many problems. It's a disaster to give people prices on paper. Can scare them off. How can you know what each measure will do independently or in combination? Training costs would be high. People will lose their trust in our advisors if they don't have answers. Sounds like duplicating Home Performance with Energy Star services.

- Lauren: how does this fit with Home Performance and with Energy Performance Score?
- Fred: more measures come in through contractors working directly with homeowners rather than after Home Energy Reviews.
- Jonathan: don't have a problem with giving a range of costs, as this is aimed at solving a problem – that people don't adopt/take action. Needs to be offered with a heavy dose of "maybe," "if," "you need to get actual bids." As far as how they interface, he suggests a "triage" concept – if the house only needs insulation and air sealing, then get the house directly to a specialty contractor. If the recommendation is not clear, if there are home safety issues, give the work to a home performance contractor. May not need to be a lot of retraining for Home Energy Reviewers. He likes the idea of a checklist on their form that, if any are checked, will lead to a recommendation to go to a home performance contractor. He has a list of 8-10 items that could go on the list.
- Jerry: how many reviewers will this approach need? Margie said we would not need more reviewers, but more training for them.
- Tom Kovalak: he has been a home energy reviewer; and has reviewed 7,000 homes and businesses. He thinks the information can be provided.
- Jeremy: can't provide information on payback. It changes every month.
- Mary Mann: doing measures independently of the others changes the cost effectiveness of each. She and others who don't do home performance would be annoyed if our reviewers directed work to these specialists. People forget what you say about ranges.
- Bernice: had a home energy review. Had ducts insulated. Now has had a home performance assessment, which concluded the duct insulation work needs to be redone. She thinks recommendations are a bad idea.
- Jerry: what is the fully loaded cost of a home energy reviewer? Margie/Paul: about $100. On last year's trade ally survey, solar contractors were asked how to improve Energy Trust programs but the suggestions were not shown. Margie: this can be remedied.
- Paul C: it's a good idea on paper. Simplification on paper and guiding customers to the contractor who gets the job done works best. Consumer education is needed – they don't understand CFM, the difference between air and duct sealing etc. Giving costs is the biggest problem. People tend to think the utility rep has the facts and criticizes the contractor if costs come in higher. It's a minefield.
- Mary: a positive thing that could be done instantly would be for home reviewer to email the report, and again in two months and six months.
- Margie: I am posing this situation to you because the people we serve want this advice. To simply dismiss it isn't going to work. We want volume, we want people to understand their choices about what they can do. We want to do this in a way that gets work for you. Margie: then help us do it short of costs but help us do it.
- Steve: we will address this again next meeting, with things for you to look at and react to.

The meeting adjourned at 4 pm. Next meeting is April 15, 2009.