

Conservation Advisory Council Meeting Notes

November 30, 2018

Attending from the council:

Holly Braun, NW Natural
Kari Greer, Pacific Power
Tina Jayaweera on behalf of Charlie Grist,
Northwest Power and Conservation Council
Anna Kim, Oregon Public Utility
Commission
Lisa McGarity, Avista
Dave Moody, Bonneville Power
Administration

Tim Hendricks, Building Owners and
Managers Association
Julia Harper, NW Energy Efficiency Alliance
Kerry Meade, NW Energy Efficiency Council
Warren Cook, Oregon Department of
Energy
Jason Salmi Klotz, PGE
Danny Grady, City of Portland Bureau of
Planning and Sustainability

Attending from Energy Trust:

Mike Bailey
Tom Beverly
Cameron Starr
Mike Colgrove
Hannah Cruz
Alex Novie
Fred Gordon
Thad Roth
Peter West

Amber Cole
Spencer Moersfelder
Peter Schaffer
Julianne Thacher
Kenji Spielman
Steve Lacey
Jeni Hall

Others attending:

Ryan Hughes
Michael Freels
Nick Dreves, ICF
Shelley Beaulieu, TRC Solutions
Lonnie Peet, Nexant
Karla Hendrickson, ICF

Elee Jen, Energy Trust board
John Molnar, Rogers Machinery Company
Henry Lorenzen, Energy Trust board
Nicole Hillis, CLEAResult

Executive Summary

1. Changes to Draft 2019 Budget
 - Director of Energy Programs Peter West presented modifications made to the draft 2019 budget and action plan based on public feedback and internal quality control.
2. Findings from the 2018 Trade Ally Network Survey
 - Senior Customer Service Strategy Manager Cameron Starr presented findings from a survey of Energy Trust's Trade Ally Network.
3. Guest Speaker: PGE Smart Grid Test Bed
 - PGE's Emerging Technology Manager Jason Klotz presented on the utility's proposed Smart Grid Test Bed.

1. Welcome, Old Business and Short Takes

Hannah Cruz convened the meeting at 1:46 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/about/public-meetings/conservation-advisory-council-meetings/.

Hannah introduced the agenda and a new CAC member, Tim Hendricks from the Building Owners and Managers Association. Tim spoke briefly about his 12 years working with the Bill Naito Co. and his professional experience, most notably his work with Montgomery Park in Portland—a project which received significant recognition for efficiency.

Holly Braun: It's good to have a CAC member who is close to programs and has hands-on experience.

Tim Hendricks: Yes, that's the reason BOMA asked me to participate.

Hannah handed out 2019 meeting dates that are being finalized, requesting members advise her of any significant conflicts.

There were no changes to the Conservation Advisory Council notes.

2. Changes to Draft 2019 Budget

Director of Energy Programs Peter West presented on modifications made to the draft 2019 budget and action plan based on public feedback and internal QC. The final proposed budget will be available online on December 7 and presented to the board on December 14.

Peter West reviewed highlights from the 2019 draft budget and presented a summary of public comments. One of the recommendations was ensuring coordination with City of Portland on efforts such as the city's Home Energy Score program.

Holly Braun: If a customer made improvements as a result of their energy score, can they receive a new score at no cost?

Danny Grady: For commercial projects, they don't need to pay because they're able to self-report. However, if they want ENERGY STAR[®] certification, they would need a professional engineer to sign off.

Peter West: We will follow up with you on our approach for residential. On the commercial side, we remain in an advice role with the City of Portland. For example, by sponsoring trainings with PGE on ENERGY STAR portfolio manager. BOMA is a great partner of ours in deciding where our services can provide benefit.

Peter West continued reviewing public comments. A common theme among some comments was dissatisfaction with progress toward diversity, equity and inclusion goals. Peter provided some additional context around this, highlighting a recent open house event that engaged community-based organizations.

Kari Greer: Do we have any indicator of the group's feedback, and what their benchmark of success is? What actions specifically do they want to see sped up?

Peter West: Mainly the rollout of the actions, which some felt should have begun sooner. There isn't disagreement with the goals themselves, but the theme is expecting quicker implementation.

Hannah Cruz: To provide more context, we first brought early data analysis to CAC in September. Internally, we have draft goals such as increasing staff diversity or the diversity of our Trade Ally Network. That is what is going to the board in December. Next, we'll bring program goals to CAC and RAC in January. The goals are meant to be a baseline to track over the next two to three years. There's frustration with not being active more quickly. Education is happening on both sides. We're still learning.

Peter finished reviewing public comments and began covering changes underway to the draft budget. The NW Natural budget increased slightly due to a new offering for boilers planned for 2019.

Holly Braun: We don't know for sure the boiler program is happening, but we're expecting it to result in enhanced incentives. That is why they're budgeting more, but it's still in process.

Lisa McGarity: You mentioned increasing outreach in Pacific Power in Southern Oregon, is that for multifamily?

Peter West: No, that's staying the same. This is for the Production Efficiency program and will touch mainly Pacific Power and Cascade Natural Gas customers, but not as many Avista customers.

Peter West finished reviewing the changes from draft to final proposed budget and summarized key takeaways. Hannah Cruz asked the CAC members if they had any feedback on the new process where the draft budget was presented at a board workshop to which advisory council members were invited. CAC members in attendance were Al Spector, Anna Kim and Brendan McCarthy for PGE. In the past, the draft budget was presented in a regular CAC meeting. Specifically, Hannah asked if the right level of detail was provided with the new process.

Lisa McGarity: I think this level of detail is perfect.

Holly Braun: It felt smoother than other years, but I thought you were going to revise the whole process.

Hannah Cruz: We interviewed CAC in summer 2017 with other stakeholders. Out of that feedback we implemented this year's process that introduced the budget workshop. We also accelerated the utility meetings and a shorter forecast to get numbers out sooner to utilities for funding discussions. We're planning to keep doing that in future years. The project you're referring to is a bigger concept. Instead of annual updates, we are proposing a large-scale action planning strategy and organizational goals at a less frequent pace. Budget financials would still be annual, but strategy would be thought out broadly. The plan for that is being scheduled by a consultant and we're awaiting their report. There will be more information to come.

Holly Braun: Would that take effect for the 2020 budget?

Hannah Cruz: This would be done in 2020 and implemented in the 2021 budget. It marks a significant change in stakeholder engagement, so want to roll it out with everyone on board

Peter West: This will also require a change in software. We need to build something to evaluate scenarios quickly and the current software can't do that.

Lisa McGarity: My only feedback is that for utilities to get comments back this year was pretty tight between the second funding meeting in late October and the comments deadline of October 31.

Holly Braun: I liked this level of detail for the CAC process.

3. Findings from the 2018 Trade Ally Network Survey

Senior Customer Service Strategy Manager Cameron Starr presented findings from the 2018 Trade Ally Network survey, which will inform 2019 network strategy and activities. The last survey was done in 2013 and redesigned with significant changes this year.

Cameron Starr: Many trade allies reported serving market segments for which they were not listed as an ally.

Hannah Cruz: What's the value of knowing enrollment type?

Cameron Starr: They can get benefits and take advantage of offers that aren't open to them if they're not enrolled in a segment that they are already serving.

Cameron reviewed presentation slides covering response results and trends. One slide showed that the respondents self-reported a much higher rate of being owned by women, veterans or minorities than the rate determined by comparing COBID certification and self-reported data from the trade ally survey to the network as a whole.

Anna Kim: Can you explain that more?

Cameron Starr: Out of the entire network as a whole—around 2,100—1 percent are minority owned according to COBID certification and self-reporting, and 0.6 percent are women owned. However, this slide is saying that out of specifically the group surveyed—180—they self-reported much higher results.

Anna Kim: Were their answers inconsistent with information you found elsewhere?

Cameron Starr: We did have a couple contractors who were COBID certified and self-reported as such. More self-reported who weren't COBID certified.

Kerry Meade: Is this suggesting that respondents skewed toward these ownership types?

Cameron Starr: They could have been. But we didn't specifically target those.

Anna Kim: Is COBID a bad measure of business diversity?

Holly Braun: Is it hard to get that certification?

Cameron Starr: There are a lot of requirements and documentation that need to be submitted. Certification is used for public procurement so if businesses are not engaged in public projects they may not see a benefit in applying to be certified. It's a time investment on the owner's part.

Anna Kim: Is it possible that 12 percent actually are women-owned but we can't verify that?

Cameron Starr: It's possible.

Kari Greer: How representative is that of the universe of contractors? Does 12 percent still hold true of all contractors?

Cameron Starr: We haven't been able to verify that, but it's been asked.

Hannah Cruz: Is this part of your DEI goal?

Cameron Starr: If we can get down to that level of detail.

Kari Greer: It could be that the contractor universe is only 10 percent women-owned and you're already doing better.

Anna Kim: When you sign them up, you aren't using COBID to check?

Cameron Starr: We decided to allow both COBID and self-reporting. There's a risk associated with both approaches, but it's probably unlikely that someone would falsely self-report based on the benefits we offer.

Cameron continued with results about different languages supported by the contractors surveyed.

Lisa McGarity: Is information on your website available to help customers select a contractor based on supported languages?

Cameron Starr: It's not currently on our website, but that is a good suggestion for our Find A Contractor tool.

Hannah Cruz: We did some outreach to create an upcoming micro-site that includes a selection of Spanish-speaking contractors.

Cameron reviewed contractor responses regarding experience using Energy Trust incentive applications and suggestions for improvement.

Danny Grady: Regarding concerns from the contractors, are there big swings depending on the type of application?

Cameron Starr: Some applications are for incentives that are paid to the contractor, so they are more motivated to complete those in order to receive their payment. It also depends on the size

of the business. If you're a small shop, it's a cost you may not be able to bear. Some contractors have specific administrative staff to do this, typically larger firms.

Cameron continued reviewing the results of questions asking about subcontracting practices and the diversity of subcontractors utilized. Most contractors selected that either none or less than 25 percent of their subcontractors were minority, veteran or women-owned, or that they did not know.

Holly Braun: Do you have any more granularity on that? Less than 25 percent is such a big swath.

Cameron Starr: We don't. We integrated "other" free-text questions to try to tease out more information, but not on that question.

Holly Braun: I would expect all of them to be less than 25 percent based on the other responses.

Danny Grady: Do you have requirements around subcontracting?

Cameron Starr: Not currently. A lot of times subcontractors are not captured in our system because they aren't the general contractor and therefore don't appear on the customer's invoice.

Cameron discussed solar trade ally results, which showed that for most businesses, the state Residential Energy Tax Credit sunset negatively affected their project pipelines and overall business strategies.

Hannah Cruz: When were you in the market with this survey?

Cameron Starr: July through August of this year.

Cameron finished reviewing the remainder of the responses, overall conclusions and next steps to take based on the learnings.

Lisa McGarity: Did any responses come from Southern Oregon? It wasn't called out.

Cameron Starr: Yes, and also many from Eastern Oregon.

4. Guest Speaker: PGE Smart Grid Test Bed

CAC member and PGE's Emerging Technologies Project Manager Jason Klotz presented the utility's proposed Smart Grid Test Bed, which will explore methods for getting high penetration of demand response technologies, and explore the degree to which coordinated product development, deployment and marketing with efficiency affects customer participation in demand response.

Fred Gordon provided background on why the presentation was included for the CAC audience and how the project intersects with Energy Trust's work. Jason Klotz explained the primary objectives of the study, the value of a flexible load resource in the decarbonization plan and funding for the project.

Holly Braun: Who are you asking for the funding?

Jason Klotz: The Oregon Public Utility Commission.

Jason Klotz continued stating that one strategy to be deployed in the test bed is an opt-out peak time rebate that aims to achieve well beyond typical participation rates.

Julia Harper: Are participants auto-enrolled?

Jason Klotz: Yes. They would have to call PGE to opt out.

Kari Greer: So you haven't rolled it out yet?

Jason Klotz: No, the current program, FLEX is opt-in. This would be opt-out.

Fred Gordon: They are enrolled to receive participation requests and can opt-out of the requests, but no one interrupts their power.

Jason Klotz: We communicate events, which are individual time-based opportunities to participate. If they choose to participate, customers are paid \$1 per kWh they save. If they opt out, their rate does not change. Participation provides a benefit, but you may have to change your usage to achieve that benefit, such as adjusting the time you do laundry. Our strategy is to migrate them from a peak time rebate to a load control program.

Jason continued describing the demand response strategy, noting that all the incentive programs are cost-effective.

Hannah Cruz: Does cost-effectiveness for demand response use a different set of criteria than for energy efficiency?

Jason Klotz: Yes, the methodology is different. Energy efficiency is on all the time, but demand response is time-based. There are different avoided costs. You can see the application of the methodology in the plan.

Tim Hendricks: Will residential and commercial customers be included?

Jason Klotz: Yes, this will include residential, commercial and industrial customers. Residential customers will be on the opt-out, but commercial and industrial stay on their current rates and we'll use a different strategy with them. Small commercial customers are the most difficult type to engage. We want to increase our understanding of the customer value proposition through the test bed. Our proposal asks for commercial engagement personnel to help us learn customer value and retain customers.

Jason continued that a primary objective is pilot-to-program acceleration through learnings from the test bed.

Hannah Cruz: Are you deploying several different pilots with the same customers?

Jason Klotz: Yes, we need to understand the interactive effects. We need to know how big this resource really is and how it behaves with other resources.

Jason continued that the project looks to coordinate with Energy Trust to achieve maximum benefit. He emphasized the importance of partnering with customers to create flexible end-use demand throughout the day, not just at peak.

Holly Braun: What's the value in curtailing use outside peak?

Jason Klotz: Moving load around enables us to match load with generation. Moving away from carbon toward renewables, those resource operations are not as controllable. The ability to move load around is important.

Jason moved on to describe the test bed locations and substations, and the unique aspects of each. Two locations will get electric avenues with EV quick chargers. Jason concluded with the demand response review committee, milestone dates and timelines for phase one of the project.

Lisa McGarity: Are demand response events planned?

Jason Klotz: They're informed by resource availability, market prices and other factors.

Lisa McGarity: Are they determined in real-time?

Jason Klotz: Participants are notified day-ahead but they're market-driven, not planned by calendar date.

Holly Braun: If it's a day ahead, is it because you know it's going to be windy or not? How do you determine the need for an event?

Jason Klotz: Currently it's to resolve peak issues. You're raising something that needs research, which is how we can move to flexible load to balance wind resources. With this piece we want to learn the customer value proposition, not how to address the inclusion of renewables. That would be a second phase.

Holly Braun: What would an example of an event be currently?

Jason Klotz: It's summer, expected to be 96 and the previous day was 93. We expect we may be close to capacity, so we would call an event. This is about using current demand response programs to address peak. In the next phase, we would move into flexible load, with technologies like smart thermostats or water heating where we can move load around sub-hourly without customers noticing. We're starting that with the multifamily water heater program, and we want to learn more from single-family water heater programs. Batteries can also be moved around on sub-hourly basis. We'll move out current demand response programs where they can iterate in the test bed.

Holly Braun: Are you trying to find out how much customers like this?

Jason Klotz: That's part of this, but we want to know the reasons why they would participate.

Holly Braun: Do I have to opt in to participate in an event?

Jason Klotz: Yes. You opt in to the rate, then have to decide whether to participate in each event. Engagement is cultivated through the opt-out rate, but participation is another piece. For some, it's not about the payment, it's about being green or community. We're assuming there are other reasons.

Kerry Meade: This is interesting. So many things are happening. We've been tracking PG&E in California with pay-for-performance and customer motivation on that side. Third parties are enabled to make promises and make it happen. I'm glad to hear you're coordinating with Energy Trust. California stepped into mixing things up, but here there's more separation.

Jason Klotz: I made sure utilities were offering demand response and energy efficiency at the same time.

Julia Harper: Can you offer an option to auto-participate in events?

Jason Klotz: We know from the smart meter. For the peak time rebate, they have to decide about behavior change. They do that themselves. I would like to be able to automate it through water heaters and thermostats. We would still let them know, but the device would handle the adjustment. When you opt-in to the incentive for water heating or smart thermostat, it's taken care of for you. If you have special circumstances such as having company, you can opt out of an event.

Anna Kim: In this test bed, the idea is to test methods. The basic one is being on a peak-time rebate rate. The underlying portion is not going to have technologies connected to it. Other things they want to test connect technologies.

Kerry Meade: What about transactive grid and peer-to-peer?

Jason Klotz: Having been around for the first development, I don't know if the transactive control is a good idea for any utility. It requires a market based rate structure, and I'm not sure if anyone is ready for that. There's not enough devices or regulatory control. Several years out, maybe in a phase three it could be possible. For phase one, it's about the customer first.

Kerry Meade: But you might be able to use microgrids to test how that would work?

Jason Klotz: If there's room in the budget, maybe in a phase two. That's further than where we're at now.

5. Public Comment

There was no additional public comment.

6. Meeting Adjournment

The meeting adjourned at 4:16 p.m. The next Conservation Advisory Council meeting is tentatively scheduled for Wednesday, January 30, 2019.