

## Conservation Advisory Council Meeting Notes

July 31, 2019

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### Attending from the council:

Holly Braun, NW Natural  
Brent Coleman (for Tyler Pepple, Alliance of Western Energy Consumers)  
Warren Cook, Oregon Department of Energy (phone)  
Kari Greer, Pacific Power (phone)  
Julia Harper, Northwest Energy Efficiency Alliance  
Tim Hendricks, Building Owners and Managers Association

Anna Kim, Oregon Public Utility Commission  
Jason Klotz, Portland General Electric  
Lisa McGarity, Avista (phone)  
Kerry Meade, Northwest Energy Efficiency Council (phone)  
Dave Moody, Bonneville Power Administration  
Alyn Spector, Cascade Natural Gas

### Attending from Energy Trust:

Kathleen Belkhatat  
Melanie Bissonnette  
Michael Colgrove  
Amber Cole  
Ryan Crews  
Hannah Cruz  
Jack Cullen  
Mana Haeri  
Fred Gordon  
Jackie Goss  
Marshall Johnson  
Oliver Kesting  
Steve Lacey

Scott Leonard  
Spencer Moersfelder  
Alex Novie  
Thad Roth  
Dan Rubado  
Peter Schaffer  
Kenji Spielman  
Cameron Starr  
Julianne Thacher  
Jay Ward  
Kate Wellington  
Peter West  
John Volkman

### Others attending:

Matt Artell, Delta Connects  
David Beaulieu, TRC  
Rachel Dawson, Cascade Policy Institute  
Jon Eichler, ICF  
Laura Hall, ICF

Lindsey Hardy, Energy Trust board  
Genevieve London, Stillwater Energy  
Joe Marcotte, Lockheed Martin  
Alan Meyer, Energy Trust board  
Brian Sipe, CLEAResult

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### 1. Welcome, Old Business and Short Takes

Hannah Cruz convened the meeting at 1:32 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/](http://www.energytrust.org/about/public-meetings/conservation-advisory-council-meetings/). The meeting was recorded on Go To Meeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email [info@energytrust.org](mailto:info@energytrust.org).

Hannah introduced the agenda. The June meeting minutes were approved with no changes.

### 2. 2020 Organizational Goals

*Topic summary*

Michael Colgrove described the purpose and intent of Energy Trust's 2020 organizational goals and how they drive the organizational annual budget. These goals were informed by the draft 2020-2024 Strategic Plan and will help the organization start to make progress toward the strategic plan focus areas.

Goals include: 1) meet savings and generation targets and create future opportunities, 2) use guidelines to determine resource investments in community efforts, 3) provide information to policymakers, agencies and implementers, 4) strengthen internal innovation capabilities and develop new proposals and 5) make operational improvements. Areas of emphasis for each goal were also explained; they serve to help guide staff in prioritizing activities but do not encompass all activities for the coming year.

#### *Discussion*

Conservation Advisory Council asked questions and gave feedback about Energy Trust's 2020 organizational goals.

Questions were about the definition of higher-value renewable energy and energy efficiency (Dave Moody), what is meant by capacity building for community-based organizations (Holly Braun), and how Energy Trust is balancing near-term concerns such as cost-effective constraints and staffing constraints with longer-term needs to innovate and evolve (Holly Braun).

Alan Meyer requested that the language in one of the sub-goals be changed from "coordinate utility efforts" to "coordinate *with* utility efforts." Staff will make the change.

Members discussed the term "clean energy" used in the goals to refer to energy efficiency and renewable energy, with Holly Braun, Alyn Spector and Kari Greer voicing concerns that the term could be confusing for customers because it can refer to a broader set of clean energy actions and could be understood to exclude energy efficiency.

#### *Next Steps*

Conservation Advisory Council will see these goals reflected in the draft budget and action plan presented at the October budget workshop, and Energy Trust will seek feedback from members at that workshop.

### **3. 2020 Budget Engagement Schedule**

#### *Topic summary*

Staff reviewed the 2020 budget engagement schedule and key dates, including when the Conservation Advisory Council will be engaged and have opportunities for feedback. Staff highlighted how changes from last year's budget engagement process were incorporated into this year's schedule, including earlier engagement with utilities, publishing the draft budget earlier and providing more time for the public and stakeholders to provide comments, and focusing council meetings on major program changes.

#### *Discussion*

Jason Klotz asked about opportunities for early utility engagement, which will occur in August.

#### *Next Steps*

Staff will present major program changes at the September meeting. Conservation Advisory Council was encouraged to review the draft budget when posted online on October 8, attend the board budget workshop on October 16 and submit feedback.

### **4. 2020 Measure and Cost-Effectiveness Exceptions**

#### *Topic summary*

Planning and Program staff discussed the major and minor cost-effectiveness exceptions requests submitted to the Oregon Public Utility Commission with impact on 2020 measure offerings. Staff provided details on the measure exception requests and the impact of each measure on their respective program savings portfolio. Staff also described changes to some measures to ensure cost-effectiveness. The presentation focused on requests related to ductless heat pumps and insulation in the Residential and Existing Multifamily programs, hydronic heat circulators and Existing Multifamily in-unit installation of lighting.

#### *Discussion*

Conservation Advisory Council members discussed and asked questions about measure exceptions.

Members discussed the ductless heat pump cost-effectiveness exceptions including requirements that could bring savings back up to expectations (Dave Moody), potential Wi-Fi capabilities and controls integrations (Anna Kim), alignment with Bonneville Power Administration offerings (Dave Moody) and alternative equipment options (Holly Braun). Holly Braun noted that ductless heat pumps have been under exception for several years.

Members discussed insulation exceptions, including the history of exceptions (Julia Harper) and consideration of additional non-energy benefits, such as comfort (Holly Braun) and noise reduction (Jason Klotz), and impact on multifamily and low- and moderate-income customers (Alan Meyer). Jason Klotz expressed interest in PGE collaborating with Energy Trust to quantify the value of insulation upgrades at peak times and incent insulation as part of PGE's demand response efforts.

Members asked about Energy Trust's planned collaboration with Community Action Partnership agencies to increase energy savings for low- and moderate-income customers, including about additional benefits expected from collaboration (Holly Braun) and how savings will be claimed by Energy Trust and Oregon Housing and Community Services (Alan Meyer). Lisa McGarity suggested Energy Trust consider a bulk-buying strategy to reach underserved rural customers.

Members asked about potential impact that discontinuing LED incentives could have on the Existing Multifamily offering of in-unit installation of lighting, showerheads and faucet aerators and distribution of advanced power strips (Alan Meyer). If the cost-effectiveness exception request is not approved, Energy Trust staff will look at options to redesign the offering to continue other cost-effective measures, which would likely be a leave-behind kit for maintenance staff to install. Savings and participation rates are expected to decline with a leave-behind offering.

#### *Next Steps*

Staff will provide an update on the status of the cost-effectiveness exception requests at the September meeting. Anna Kim expects that two of the major exceptions will be presented to the commission in early September for approval.

Marshall Johnson will reach out to the gas utilities to discuss possibilities regarding collaboration with low-income programs.

## **5. Eastern Oregon Program Outreach Strategy**

### *Topic summary*

Staff provided an update on a program outreach strategy to better reach and serve customers in Eastern Oregon, including enhanced program offers and targeted marketing and outreach efforts to reach residential and business customers in Pendleton, Hermiston and Ontario.

*Discussion*

Conservation Advisory Council discussed barriers to participation for rural customers, such as lower wages, higher energy burdens (Lisa McGarity) and long drives for trade allies to serve customers (Tim Hendricks).

Holly Braun and Alan Meyer commended staff for pursuing enhanced offerings and outreach efforts to serve Eastern Oregon communities.

Lisa McGarity suggested Energy Trust consider collaborating with Idaho Power for Eastern Oregon outreach efforts, and Julia Harper suggested a contact at Idaho Power.

Anna Kim wondered if incentives for companies in rural areas translate into financial benefits for the community. Staff noted efforts are focused largely on small and medium businesses and explained that siting large national businesses in rural communities has a positive local economic impact.

Alan Meyer suggested Energy Trust consider additional grassroots outreach to residents of rural communities.

*Next Steps*

Hannah Cruz will email members a link to a video featuring an Eastern Oregon project with Yellowhawk Tribal Health Center.

**6. Commercial Pay for Performance Design Update***Topic summary*

Staff provided an update on a design revision being considered for the commercial Pay for Performance offer for 2020. Pay for Performance is a way of paying for validated energy savings at the meter. Energy Trust's Pay for Performance pilot is a transactional approach to achieving savings, as opposed to its commercial Strategic Energy Management offering, which is an organizational approach to achieving savings.

*Discussion*

Tim Hendricks shared that he worked on the 1000 Broadway building that participated in the Pay for Performance pilot in 2016, and he noted several challenges: the contract, the limited timespan to sign up projects and the time to wait for incentives.

Members discussed the timing of incentive payments (Tim Hendricks and Holly Braun), which would change from three years to one year. Tim suggested that a one-year payment schedule would help the offering be more successful.

Holly Braun asked about the persistence of savings from Pay for Performance projects and wondered if some incentives should be reserved for payment after one year. Tim Hendricks explained that from his experience managing buildings, changes implemented in one year would persist over the next several years.

Alan Meyer asked if customers could change rate schedules as a result of participation in a Pay for Performance offering, and staff explained that this is prohibited.

Kerry Meade asked if a project must be cost-effective overall or if all individual measures must also be cost-effective. Staff responded that projects are only required to be cost-effective overall.

Julia Harper offered that Northwest Energy Efficiency Alliance is interested in collaborating with Energy Trust to overcome common Pay for Performance barriers.

Alan Meyer asked if Pay for Performance reaches customers that are not currently being served by Energy Trust's Strategic Energy Management, and staff said yes. Some companies don't have the infrastructure needed to participate in Strategic Energy Management. Pay for Performance helps these customers achieve operations and maintenance savings in addition to capital improvements.

*Next Steps*

Staff will provide future Pay for Performance updates if requested by Conservation Advisory Council.

**7. Public Comment**

There was no public comment.

**8. Meeting Adjournment**

The meeting adjourned at 4:45 p.m. The next meeting is September 18, 2019.