

## Conservation Advisory Council Agenda

Wednesday, July 31, 2019

1:30 p.m. – 4:30 p.m.

421 SW Oak St., #300, Portland, OR 97204

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### Follow-ups from previous meetings:

- Strategic planning engagement feedback form: please turn these in if you filled one out

### 1:30 Welcome, Old Business and Short Takes *(Hannah Cruz; information)*

- Introductions, agenda review and approve June 26 meeting minutes
- Review previous meeting follow-ups

### 1:40 2020 Organizational Goals *(Mike Colgrove; informational)*

Staff will follow-up on a previous meeting's discussion about the draft 2020 Organization Goals, presenting the final goals and providing notification about how they will be used.

### 1:55 2020 Budget Engagement Schedule *(Melanie Bissonnette; informational)*

Staff will review the 2020 budget engagement schedule, highlighting when the Conservation Advisory Council will specifically be engaged and opportunities for feedback from the council.

### 2:05 2020 Measures and Cost-Effectiveness Exceptions *(Jackie Goss, Kate Wellington and Scott Leonard; discussion)*

Planning and Program staff will discuss the major and minor cost-effectiveness exceptions requests submitted to the Oregon Public Utility Commission, with impacts on 2020 measure offerings. Staff will provide details on the measure exception requests and the impact of each measure in their respective program savings portfolio.

### 3:00 Break

### 3:15 Customer Insights Study Findings *(Shelly Carlton; informational)*

Staff will highlight key findings from the 2018 Customer Insights Survey about Energy Trust residential participants and non-participants, and will provide an update on how the next survey will be structured.

### 3:35 Eastern Oregon Program Outreach Strategy *(Ryan Crews and Susan Jowaiszas; discussion)*

Staff will provide an update on organizational plans and strategy for how to better reach and serve customers in Eastern Oregon.

### 4:05 Commercial Pay for Performance Design Update *(Kathleen Belkhatay; discussion)*

Staff will provide an update on a design revision being considered for the commercial Pay for Performance offer for 2020.

### 4:25 Public Comment

### 4:30 Adjourn

Meeting materials (agendas, presentations and notes) are available [online](#).

**Next meeting:** Enjoy the rest of your summer and we'll see you in September. Our next meeting is Wednesday, September 18, 2019.

## Conservation Advisory Council Meeting Notes

June 26, 2019

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### Attending from the council:

Rick Hodges for Holly Braun, NW Natural  
Charlie Grist, Northwest Power and  
Conservation Council (phone)  
Julia Harper, NW Energy Efficiency Alliance  
Warren Cook, Oregon Department of  
Energy  
Wendy Gerlitz, NW Energy Coalition  
Kari Greer, Pacific Power  
Anna Kim, Oregon Public Utility  
Commission

Danny Grady, City of Portland Bureau of  
Planning and Sustainability  
Jason Klotz, Portland General Electric  
Kerry Meade, Northwest Energy Efficiency  
Council  
Lisa McGarity, Avista  
Tyler Pepple, AWEC  
Will Gehrke, Citizens' Utility Board of  
Oregon

### Attending from Energy Trust:

Hannah Cruz  
Fred Gordon  
Peter West  
Ryan Crews  
Debbie Menashe  
John Volkman  
Jackie Goss  
Cameron Starr  
Kenji Spielman  
Alex Novie  
Lizzie Rubado  
Spencer Moersfelder  
Steve Lacey  
Mark Wyman

Kati Harper  
Kate Wellington  
Jeni Hall  
Peter Schaffer  
Amber Cole  
Michael Colgrove  
Amanda Zuniga  
Kirsten Svaren  
Kate Hanson  
Jack Cullen  
Rob Strange  
Jessica Kramer  
Jay Olson  
Emily Findley

### Others attending:

Alan Meyer, Energy Trust board  
Lindsey Hardy, Energy Trust board (phone)  
Shelly Beaulieu, TRC  
John Molnar, Rogers Machinery  
Sam Baraso, City of Portland  
Vinh Mason, City of Portland  
Damon Motz-Storey, Oregon Physicians for  
Social Responsibility

Charity Fain, Community Energy Project  
and Foundational Diversity Advisory Council  
Kheoshi Owens, Empress Rules and  
Foundational Diversity Advisory Council  
Colin Podelnyk, ICF  
Ben Crandall, CLEAResult  
Joe Marcotte, Lockheed Martin  
Jaimes Valdez, City of Portland

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

Hannah Cruz convened the meeting at 1:37 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 and welcomed two members of the Foundational Diversity Advisory Council who attended the meeting. Notes from the May meeting were approved with no changes.

## **2. Guest Speaker: City of Portland and Portland Clean Energy Community Benefits Fund**

### *Topic summary*

Sam Baraso, Vinh Mason and Damon Motz-Storey provided an update on the development of the Portland Clean Energy Community Benefits Fund program (also called Portland Clean Energy Fund), including the status of hiring staff, selecting the committee and upcoming milestones for the program.

### *Discussion*

Vinh Mason provided an overview of how the program, which began as a ballot measure, is being developed in close collaboration with the community-based organizations that were instrumental in the ballot measures formation and passage.

Damon Motz-Storey, the program's communications lead, continued with more historical background. He stated the coalition that initiated the ballot measure came together out of a desire to address the climate crisis in a way that did not further social inequality and acknowledged its disproportionate impact on vulnerable communities, which they termed frontline communities. These efforts were also assisted by groups that are part of Oregon's broader environmental movement that have resources and expertise to help the campaign, also known as privileged capacity.

Sam Baraso continued with emerging details about how the program will be staffed and administered. Although much is still unknown, they intend to distribute the expected \$54 million to \$71 million in annual funding through a grant structure that will award funding in three main categories—energy efficiency and renewable energy, green infrastructure and sustainable agriculture, and innovation. The program is currently recruiting for a nine-member council, the decision-making body that will review and award grants.

Sam Baraso noted staffing updates, specifically that Jaimes Valdez has joined the team and Katie Lister of Alaska Energy Authority will come onboard soon. They will eventually ramp up to five or six staff members in the first year.

Kheoshi Owens: How will you ensure diversity among the committee members?

Sam Baraso: There has been a lot of outreach to ensure we are getting a broad level of people applying. On aggregate, it has been a representative pool. We are working on further defining that process. Because our coalition is in touch with Portland City Council, the nine members will be carrying out the vision.

Sam continued that the grant committee will be seated end of August or early September. He noted that due to a grace period for paying into the fund, the initial distribution will not occur until 2020, with the full funding expected to start in 2021.

Kari Greer: Once funding is fully up and running, how much are you expecting per year?

Sam Baraso: Around \$54 million to \$71 million per year. Because the businesses paying into the fund haven't provided that level of information in the past, this is our estimation, not a firm resolution. After the first year, we'll have better information on what to expect year to year.

Kheoshi Owens: Do schools have access to the funds through this process?

Sam Baraso: There's work to do in determining that. The ballot language refers to nonprofit entities. We're getting clarification. Based on a particular read, public schools may be able to

access the funds. Private schools can access them. Others can gain access through partnerships with nonprofits. We want to increase the capacities of nonprofits that have traditionally served low income.

Damon Motz-Storey: The intention was to have resources available for entities that are not always as likely to receive these funds. It's within the intent to provide benefit to schools.

Kheoshi Owens: I just did the Portland Children's Levy. They've gone through a lot of feedback. Have you connected with them?

Sam Baraso: The coalition has connected with them in early thinking. We're waiting for Katie to come on board to have our sit down with them. They're on our early list to connect with. They have different criteria among the different grantmaking spaces.

Damon Motz-Storey: I was in a meeting with Commissioner Saltzman and got advice from setting up the Children's Levy.

Kheoshi Owens: I recommend connecting with the staff who did the work.

Lisa McGarity: What types of businesses pay the gross receipts?

Sam Baraso: That's in the realm of the city's revenue division. At a high level, it includes corporations who have earned at least \$1 billion nationally and \$500,000 within the City of Portland. This excludes utilities, groceries, medicine and health services, as well as co-ops and credit unions.

Kari Greer: Does money collected in Portland stay in Portland, or can it be used outside of that?

Sam Baraso: We're looking into that. Community Energy Project brought up that same issue. There should be a direct connection to Portland residents.

Damon Motz-Storey: The City of Portland and Multnomah County have renewable energy goals with benchmarks of 2% community generated energy by 2035 and 50% community generated energy by 2050. Some of these projects can help meet that.

Kari Greer: Is that also what you mean by green infrastructure?

Sam Baraso: That was thinking about wetlands, rain gardens and green roofs.

Damon Motz-Storey: The idea is to create multiple community benefits from a variety of places. There can be a 20-degree temperature disparity between neighborhoods based on its infrastructure.

Kheoshi Owens: Is there any data on the impact of that?

Sam Baraso: There is data about increases in violent crime on extreme heat days and you can tie that to certain neighborhoods.

Kheoshi Owens: You don't have that data now?

Damon Motz-Storey: Oregon Physicians for Social Responsibility did a project on how Portland Clean Energy Community Benefits Fund projects would address health issues. There is some data.

Anna Kim: Are you envisioning one-off grants or an ongoing funding stream for long-term projects?

Sam Baraso: Both. You'll see applicants who want a single project or organizations coming in with programmatic grants that would be ongoing, like heat pump replacements targeted to certain neighborhoods. The committee needs to find the right balance and make sure all types of organizations can apply for grants.

Charity Fain: We're organizing a big meeting in September to kick off coordination between organizations. It will be like a potluck of skills and experience. This process is so community driven, it's different than other work, very collaborative and open to sharing resources. We are looking at how to take a community of organizations with different experience and build coalitions and project ideas from entities that wouldn't normally have funds to carry out the projects. How do frontline entities meet with technical groups? We've been meeting every other

week since February. The event in September will be the first of many. We want to see innovative project ideas to continue the spirit of collaboration.

Anna Kim: Have you set aside money or thought about verification?

Sam Baraso: Given the amount of public scrutiny, we haven't hit that conversation yet but that will be part of the program. That's a challenge to hit that right balance to ensure projects are providing benefit without creating undue burden. We can bring resources to think creatively about this.

Damon Motz-Storey: That's in the language. The committee is bound to measure the success of projects.

Vinh Mason: The metrics are unique. We also focus on human impact. Evaluation is very qualitative and energy based. We also want to look at the impact of how it's changing people's lives.

Jason Klotz: From a utility perspective, I'm curious what is your definition of energy efficiency? When we did our decarbonization study, 25% of our resources will have to come from the customer side of the system. Are you including the interactive assets of technologies you might support the adoption of?

Sam Baraso: Looking back to city code, it might not exactly have that. There's going to be a long runway bringing in expertise to find opportunities of long-term resiliency while benefitting the community today. There was foresight that went into that, squarely focused on communities of color and low income. We need to bring in greater clarity.

Jason Klotz: If you put in a heat pump water heater that can talk to the grid, we can provide a steady stream of incentives to that customer.

Sam Baraso: This is going to be critical to our grant committee.

#### *Next Steps*

No next steps.

### **3. Draft 2020-2024 Strategic Plan**

#### *Topic summary*

Michael Colgrove and Energy Trust staff presented and sought feedback on the Draft 2020-2024 Strategic Plan. A facilitated discussion centered around the plan's five focus areas and their strategies and progress indicators. Conservation Advisory Council members and Foundational Diversity Advisory Council members were invited to provide feedback on the plan, particularly on how well it is a reflection of Energy Trust's role.

#### *Discussion*

Mike Colgrove reviewed the draft strategic plan development schedule and public comment period kick-off, noting how Conservation Advisory Council engagement has shaped the plan so far. Mike reviewed the five focus areas, the first of which emphasizes Energy Trust's ongoing efforts to serve all utility customers of the five partner utilities.

Kheoshi Owens: Is there any acknowledgement of historical inequity? People didn't have awareness of the available offerings and were excluded as a result. Will you take responsibility for your role in that as you move forward?

Mike Colgrove: Yes and in a number of places we have already recognized underserved customer groups. We have a mandate to serve across all sectors and equitably within sectors. That has been the topic of a number of conversations. A first step was the data analysis to help us understand where customers were being underserved.

Alan Meyer: As I read the first focus area, it sounds passive. Would a more active statement be appropriate? We could look at re-working the language around "provide programs."

Mike Colgrove reviewed the second focus area, which deals with using distributed energy resources to address capacity issues and the need for flexibility. The third focus area relates to sharing expertise in supporting energy policy development.

Kari Greer: I agree this is important work, but some support may potentially defund Energy Trust if a community considered an alternative energy structure. Is there benefit to put resources into efforts that could defund you?

Mike Colgrove: That's a great point, and I appreciate that. Our focus in working with communities is to help eligible customers access our programs and services. For communities and other entities, if there are ways they can achieve greater energy savings or generation in our programs better, faster or cheaper, it's okay for us to be a part of that.

Lisa McGarity: I have found that some entities take advantage of the free services and want to use an organization to provide their analysis when they need to do that themselves. You could provide a matrix for sharing of resources.

Mike Colgrove: You'll hear more about this. At a high level, one of our organizational goals is to develop rules of engagement for exactly those types of things and figure out how and when we will invest time and resources into these types of engagements. Our annual goals for next year support this. We aim to make sure things like this are happening, but unanticipated requests are also thought through.

Charity Fain: I encourage you to think through how you interact with municipalities, especially when the Portland Clean Energy Fund kicks off. The role you will play in advice and analysis for entities who may not have worked in this space at all is important. I know what that's like with our institutional knowledge. There's a lot of jargon in this industry, but the need is huge. I'm glad to see this here. They might not have anyone else to go to that is objective and data driven. Also, it's not just how you serve state and municipalities, but also organizations and nonprofits that want to get more involved.

Mike Colgrove: A lot if this section was based on some of the feedback you provided. We have strategies within these focus area statements that help to detail that more. In this focus area, there are two bullets specifically about helping community-based organizations and communities build capacity. It is envisioned in next year's activities too. We want to change the dynamic and find the intersection of what's important to these communities while helping us achieve our goals.

Kheoshi Owens: I'd like to see some videos. Those would be very helpful with this content. White people like to write things down and worship the written word. Being of African descent, we may learn visually. To have a relationship with other communities, there's going to be a learning curve.

Mike Colgrove: That's a great idea. We should be looking at more ways to get these messages out. I did record a webinar about the draft Strategic Plan that is available on our website.

Mike Colgrove moved on to review the fourth focus area, which aims to leverage additional funding in order to maximize public purpose charge funds while achieving additional community benefit.

Wendy Gerlitz: This is a great focus area, I've been thinking about how the Portland Clean Energy Fund will open a lot of opportunities in primarily urban areas, which is fantastic. Energy Trust should be cautious of the perception that urban areas get all the resources and opportunities. I would like to see this focus area be about bringing opportunities to rural areas too. It benefits the entire community to make extra efforts to reach out to them as this influx of funding comes to urban areas. It will take a lot of energy to deal with the Portland Clean Energy Community Benefits Fund.

Mike Colgrove: That's a great comment. I appreciate that feedback. Farmer's Conservation Alliance is exclusively rural and is one of our great successes. It has unlocked hundreds of millions in funding for the state. The manufactured home replacement pilot has potential to be a rural focused program.

Mike Colgrove reviewed the fifth focus area, which aims to enhance Energy Trust's ability to quickly and effectively respond to changes. This focus area looks internally to address increasing diversity of staff, staff development and decision making.

Lisa McGarity: One thing I was talking to our outreach staff about is considering if you want to reach more minority- and women-owned businesses, but after that initial effort, the second tier would be how many minorities and women those businesses are employing.

Mike Colgrove: That's a great comment. Thank you.

Kheoshi Owens: I like this part. It makes a difference, and that's how you get exponential growth. The way to eliminate inequities is to invest in people and offer intentional professional development. That triggers me quite often. People import leaders. How are you intentionally asking staff about development goals?

Mike Colgrove: The first strategy in this focus area is to foster and retain talented staff.

Kheoshi Owens: We're going to have to invest and grow interest in the high school students about how energy is exciting.

Mike Colgrove: I was surprised that this group didn't ask the City of Portland how they're going to work with Energy Trust. That's one of the places I get excited that the Portland Clean Energy Fund can help unlock: workforce development. We don't play in that space but when you think about it, the workforce is mobile. You can develop within Portland, but it might not stay here. That could benefit the whole state.

Rick Hodges: Have you thought about having an aim to put staff back into the community instead of retaining them?

Mike Colgrove: That's an interesting observation. Jed Jorgensen from our Other Renewables program is leaving after 11 years. He is moving to Farmer's Conservation Alliance to work on irrigation modernization full time. It's a huge loss for us, but a great gain for Farmer's Conservation Alliance and the industry. It may result in more work for Energy Trust. We've always taken that kind of perspective. We know they're going to other organizations and will continue to do incredible things.

Rick Hodges: If you have churn, it could be okay and not seen as a bad metric.

Mike Colgrove concluded by reviewing key takeaways of the draft plan, then introduced Betsy Kauffman to facilitate a guided discussion based on prepared questions included in the slide presentation.

Lisa McGarity: For Avista, our main focus is our customers. If they are doing well, then we do well. I think that lines up perfectly with the Energy Trust plan.

Kheoshi Owens: I do equity work and my goal is to reach a place where socioeconomic status is not decided by color, gender identity or ability. The fifth focus area is something I'm excited about. My goal for my community is that they can live anywhere they want to live. The only way they can do that is if they have opportunities. I'm excited about equity in staff and the workforce. We should incorporate more diverse perspectives in renewable energy, and we'll do better when more people are involved. I also realize that part of my calling is to promote voluntary social responsibility. It's good to see people in this room that I can engage.

Danny Grady: A focus area that resonated is the fourth one, which we discussed how it dovetails with the Portland Clean Energy Fund. Looking at ways to match funding streams to maximize community benefits is a great stance to take. I'm also happy to see focus area two, supporting focused utility efforts to help meet city energy goals. Providing resources to complement those efforts can only help the community as a whole. And thinking more broadly about the impacts that more renewable energy will have on the grid. Exploring creative ways to support that transition is encouraging. I like the evolution of how we're thinking about different ways to provide support.

Jason Klotz: At PGE, we've been coordinating with your staff and leadership a lot. It's new for both sides and may take a bit. I'm happy with what's happening right now. The activities will be difficult, especially around communication through the grid-enabled devices and making sure the protocols are there and creating customer engagement protocols and tariff development. We noticed today that in developing a time of use rate, we may have over-incentivized the development of storage. We need your engagement on developing some of these things as well.

Charity Fain: We are also starting our strategic planning process. Community Energy Project serves clients who are 70% people of color and 90% low income. Seeing that focus in your plan is encouraging. Thinking about scale, what we have been doing is small. With the Portland Clean Energy Fund, how can we integrate? This is an opportunity to think about partnering not just as a funder, but also on data collection, building a baseline and creating a scalable project in Portland that can apply to the Portland Clean Energy Fund. Knowing there might be staff who can help us, a place that is intentional in the program design is something that could benefit both of us as we think about scale. I was recently on a Home Performance conference panel that discussed what it would take in Seattle to retrofit every home and how much it would cost in Portland. It's a few billion dollars but also think about how much it costs to build a football stadium—those are public funds as well. I'm seeing a place where your knowledge and skills can help because we don't have capacity. We can collect customer information that your staff can't access, which could create a collaboration where we're really partners.

Will Gehrke: I'm with Oregon's Citizen's Utility Board. We represent both gas and electric residential ratepayers. Calling out the fourth focus area, we appreciate that you considered gas customers. If you put a price on carbon, gas customers will pay more on heating bills. If Energy Trust can leverage funding from carbon legislation and clean up the gas system, we find that promising.

Julia Harper: You talked about a focus on emerging technologies. Is that an area you want to increase resources you're putting into from a budget or human resources standpoint?

Mike Colgrove: I think if anything, how do we keep our eye on the ball of emerging technology? Are there ways to accelerate it even further? How this materializes is how we strengthen our relationship with NEEA. It's not encroachment. We find that relationship valuable. We tend to talk at the NEEA board level about that delineation between NEEA support for a technology and the move to an Energy Trust or utility funded program. It's not a bright line. We need to figure out how to get through that quickly and transition faster.

Julia Harper: You have been great partners on pilots early on. We like that.

Lisa McGarity: Building on Julia's comment, I was in a meeting talking about the importance of emerging technologies having multiple years they can count on for support. That's where we fall down a lot of times.

Lisa McGarity: One thing that's important for Avista is we want to keep energy affordable for our customers because we serve low income, rural and a lot of moderate-income customers.



Having that called out in the plan is good. This is why we do efficiency. Not just for the systems benefit, but also customer benefit.

Charity Fain: I like that there are diversity strategies, but I expected to see diversity at a focus area level.

Mike Colgrove: That's something we struggled with. We settled on wanting those types of things integrated into everything we're doing.

Charity Fain: Focus areas are sometimes harder to change. One of our high-level goals at Community Energy Project is always diversity focused.

Betsy Kauffman passed around a worksheet to collect additional comments, invited feedback about the process so far and reviewed how to submit written comments.

#### *Next Steps*

Staff will provide this feedback to the board Strategic Planning Committee as it considers any revisions to the draft plan in August and September. The final plan will be presented to the board for adoption at its October public meeting.

#### **4. Existing Multifamily Program Assessment**

##### *Topic summary*

Staff hosted an interactive session to discuss the Existing Multifamily program assessment. The session will inform program changes for 2020 and 2021. Staff is looking for feedback on early concepts coming out of the assessment and input on future engagement.

##### *Discussion*

Kate Wellington introduced the early concepts for the multifamily program assessment. She shared updates on the project's status and the timeline. Staff will be presenting these concepts to the board in July. Program optimizations would be implemented in 2020, while large-scale change would take effect in 2021.

The council was asked to review a briefing paper in the meeting packet that outlined four main directions a redesign could incorporate. Council members transitioned to four tables, each of which had a staff facilitator who requested input on one of these themes. The council members rotated to each of the tables, discussing each theme for about eight minutes. At a fifth table, members of the audience also had an opportunity to discuss each of the themes.

After the council had visited each table, tables took turns reporting out key feedback they heard.

##### Table 1: Customer engagement

- Creating alignment between programs will help alleviate confusion in both regular and midstream (incentives to distributors/retailers) offerings.
- For midstream, Energy Trust needs to do something both on the demand and supply side. It is important to maintain customer relationships.
- Small multifamily property owners face many challenges.
- Energy Trust should learn how the customers self-identify and meet them there, while keeping complexity behind the curtain.

##### Table 2: Reaching underserved customers

- For tenants, education is key. Make sure Energy Trust is providing that and that customers are aware of our services. There are incremental steps they can take.
- Energy Trust needs to make sure the representatives that are sent to a community are diverse and match who they're serving.

- Having a separate program focused on underserved customers is a good approach and Energy Trust should look at it as a way to focus efforts—tying-on to existing programs is not meeting the need.

Table 3: Driving and quantifying savings

- They are all interwoven.
- Non-energy benefits, health benefits and environmental justice were all discussed.
- Regarding the use of different baselines: collect the data and do the concept, then see what happens. A lot of organizations want to do this work and it's about starting that conversation and sharing data. The difficulty is in coordination.
- The Portland Clean Energy Fund is a big opportunity—being able to coordinate and understand roles in administration will be important.

Table 4: Future measure offerings

- Pay for performance program design would be really hard in the multifamily space with split incentives.
- There is a risk to behavior-based savings due to a risk a landlord may penalize a tenant for not adopting the energy-saving behavior. It's worrying that tenants could be manipulated by owners by this process. Energy Trust would also need to consider how the building is metered.
- Two emerging technologies that could help a pay for performance approach are the Ohm Connect demand response platform and Wifi-enabled window shakers.
- Many measures have benefits beyond what can be quantified and there are also other purchase-motivating factors that ought to be considered.

Audience Table: All themes

- Customer sorting can be a barrier to working across programs. Energy Trust marketing materials can lead to confusion when customers try to get to the next layer.
- Standardizing forms is recommended. Providing the sorting rules to trade allies would empower them to assist customers and serve different sectors.
- Something similar to New Building's Market Solution packaged offerings could work well for Multifamily as a way to avoid the measure level cost effectiveness barrier.
- There are two extra challenge to a midstream delivery model. One, retail locations have different data collection processes, and it would be ideal to standardize that through a portal. Two, no matter how good that data collection system is, you lose attribution by pushing customers to a retailer and it hinders our ability to re-engage customers. If you don't know where a system was installed, you can't follow up with the customer.
- One issue with creating a program targeting underserved customers is we want to reach those customers, but we don't have much to offer them and they don't have high savings. If it has to meet cost effectiveness, it may never qualify. It would be meeting a different goal.
- There's value in a different baseline and might be some initial savings. We have this with assisted living and low-to moderate-income housing with regard to occupancy and hour-of-use. There's data to support it but if you move those baselines, you would also have to move others and it might end up cancelling out the additional savings.
- Shelly Beaulieu: I ran a multifamily pay for performance program in New York, and it was really effective. We used actual metered usage at the beginning, so we didn't need deemed savings and only required bills for one year after the install.
- There's a lot of opportunity for emerging technology within new multifamily properties—they are higher-tech and there are opportunities to upgrade things that were value-engineered out of initial construction.

Kate Wellington invited the group to report-out as a whole and identify themes or ideas they heard come up across multiple tables.

Lisa McGarity: Leveraging of funding went across a couple tables.

Anna Kim: You have some of the most challenging problems, all in the same program.

Julia Harper: If you can focus on a few non-energy benefits and larger communities, that can help with cost effectiveness.

Charity Fain: Serving underserved communities isn't hard, you just haven't made the deliberate effort to do it yet. Partner with organizations that already know how to do that.

Kate Wellington invited stakeholders to participate in workgroups to continue these conversations. Further feedback was also invited in written form through the index cards provided at the tables.

Anna Kim: How much of these explorations are moving into multifamily buildings with fewer units? Are we reformulating to address the multifamily properties that have not been reached yet? That description of the customer group wasn't the same at all these tables perhaps. How do you reach two-unit structures in South Bend?

Kate Wellington: That has come up a lot and been part of our thinking, particularly in program alignment. We've served many very large properties and a small portion of the very small properties.

Anna Kim: If we had gone around tables knowing that was a target, discussion outcomes may have been different.

#### *Next Steps*

Staff will incorporate this feedback into the ongoing assessment work. Another presentation will be scheduled with the council at a meeting at the end of 2019.

#### **5. Public Comment**

There was no public comment.

#### **6. Meeting Adjournment**

The meeting adjourned at 4:45 p.m. The next meeting is Wednesday, July 31, 2019.



# 2020 Organizational Goals

July 31, 2019

# 2020 Goals

**Goal 1:**  
**Meet savings and generation targets and create future opportunities**

**Goal 2:**  
**Use guidelines to determine resource investments in community efforts**

**Goal 3:**  
**Provide information to policymakers, agencies and implementers**

**Goal 4:**  
**Strengthen internal innovation capabilities and develop new proposals**

**Goal 5:**  
**Make operational improvements**

## **Goal 1: Meet savings and generation targets and create future opportunities**

We will meet 2020 savings and generation targets of [aMW and therms] and create future savings and generation opportunities with a particular focus on:

- Serving more diverse customers
- Supporting higher value RE and EE
- Sustaining services for efficiency programs where cost-effectiveness is becoming a challenge
- Pushing new construction beyond code



## **Goal 2: Use guidelines to determine resource investments in community efforts**

We will apply and refine guidelines to assess community energy efforts to determine how and when we will invest time and resources with a particular emphasis on:

- Coordinating utility efforts in communities
- Building Community-Based Organization capacity
- Building community capacity
- Developing toolkits and templates

## **Goal 3: Provide information to policymakers, agencies and implementers**

We will provide objective information and analysis to policymakers, agencies and implementers with a particular focus on:

- OPUC requests
- Portland's Clean Energy Fund
- State carbon policy development
- Communities forming clean energy objectives



## **Goal 4: Strengthen internal innovation capabilities and develop new proposals**

We will strengthen internal capability for innovation and support development of several new proposals with a particular focus on:

- Establishing an Innovation Team and resourcing initiatives
- Developing an Innovation Roadmap
- Adopting a framework, processes and tools

## **Goal 5: Make operational improvements**

We will accomplish operational improvements and remove barriers to meeting organizational goals with a particular focus on:

- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data and reporting
- Collaborations

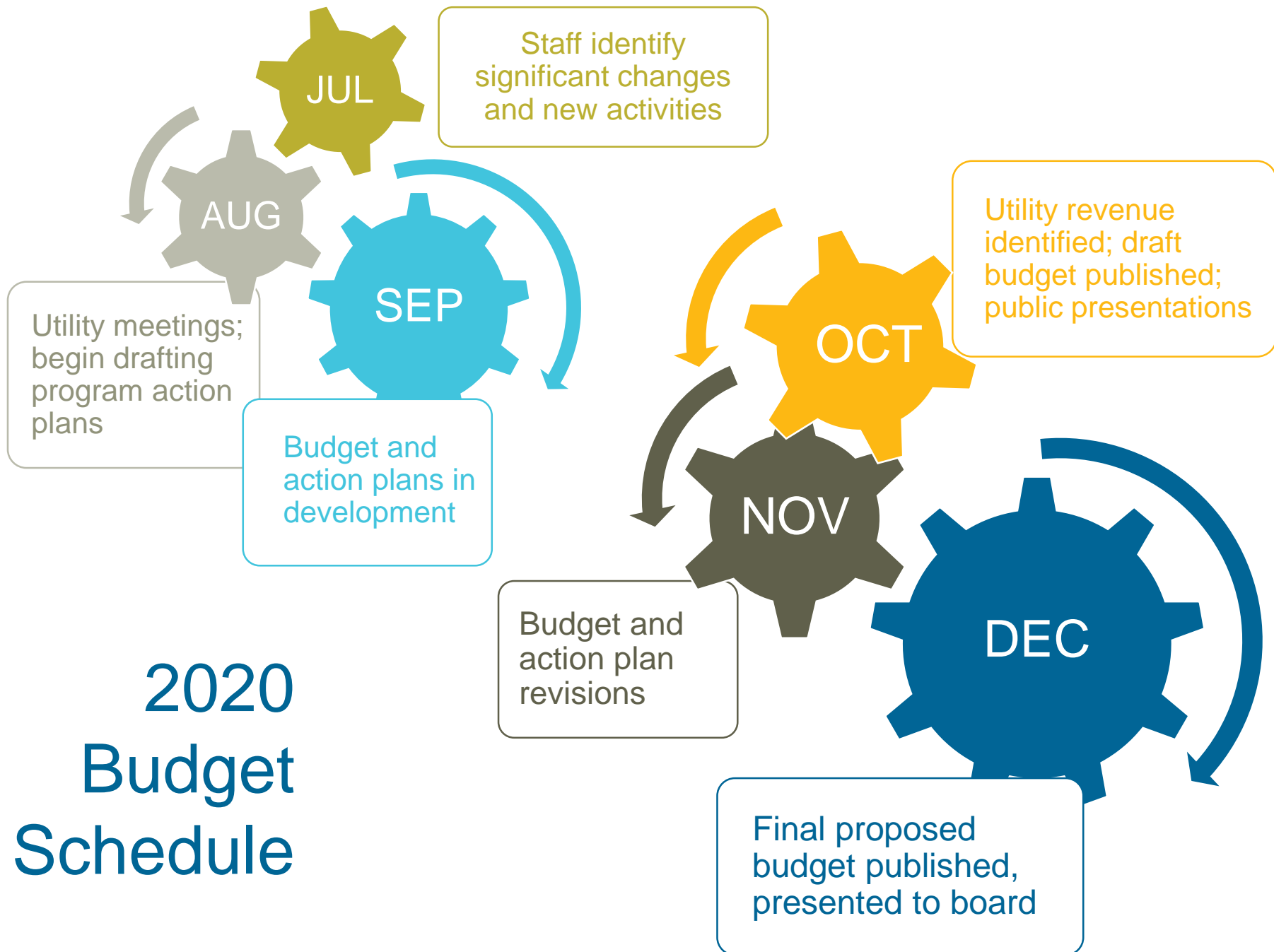




# 2020 Budget Engagement Schedule

July 31, 2019

# 2020 Budget Schedule



# CAC Budget Engagement Opportunities

## September

- Discuss and weigh in on key activities in draft program action plans

## October

- Attend budget workshop to provide input on draft budget

## November

- Major revisions to draft budget discussed



## Continuing with Changes Made Last Year

- Publishing draft budget earlier
- Focusing on major program and measure changes at CAC
- Providing more time to respond to input from stakeholders
- Providing more time for public comment
- Expanding time for meetings with utilities

# Budget Schedule Key Dates

## October & November

Draft budget online, Oct. 8  
Public comment period open, Oct 10  
Recorded webinar online, Oct. 16  
Budget workshop, Oct. 16  
Public comments due, Oct. 30  
OPUC public meeting, Nov. 7

## December

Final proposed budget online,  
Dec. 5  
Board action on final proposed  
budget, Dec. 13

**[www.energytrust.org/budget](http://www.energytrust.org/budget)**



Thank you

Melanie Bissonnette,  
Budget Project  
Manager





# 2020 Measure Updates

## Cost-effectiveness Exception Requests

July 31, 2019

# Agenda

- Background
- OPUC Cost-effectiveness Exception Requests
  - Ductless heat pumps
  - Insulation
  - Direct install lighting
  - Recirculation pumps
- Measures that no longer need cost-effectiveness exceptions
- Preview of other 2020 measure changes





## Background

Energy Trust has measure-level cost-effectiveness requirements in Oregon.

We occasionally ask the OPUC for exceptions on measures that are important to our mission.

The following exceptions have been requested. We do not yet have decisions from the OPUC.

# Exception Criteria Allowed in UM-551

- A. Measure produces significant non-quantifiable non-energy benefits
- B. Inclusion of the measure is expected to lead to reduced cost of the measure
- C. Measure is included for consistency with other DSM programs in the region
- D. Measure helps to increase participation in a cost effective program
- E. The package of measures cannot be changed frequently and the measure will be cost effective during the period the program is offered
- F. Pilot or research project, intended for a limited number of customers
- G. The measure is required by law or is consistent with Commission policy

# 2020 Cost-effectiveness Exception Requests

Ductless Heat  
Pumps in  
Residential and  
Existing Multifamily

Insulation in  
Residential and  
Existing Multifamily

Multifamily Direct  
Install Lighting

Hydronic Heat  
Circulators in New  
and Existing  
Commercial and  
Multifamily

# Ductless Heat Pumps

DHPs are not cost effective in

- Single-family homes (SF) replacing zonal heat in heating zone 1 (0.8 TRC)
- Multifamily homes in all scenarios (0.6-0.7 TRC)

DHPs are cost effective in

- SF replacing zonal heat in zone 2
- SF replacing forced air furnace in all zones
- SF with supplemental wood heat in all scenarios
- Manufactured homes in all scenarios



# Ductless Heat Pumps, continued

DHPs have had exceptions since 2014

- Costs are still high, especially multi-head systems
- Savings at last evaluation were low, but new requirements should bring them back up to our expectations

2020 OPUC cost-effectiveness exception request

- Criterion B - Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure
- Criterion C - measure is offered for consistency with other DSM programs in the region

# Ductless Heat Pumps, continued

DHPs are important measures

- DHPs continue to be the only strategy to remove zonal resistance heat
- High correlation of resistance heat in priority populations identified in DEI initiatives
- Regional efforts to reduce cost and improve controls

DHPs needing exceptions are:

- 17% of Home Retrofit portfolio
- 9% of Multifamily portfolio



# Ductless Heat Pumps, continued

## Changes to program design

- Requirement changes to maintain higher savings
  - Must be in primary living space
- Fixed price offer - expanded from manufactured homes to single family/MF
- Partner with CAP agencies to deliver low-to-no cost installations to qualifying low-income households
- New supplemental wood heat unique measure
- Changes to incentives

## If request is not approved

- DHPs in non-cost effective applications will be phased out in 2020
- Potential for changes to remaining measures

# Insulation

## Insulation measure that are not cost effective

- Wall insulation in single family and small multifamily gas heated homes (0.7 TRC)
- Floor insulation in single family and small multifamily homes (0.4-0.7 TRC)
- Ceiling insulation in single family and small multifamily electric heated homes with some existing insulation (0.8 TRC)
- Flat Roof insulation in gas or heat pump heated stacked multifamily buildings (0.5-0.9 TRC)

## Insulation measures that are cost effective

- Ceiling insulation in all other scenarios
- Wall insulation in single family and small multifamily electrically heated homes
- Flat Roof insulation in electric resistance heated stacked multifamily buildings

# Insulation, continued

We've had insulation exceptions since 2012

- In 2015 the OPUC approved use of incentive caps for insulation, limiting our incentive spending on non-cost effective project types
  - No caps for Multifamily or Savings within Reach

Changes for 2020

- 2020 savings are going up!
  - Include cooling in analysis
  - Several measures with older exceptions are now cost effective!
- Costs are also going up
  - Expected labor increases over time
  - Tax credits had been included in past accounting for multifamily

# Insulation, continued

## 2020 Exception Request

- Continue to use current exceptions and add another for Flat Roof insulation
- Consistency between single family and multifamily
- Criterion A – Measure produces significant non-quantifiable non-energy benefits



## Insulation, continued

Weatherization is a *small and important* part of Energy Trust's offerings.

- Weatherization measures increase comfort, reduce noise and provide health benefits.
- Insulation provides savings and comfort for decades.
- 30% of homes in Oregon have no or low insulation in ceilings or walls.
- Insulation measures needing exceptions are:
  - 4% of Home Retrofit portfolio
  - 1% of Multifamily portfolio





## Insulation, continued

If request is approved,

- Continue to offer full set of insulation measures

If request is not approved,

- Phase out in 2020:
  - Wall insulation in homes with gas heat
  - Floor Insulation in single family and small multifamily
  - Flat Roof insulation in stacked multifamily buildings with heat pumps or gas heat

# Multifamily Direct Install Lighting

Direct Install measure that are not cost effective

- In-unit lighting (0.7 UCT)

Direct Install measures that are cost effective

- Showerheads
- Aerators
- Advanced power strips (leave behind)
- Common area lighting



## Direct Install Lighting, continued

### What's changed for 2020

- Savings for lighting measures declining due to increasing LED market share

### 2020 Exception Request

- Criterion D - Measure helps increase participation in a cost effective offering



## Direct Install Lighting, continued

Direct Install Lighting is a small measure with a big impact.



4%

- DI in-unit lighting is only 4% of Multifamily program's electric portfolio

21%

- Other DI measures are 21% of electric and 23% of gas

33%

- 33% of DI participants go on to participate in other program offers

## Direct Install Lighting, continued

If request is approved,

- Continue to offer Direct Install offerings

If request is not approved, redesign program

- Move from Direct Install to Leave Behind of the remaining measures
  - Expect reduced participation
  - Reduced savings due to non-installs

# Hydronic Heating Circulators

New measures for 2020!

Hydronic pump measures that are not cost effective

- Pumps  $\frac{1}{2}$  horsepower or less (0.5–0.9 TRC)

Hydronic pump measures that are cost effective

- Pumps  $\frac{3}{4}$  - 5 horsepower

# Hydronic Heating Circulators, continued

## 2020 Exception Request

- Criterion C – Measure included for consistency with other DSM programs in the region
  - Our offering will help NEEA's Extended Motor Products program to gain market acceptance for this emerging technology
- Criterion F – Measure is a pilot or research project, intended for a limited number of customers
  - Through our Field Test process, we hope to study typical installation practices and costs for 2 years

# Moving on from older exceptions

## Increased savings from inclusion of cooling

- Ceiling insulation in single family homes and in multifamily with gas heat
- Windows in multifamily buildings with electric heat

## Builders found less expensive ways to achieve savings

- New Homes – EPS path 1 and path 4



# September CAC preview

# September CAC Preview

- Commercial & Industrial lighting
  - Redesign options
- New Buildings
  - Custom track and Market Solutions changes to align with new codes
- Existing Buildings
  - Expansion of SmartWatt
  - New pool measures
- Multifamily
- Residential
  - Retail lighting updates
  - Kit updates
  - Air Conditioning



# Thank you

Jackie Goss, Sr. Planning  
Engineer

Kate Wellington, Multifamily  
Program Manager

Scott Leonard, Sr. Project  
Manager Residential





# Customer Insights Study Findings

Third annual, fielded in 2018  
7/31/2019





## Study Objectives

- Describe the demographic makeup of Energy Trust participants, as well as non-participants
- Assess customer awareness of and familiarity with Energy Trust
- Explore the customer journey of making home improvements
- Assess customer values related to energy use and environmental concerns
- Assess energy conservation behaviors



# Participant v. Non-participant

- Participant respondents were more likely to be:
  - homeowners
  - multi-person household
  - highly educated
  - moderate- to high-income HH
- Non-participant respondents tended to be:
  - a bit younger
  - less likely to own a home or live in Portland





## Awareness

55% of participants,  
12% of non-participants  
...named Energy Trust  
as an organization that  
offers incentives to save  
energy (unaided).

79% of participants,  
24% of non-participants  
...said they knew a little,  
some or a lot about  
Energy Trust's services  
and incentives (aided).

# Sources of Awareness

Sources of Awareness of Energy Trust	2018	
	P (n=350)	NP (n=152)
Utility	44%	17%
An advertisement	30%	33%
Contractor, supplier, vendor, or retailer*	28%	18%
Word of mouth	9%	21%
Community-based or other organization	3%	7%
Social media	3%	5%
News story	3%	6%



# Motivation

- Participants were **more** likely to cite ***saving energy and money*** as a motivation compared to non-participants and were significantly **less** likely to cite ***improving the value of the home*** as motivations for their home improvement projects.



# Using Contractors

- Respondents most often hired contractors to do non-appliance projects, but participants were significantly more likely than non-participants to do so.
- Similarly, participants were significantly more likely than non-participants to report researching contractors prior to conducting their most recent home improvement project or using contractors as a source of information for the project.
- Non-participants were twice as likely as participants to undertake do-it-yourself (DIY) home improvement projects.



# Environment and the Grid

- Regardless of participation status, many respondents strongly agree their household energy use impacts the environment and that they are concerned about it.
- All respondents had moderately strong agreement that it was their responsibility to conserve energy, and that the electrical grid is a shared resource that everyone is responsible for preserving.

# Behavior

- Nearly all respondents reported at least one energy-saving behavior in 2018, with ***turning off lights when not needed*** being the most commonly reported behavior. ***Cleaned or replaced HVAC filters*** was the second most mentioned conservation behavior. ***Shortened showers to cut hot water costs*** was the least cited conservation behavior.



# Conversations

- Nearly half of participants reported talking about home energy use with people outside of their household.
- **High school or less** reported having significantly ***fewer*** conversations about home energy use than those with greater educational attainment.
- **HH incomes of \$100,000 or more** reported having significantly ***more*** conversations about home energy use than those with comparatively lower household incomes.

# DEI Considerations

- *Among participants*, minority households are more likely than non-minority households to reside in the Portland Metro area and less likely to live in the Willamette Valley and North Coast regions, be middle aged, have children living at home and have a college degree.
- *Among non-participants*, minority households are more likely than non-minority households to live in the Portland Metro, be younger, have a lower income, be living in a four-person household and have less educational attainment.





## Future Study

- Expand sample size
- Validation of DEI Baseline Study
- Seeking consultation on reaching diverse audiences
- Engaging community-based organizations and DEI committee
- Expect to field in February 2020





# Thank You

Shelly Carlton,  
Sr. Marketing Manager





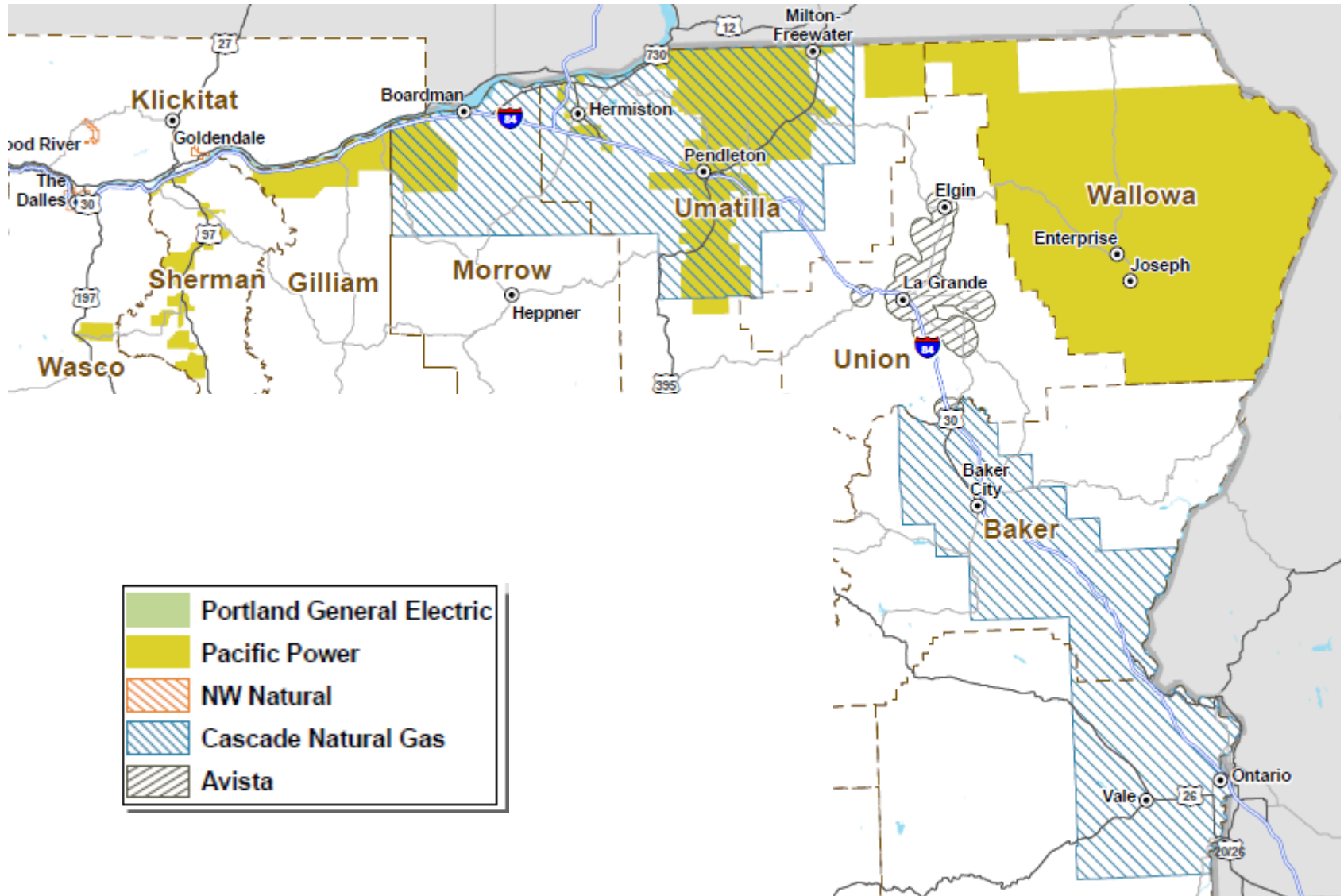
# Eastern Oregon Strategy

## Testing regional solutions

July 31, 2019



# Eastern Oregon Region





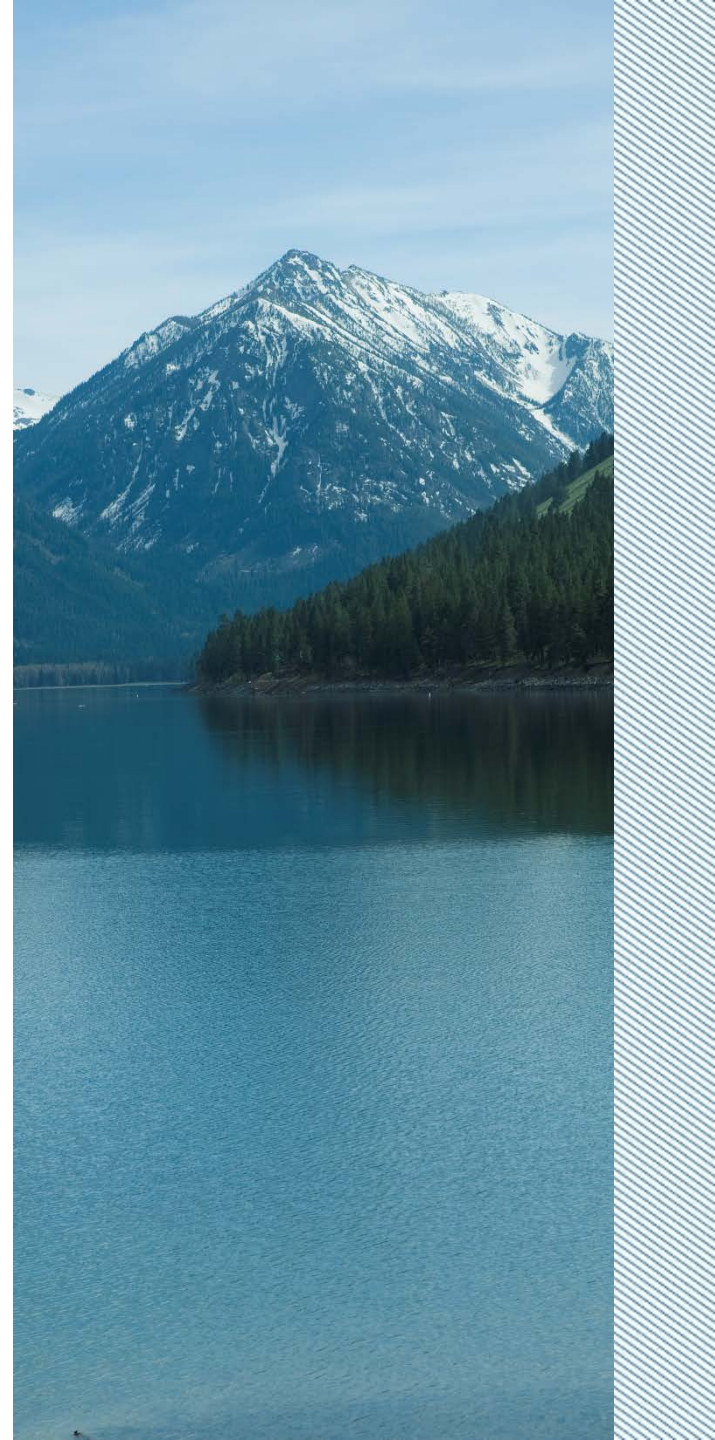
# Considerations

- Mix of fuel types and utilities
- Sparsely populated areas
- Remote and distinct communities
- Different climate
- Low penetration for programs



# Goals

- Align offers with contractors' needs and business models
- Bring value to customers across communities
- Strengthen relationships with local community groups and contractors







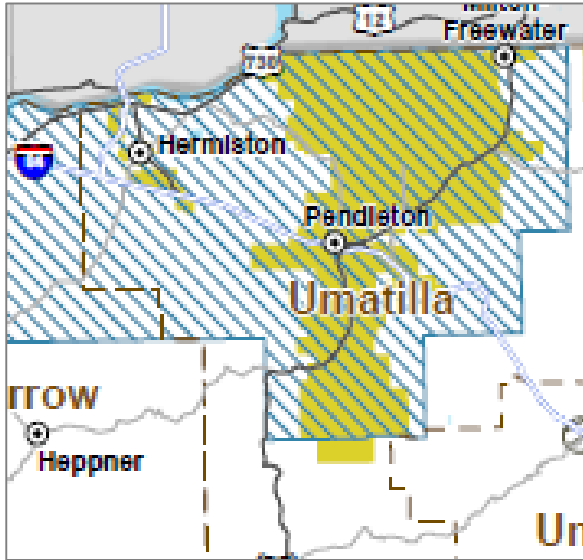
# Challenges

- Busy contractors and community agencies
- Lower incomes
- Distance
- Rural/urban divide

# What's happening in Eastern Oregon in 2019

[illegible]

# Residential Test Strategy 1



## Goals:

- Generate meaningful leads
- Make lasting impact on participants
- Increase program activity

## Design elements:

- Fixed-cost heat pump offer
  - \$2,000-\$3,000 incentive
  - Single-family and manufactured homes
- One trade-ally partner selected via RFP process
- Marketing and PR support
  - [Flyer](#)
  - [Print Ads](#) (newspaper)
  - Radio





# Residential Test Strategy 2



## Goals:

- Increase program activity
- Strengthen contractor relationships
- Reach new customers

## Design elements:

- Prequalified for \$550 gas furnace incentive
  - No incentive form required
  - No income qualification
- All three HVAC contractors serving the area were selected
- Marketing and PR support
  - Spanish materials
  - [Print Ad](#) (newspaper)
  - [Flyer](#)





# Business Strategies

- Leverage existing events
- Direct mail postcards
- TLED promotion to come

## GET MORE CHEDDAR FOR YOUR DOUGH

CASH INCENTIVES FOR ENERGY UPGRADES



## DON'T LET SAVINGS TURN INTO SHAVINGS

INCENTIVES AVAILABLE FOR ENERGY-EFFICIENCY UPGRADES



of Oregon





# Public Relations

- Highlight work with area businesses
- Share stories of employee engagement
- Link business energy work to saving at home
- Help trade allies with local publicity



# Thank You

Ryan Crews, Program  
Manager

Susan Jowaiszas, Marketing  
Lead – Energy Programs



## Commercial Pay for Performance (PfP)

### Phase III Pilot Proposal

July, 2019

#### Background

In 2012, various contractors in the market introduced the concept of a Pay for Performance pilot offering to the Oregon Public Utility Commission (OPUC). Although Pay for Performance has many different definitions in the market, all include incentives paid at year-end for a building's demonstrated energy performance in a given year.

In 2014, Energy Trust released an RFP for project proposals through OPUC order 14-056 for a Phase I pilot. Only one project qualified and it completed in 2017.

In 2017, following evaluation feedback, Energy Trust staff and PMC redesigned pilot for a Phase II design to standardize and scale the process. The goal of the Phase II pilot was to achieve deeper persistent savings in an existing market segment. The Phase II Pilot has received no enrollment applications and has low contractor engagement.

Energy Trust engaged CAC and other stakeholders in 2018 to share lessons learned from the recent process evaluation of the Phase II PfP Pilot. There was interest from stakeholders to continue pursuing the offering with modifications. Staff have engaged a targeted group of customers, on potential changes to the PfP offer in 2019 to come up with a revised pilot design.

#### PfP Pilot feedback

Feedback from the evaluation, contractors, and customers suggests that the current model of the PfP pilot is not appealing because:

- Narrow requirements related to building characteristics complicates eligibility.
- The technical requirements to estimate savings and screen projects for cost-effectiveness limit feasibility and slow down the project.
- Lack of up-front incentives and long-term payment structure are not desirable to the customer unless incentives are significantly increased.
- Existing custom and standard program offerings for commercial customers are familiar and incentives are predictable.
- Overlap with the incentive structure of the existing Strategic Energy Management (SEM) offering which is based upon meter-based performance.

Based on this feedback, we recommend a design that would:

1. **Expand customer and building eligibility:** Expand building use-type eligibility from office, retail, grocery buildings >50,000 square feet to include commercial buildings over 20,000 square feet that can be effectively modeled. This should open up the customer pool and make it easier for contractors to promote. Any risk for widening the eligibility should be mitigated with standardized modeling requirements.



2. **Streamline contractor requirements:** Eliminate application requirements for contractors, provide contractors a tool for modeling and remove the cap on project applications.
3. **Modify incentive structure** to have payment milestones that include:
  - a. Energy Reduction Plan (ERP) cost reimbursement (up to \$20,000)
  - b. All or partial upfront (post-install) payment for capital measures at the regular custom incentive rate **and**
  - c. A bonus incentive at the end of the performance year for incremental savings achieved. The bonus incentive rate would align with current O&M rates. This would eliminate the need for a three-year contract and simplify participation.
4. **Evaluate cost-effectiveness at a project/whole-building level, not a measure level.** Continue to require cost-effectiveness analysis on each identified measure, but approve project based on cost-effectiveness of all measures combined using a weighted average measure life and total project costs and savings. This approach to cost-effectiveness will help maximize savings from capital projects through comprehensive O&M and will help customers justify a more comprehensive project.