

Conservation Advisory Council Meeting Notes

November 20, 2019

Attending from the council:

Brent Coleman, Alliance for Western Energy Consumers (for Tyler Pepple)
Warren Cook, Oregon Department of Energy
Wendy Gerlitz, NW Energy Coalition
Kari Greer, Pacific Power (phone)
Julia Harper, Northwest Energy Efficiency Alliance

Tim Hendricks, Building Owners and Managers Association
Rick Hodges, NW Natural (for Holly Braun)
Anna Kim, Oregon Public Utility Commission
Lisa McGarity, Avista
Dave Moody, Bonneville Power Administration

Attending from Energy Trust:

Adam Bartini
Kathleen Belkhatay
Amber Cole
Michael Colgrove
Jack Cullen
Lenora Deslandes
Emily Findley
Sue Fletcher
Fred Gordon
Jackie Goss
Mana Haeri
Jessica Iplikci
Marshall Johnson
Susan Jowaiszas
Oliver Kesting
Jessica Kramer

Steve Lacey
Scott Leonard
Debbie Menashe
Spencer Moersfelder
Jay Olson
Amanda Potter
Thad Roth
Eric Sayre
Kenji Spielman
Cameron Starr
Julianne Thacher
Kate Wellington
Peter West
Mark Wyman
Amanda Zuniga

Others attending:

Katherine Anderson, Glumac
Brian Donne, Home Performance Guild
Jon Eichler, ICF
Laura Hall, ICF
Lindsey Hardy, Energy Trust board (phone)
Elee Jen, Energy Trust board
Joe Marcotte, TRC
Alan Meyer, Energy Trust board

John Molnar, Rogers Machinery
Misti Nelmes, CLEAResult
Colin Podelnyk, ICF
Whitney Rideout, Evergreen
Greg Stiles, Nextant
Cindy Strecker, CLEAResult
Forest Tanier-Gesner, CLEAResult
Chad Gilles, Stillwater Energy

1. Welcome, old business and short takes

Peter West convened the meeting at 1:31 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/. The meeting was recorded on GoToMeeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email info@energytrust.org.

Peter introduced dates for 2020 council meetings, including joint meetings with other advisory councils.

Debbie Menashe provided an update on the final 2020-2024 Strategic Plan, which was approved by Energy Trust's board on October 28. The plan includes a new vision and purpose statement. Debbie previewed next steps through May 2020, which will include creating performance metrics and a dashboard to track progress. Advisory councils will be engaged as needed as these activities move forward.

Peter provided an update on an analysis of large customers that use more than 1 average megawatt of electricity and as a result are ineligible for Senate Bill 838 funding. Peter stated that we are currently funding large customers appropriately, so no corrective action is needed for 2020.

2. 2020 Budget update

Topic summary

Peter reviewed changes to the Draft 2020 Budget and 2020-2021 Action Plan and summarized public and stakeholder feedback received through budget outreach. Public comments received were supportive of the 2020 budget, particularly of the diversity, equity and inclusion plan and activities supporting innovation. The changes underway from the draft budget are minor and mainly reflected changes in emphasis for some actions, reflecting public comment; corrections for an accounting error; and adjustments based on market projections and additional data gained in quarter three 2020.

These changes will be reflected in the Final Proposed 2020 Budget and 2020-2021 Action Plan presented to the board in December.

Discussion

Council members asked if the calculation errors addressed in the final proposed budget could be prevented by implementing the new budget tool (Lisa McGarity). Members expressed interest in coordinating on community energy planning efforts (Warren Cook and Kari Greer).

Next step

Final proposed budget will be available online on December 6, and will be presented to the board of directors on December 13.

3. Diversity Advisory Council update

Topic summary

Communications and Customer Service Senior Manager Sue Fletcher provided an update on the formation of the Diversity Advisory Council, member recruitment, current and upcoming activities. The council currently seeks additional members to fill the six outstanding vacancies, four of which are required to be members residing outside of Portland.

Next steps

Staff will recruit members to fill remaining vacancies on the council. The Diversity Advisory Council will join two joint advisory council meetings in 2020. There will be a retreat with the full council next year.

4. Bonneville Power Administration program update

Topic summary

Dave Moody of Bonneville Power Administration (BPA) presented about the evolution of BPA's energy efficiency programs, specifically the 2020-2021 BPA Energy Efficiency Implementation Plan. BPA is a federal marketing administration agency that markets the output of hydropower systems in the Northwest. A 20-year contract that directs BPA to sell wholesale power to consumers is expiring in 2028, and planning is underway to develop a new contract.

One area of transformation in the new contract will be BPA's approach to acquiring energy efficiency. In past plans, energy efficiency was included as a precondition in the resource planning process, based on expected availability. This plan will reverse that process and instead use system needs as a starting point, thus requiring strategic thinking around type and seasonality of energy efficiency. Programmatically, BPA achieves energy efficiency savings through both incentives delivered through utility programs and infrastructure support.

The new portfolio is expected to increase emphasis on weatherization and HVAC, offering preferential value on a winter peaking system. BPA seeks to almost double savings from HVAC in the near term by shifting incentives. Lighting savings will decrease in the new portfolio.

Discussion

Council members asked what BPA is doing to shape winter peak (Alan Meyer); whether BPA purchases power from residential customers with rooftop solar (Lisa McGarity); if time of use was considered in creating the ideal portfolio (Julia Harper); and how closely the new implementation plan reflects the previous council share (Warren Cook).

5. New Buildings proposed exception*Topic summary*

Energy Trust senior program manager Jessica Iplikci reviewed plans for New Building program changes in response to the state's new building code. Currently, the New Buildings program uses Oregon building code as a program baseline to calculate incentives for customers implementing high performance design. The new 2019 Oregon Zero Energy Ready Commercial Code (base code ASHRAE 90.1-2016) took effect on October 1, 2019 with mandatory use by January 1, 2020. A subsequent code update (ASHRAE 90.1-2019) is expected to take effect on October 1, 2020 with mandatory use effective January 1, 2021.

While the previous building code primarily used a measure-by-measure approach for custom modeled projects, the new code implements a simplified whole-building approach with a static baseline calculated on total building design, called a performance pathway. This transition creates a challenge for the New Buildings program because there is now no direct way to obtain incremental costs to perform the Total Resource Cost (TRC) test required by OPUC for large and complex projects participating in the custom incentive track.

The New Buildings program is requesting an exception to continue using the 2019 code for custom modeled projects and will meet the Utility Cost Test (UCT) while a permanent solution is sought. The program seeks feedback from OPUC and the design community on a new approach for calculating the TRC to meet state requirements, given that there is currently no comparative cost between a new building and a hypothetical baseline building. Anna Kim requested asked if there was interest from council members and attendees to participate in a workgroup to seek solutions for how to approach cost-effectiveness under the new code as well as potentially modify the program itself to better suit current conditions.

Discussion

Council members commented that the new code still creates a performance index that increases over time (Warren Cook), with the new performance numbers serving as the new baseline performance. A prescriptive path also still exists for smaller and less complex projects. The new state code aligns more closely with national building code, making code compliance easier compared with the previous state code, which was more homegrown. National building codes have improved greatly in recent years.

The council discussed how the program will determine energy savings and incentives without being able to obtain an incremental cost comparison for the TRC test. Lisa McGarity suggested starting at the lower end and paying a portion of avoided cost. Alan Meyer asked if it was feasible to quantify incremental savings by tracking building costs over time to determine average cost that would comply with the new code.

Council attendees commented that determining incremental cost under the current program presents a challenge because baseline systems are theoretical and are even more theoretical under the new code. This creates extra work for contractors, since they must spend time and money creating estimates for equipment that will not be designed nor installed.

Council attendees stated that clients have asked for savings comparisons, and these comparisons widely vary depending on the building type. If there is more uncertainty, customers might not participate in the program. Attendees expressed support for Energy Trust incentives to continue, citing them as a mechanism to drive high performance projects to exceed code.

Council members suggested considering creating a price list to reference, similar to what is used by low income agencies as a means to estimate incremental cost (Lisa McGarity). The council observed that the new code is already used in constructing buildings for LEED certification (Elee Jen), and it can lead to significant cost increase. Council members clarified that the issue is not about the program's structure. The issue is that the TRC cannot be calculated (David Moody).

The council indicated overall support for pursuing the exception and to re-visiting the topic in a future meeting or on an ongoing basis in 2020.

Next steps

Program will work with and support the OPUC public workgroups to explore alternatives and will provide updates to the council in 2020.

6. Residential campaign

Topic summary

Program Marketing Manager Mana Haeri presented an overview of the design, execution, Spanish transcreation process and final creative concepts for "Save For," a new, integrated residential marketing campaign. The campaign aims to effectively reach priority audiences targeted through diversity, equity and inclusion goals. To plan and design the campaign, program conducted research to test messaging with target audiences, including monolingual Hispanic/Latinx audiences, gathering feedback on how the campaign could effectively communicate messages. The research showed that messaging about the environment, family and the future resonated across all audience segments. Planning and design also involved close collaboration among Energy Trust creative agencies to integrate the campaign.

Next steps

The campaign launched December 19. Results will be available in early February and will inform the next stages of the campaign.

7. Multifamily program assessment

Topic summary

Commercial Program Manager Kate Wellington presented the outcomes of the 2019 multifamily program assessment, including key priorities for 2020 and the upcoming request for proposal for 2021 services. Kate shared that the project is in its final phase, which selected top concept themes and associated activities to pursue in redesigning the program. These included customer engagement, reaching underserved customers, driving and quantifying savings, and exploring future measure offerings.

Discussion

The council discussed how data from a proposed effort to quantify non-energy benefits would be used (Alan Meyer). Members expressed support for categorizing customers based on how they self-identify rather than by building type, creating a more tailored approach (Warren Cook).

Next steps

Program re-bids in 2020 will take place for Existing Multifamily, Existing Buildings and Commercial & Industrial Lighting. These recommendations will influence requirements in the associated request for proposals, which are expected to be released in March and promoted through a press release and Energy Trust's network.

8. Public comment

A public comment was submitted via email by Andrew Lasse of Interface Engineering, regarding the upcoming Oregon Code changes and the impact to Energy Trust incentives for projects that pursue a modeled savings approach.

Andrew commented that while the current process at times requires some effort to properly assign costs and isolate savings, it is an established pathway. Future code will change how the baseline is determined when performing a full building energy model, which is a static baseline. Requirements for passing current code while comparing to this baseline have been elevated and use a performance cost index. The traditional method of measuring specific costs and savings on a project is no longer possible with the TRC test calculation. Due to this, projects will likely be pushed to utilize prescriptive incentive paths, which are less beneficial from an incentive standpoint and do not reflect current integrated building design processes. Buildings being designed today are becoming more integrated in their design, and measures are intertwined in a way that is difficult to compartmentalize. Additionally, the past TRC calculation provides inadequate consideration for non-energy benefits like comfort, health, safety and aesthetics.

Andrew commented that given the code changes and the nature of the current building design process, it would seem that consideration of a different method of calculating incentives for a whole building modeled savings analysis would be prudent.

9. Meeting adjournment

The meeting adjourned at 4:30 p.m. The next Conservation Advisory Council meeting dates for 2020 will be announced soon.