

Appendix C: Existing Multifamily

1. Introduction

Energy Trust began to serve the multifamily market in 2003 through the residential sector. In 2010, multifamily offerings were shifted to the commercial sector to be implemented as a stand-alone program delivered by a program management contractor (PMC).

In 2019, a cross-functional team of Energy Trust staff conducted an in-depth analysis of the Existing Multifamily program to identify potential solutions to challenges the program is facing, including reductions in savings, increasing costs of acquisition and increasing market saturation. Findings from this program assessment have driven the structure and approaches Energy Trust is seeking for 2021.

This appendix provides an overview of the current Existing Multifamily program, how these approaches are envisioned to evolve beginning in 2021, and objectives for how Energy Trust should engage with and serve multifamily customers.

Note that Energy Trust recently completed a third-party Existing Multifamily program Process Evaluation, which includes additional information and insights on the program.¹

2. Overview of the Current Program

The Existing Multifamily program serves all existing multifamily structures in Oregon with two or more attached residences that receive electric service or natural gas from PGE, Pacific Power, NW Natural, Cascade Natural Gas or Avista.

Multifamily customers have a menu of offerings available to them, including financial incentives and services, for both in-unit and common-area improvements. Services include direct installation of instant savings measures in dwelling units, and no-cost walk-through surveys and site evaluations. Cash incentives are provided for energy efficiency upgrades including HVAC, water heating, weatherization, appliances, and common area lightning as well as custom efficiency projects.²

A. Customer Engagement

The Existing Multifamily program serves a wide range of customer types with a diverse set of market actors, motivations and engagement channels. Multifamily market segments served by the program include market rate apartments, affordable housing, assisted living facilities, campus living, homeowners' associations (HOAs), and individual unit owners.

¹ The 2019 Existing Multifamily Program Process Evaluation can be found at https://www.energytrust.org/wp-content/uploads/2020/02/Existing-MF-Process-Final-Report_122019_wSR.pdf

² A list of measures, incentive amounts and eligibility requirements can be found at https://www.energytrust.org/wp-content/uploads/2016/10/be_mf_incentive_booklet.pdf

The program is delivered through an account management approach, with a dedicated team of Energy Advisors who conduct outreach to reach new customers and maintain ongoing relationships with previous participants to facilitate deeper energy savings. Trade allies are another key engagement channel for the program, and customers are also served through collaboration with distributors and retailers.

Program analysis has identified that participation rates vary significantly among market segments, regions and property types. Participation rates are highest in large market-rate properties, assisted living facilities and affordable housing, most notably in the Portland Metro and Central Oregon regions. Customer groups with the lowest participation rates are smaller properties and individual unit owners, particularly in less urban areas. As part of Energy Trust's Diversity, Equity and Inclusion efforts, the program has established goals for increasing engagement and participation in small multifamily properties and customers in the Southern, Eastern, Willamette Valley and North Coast regions of Oregon, and re-engagement with past participants in low-income areas of the Portland Metro region.

B. Program Offerings

The Existing Multifamily program currently offers five delivery tracks: prescriptive, common-area lighting, direct install, distributor buy-down and custom incentives. The direct install track has historically provided a large percentage of program savings; however, savings from this track have been declining in recent years while savings from common-area lighting and prescriptive measures have become increasingly important for the program.

Energy savings opportunities and technical services are available to multifamily customers through a range of program offerings:

- **Prescriptive incentives** are available for measures that are assigned deemed savings values. Prescriptive measures include water heaters, HVAC equipment, insulation, windows, appliances and foodservice equipment.³
- **Common-area lighting incentives** are designed to address lighting and controls in non-tenant spaces. Lighting incentives are available directly to customers or through participating distributors through buy-down offerings. For more information about current lighting offerings and future vision, see [Appendix E: Business Lighting](#).
- **Buy-down promotion** incentives are available through participating distributors who provide instant discounts on customer invoices, and the program then provides the incentive payments to the distributors. The program currently offers buy-down promotions for select prescriptive measures including appliances, HVAC and water-heating technologies.

³ A list of foodservice equipment incentives can be found at <https://www.energytrust.org/incentives/multifamily-foodservice-equipment/>

- **Custom financial incentives** are offered for measures that are shown to be cost-effective in a specific application, but do not fit within the scope of current standard financial incentives. Offerings include both program-funded energy analysis studies and incentives for custom-analyzed measures; incentives are determined based on modeled savings per kWh or therm basis. For more information on how the Custom track operates, see [Appendix A: Existing Buildings](#).
- **Direct install** instant-savings measures are available at no cost to participants and include the installation of high-efficiency LED light bulbs, showerheads, shower wands and faucet aerators in dwelling units, as well as leave-behind advanced power strips. Note that the Existing Buildings program offers direct-install services for commercial buildings, which are different from multifamily direct-install offerings (see [Appendix A](#) for more detail).
- **On-bill repayment** financing is available for owner-occupied residences in certain utility territories for select heating and insulation measures. This offering is delivered in coordination with lender Craft3 and is also available for single-family homeowners through Energy Trust's residential sector.⁴
- **Savings Within Reach** provides increased incentives for income-qualified households for certain heating, water heating and insulation measures for select multifamily property types. Owner-occupied projects are also eligible for on-bill repayment for some measures. Savings Within Reach incentives are also available for single-family homes through Energy Trust's residential sector.⁵
- **Walk-through Surveys** (WTS) are available to multifamily properties free of charge and are delivered by program Energy Advisors. WTS involve a walk-through audit and generate a report with information on energy efficiency opportunities at that site, including available incentives, estimated energy and cost savings and payback. WTS have proven highly effective at driving program participation. Note that the Existing Buildings program offers a similar service (also named Walk-through Surveys) for commercial customers.

3. Future Multifamily Approach

Beginning in 2021, Energy Trust is seeking to restructure its approach to serving multifamily customers. These shifts include centralizing implementation to be delivered within the Existing Buildings program, and shifting common-area lighting solutions for multifamily to be delivered jointly alongside Existing Buildings and Production Efficiency lighting solutions through a single PDC.

⁴ Full details on on-bill repayment eligibility and incentives can be found at <https://www.energytrust.org/incentives/or-on-bill-repayment/>

⁵ Full details on Savings Within Reach eligibility and incentives can be found at <https://www.energytrust.org/incentives/savings-within-reach/>

Under this new structure, multifamily customers will be served through the PMC and PDC program strategies. Some offerings may be incorporated within Existing Buildings strategies and incentives to reach both business and multifamily customers. For example, Custom track offerings may be aligned as a single track, and Energy Performance Management offerings may be well-suited to serve certain multifamily customer groups. However other offerings will still require separate measures and approaches dedicated to reaching multifamily audiences. Many of these measures and offerings may overlap with other Energy Trust programs, particularly in the residential sector. Additionally, respondents are encouraged to propose program enhancements and new customer strategies and opportunity areas that reach multifamily customer groups.

Some measures currently in the multifamily program are facing challenges due to cost-effectiveness risks or market saturation, or are under exception with the Oregon Public Utility Commission (OPUC). These will need to be monitored and offerings adapted as measures are added or removed from the program. Most notably for respondents' consideration is direct-install LEDs in tenant dwelling units, which are currently under an OPUC exception from cost-effectiveness criteria that will expire in March of 2021. As a result, direct-install LEDs may be phased out of the direct-install track in its current delivery model.

Respondents may propose program strategies utilizing in-unit instant savings measures, both with and without direct-install LEDs. (For more guidance for respondents about direct-install offerings, see [Appendix A](#) and [Appendix E](#)).

Cross-program collaboration will be key to effectively serving multifamily customers. Examples of cross-program collaboration needs include measure development, messaging and marketing activities for measures jointly offered in the market; trade ally, distributor and retailer engagement for measures offered across programs; and general stakeholder and community engagement. Some examples include working with the Residential sector on offerings available through both residential and multifamily programs, such as Savings Within Reach, on-bill repayment, and smart thermostat instant-discount coupons. For more information on cross-program coordination and collaboration expectations, see [Appendix F: Coordination and Collaboration](#).

4. Multifamily Objectives

Respondents must demonstrate a clear understanding of the unique challenges and motivations experienced by multifamily customers and propose solutions to serve this market. Following are some of the core objectives and strategies that Energy Trust strives to achieve:

- Maintain a robust set of measures and offerings to meet the diverse needs of multifamily customers across Energy Trust service territory

- Develop and implement strategies to achieve Energy Trust's Diversity, Equity and Inclusion goals and increase participation in all customer groups and property types
- Collaborate with other Energy Trust programs to maximize Energy Trust's effectiveness in reaching customers, providing a positive customer and contractor experience and minimizing confusion in the market
- Improve and streamline program processes
- Support trade allies and contractors specializing in serving multifamily customers in order to increase participation and gain insights to improve program design
- Ensure that renters can experience the benefits of energy efficiency