

Board Learning Session Minutes—177th Meeting

May 19, 2020

Board members present: Erik Andersson, Melissa Cribbins, Ernesto Fonseca, Lindsey Hardy, Eric Hayes, Elee Jen, Alexia Kelly, Mark Kendall, Henry Lorenzen, Alan Meyer, Anne Root, Roland Risser, Steve Bloom (OPUC ex officio), Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Susan Brodahl

Staff attending: Sue Fletcher, Susan Jowaiszas, Amber Cole, Cheryle Easton, Emily Findley, Debbie Menashe, Mike Colgrove, Julianne Thacher, Shelly Carlton, Wendy Bredemeyer, Mana Haeri, Peter Schaffer, Alex Novie

Others attending: Anna Kim (Oregon Public Utility Commission), Susan Badger-Jones

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Melissa Cribbins called the meeting to order at 1:00 p.m.

General Public Comments

There were no public comments.

Marketing and Communications (Amber Cole, Shelly Carlton)

Staff presented an overview of Energy Trust marketing, communications and outreach activities, with information on a range of channels used to reach and serve customers, communities and stakeholders.

After reviewing the focus areas of the five-year strategic plan, staff discussed how marketing and communications efforts help achieve strategic and annual goals. Staff gave an overview of strategies used to do so including: marketing and communications work; public relations efforts; a robust and responsive web presence; and creating and fostering relationships with community-based organizations to reach priority audiences.

The board asked about working with community-based organizations in Portland and if Energy Trust is looking at them broadly or for diversity indicators only. Staff said it is a bit of both, but more focused on diversity efforts to reach underserved customers through targeted relationships that staff are creating and deepening. The board urged staff not to overlook broad-based community organizations to reach energy efficiency customers more generally and provided examples of Portland-based organizations that could deliver Energy Trust's message.

The board recommended staff leverage new infrastructure being developed in the business community in response to the coronavirus to reach underserved small business customers.

The board asked how the Diversity Advisory Council is being engaged on marketing and outreach strategies. Staff gave examples like seeking the council's feedback on a list of community-based organizations and on a customer insights survey.

Board members offered to make additional connections between Energy Trust and organizations and key players in local communities.

Cost-effectiveness Calculation and Measure Development (Peter Schaffer, Alex Novie)

Staff presented how Energy Trusts' measures are developed and what inputs are used to screen for cost-effectiveness at the measure development and program level. Staff reviewed the history of cost-

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effectiveness in the region, which is central to how Energy Trust plans and delivers energy-efficiency programs and ensure good investments are being made on behalf of ratepayers. Energy Trust measures are required to pass a cost-effectiveness test to become an offering and determine incentive level. The board asked why a measure that was previously cost effective might later fail that test. A recent example is some lighting measures that have become less cost-effective over time due to market transformation.

Alexia Kelly left the call at 2:00 p.m.

Cost effectiveness can be applied at various points in measure development, evaluating efficiency programs and evaluating custom projects. Staff reviewed the two tests used in Oregon and Washington to calculate cost-effectiveness and what each considers.

The board and staff discussed how the forward market price of energy is used in determining present avoided cost using information from each funding utility, how overgeneration of renewables is taken into account in avoided cost and ongoing conversations in the Legislature about determining capacity deferral resource.

Staff then gave an overview of the measure development process, which is used to define savings, determine incentive levels and cost-effectiveness and match a measure to a program design. The final deliverable created through this process is a measure approval document that is used by program, planning and other staff to optimize the offer in the market.

The board and staff discussed the role of non-energy benefits in creating a measure, such as health and air-quality benefits, and the role of the Regional Technical Forum in the measure development process. They also discussed the possibility of integrating the social cost of carbon into our cost-effectiveness and measure development activities.

Erik Andersson left the meeting at 2:59 p.m.

Levelized Cost (Spencer Moersfelder)

Staff presented Energy Trust’s methodology for calculating levelized costs and a history of trends. Staff reviewed the components of levelized cost calculation, which include costs, weighted average measure life, a discount rate and savings. Unlike cost-effectiveness, levelized costs do not consider time-based benefits and reflect cost benefit only.

Staff and board discussed the effect of significantly increasing the life of a measure on levelized cost, a recent upward trend in Energy Trust’s levelized costs for electric and gas and ways calculation differences could lead to levelized costs not being reflected consistently within the industry. They also discussed how differences in accounting practices play out in discussions with utilities.

Adjourn

The meeting adjourned at 3:26 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Wednesday, May 20, 2020 at 9:30 a.m. virtually.

DocuSigned by:
Mark Kendall
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Signed: Mark Kendall, Secretary

____/____/____ 10/6/2020
Date