

Conservation Advisory Council Agenda

Virtual meeting

Wednesday, September 15, 2021
1:30 – 4:30 p.m.

To join the Zoom meeting, register at this link: https://us06web.zoom.us/join/9tJ0rd-qsrDosH9Dgzk_SHIOpOpf2FCuBB8R4. After registering, you will receive a confirmation email containing information about joining the meeting.

1:30 Welcome and announcements

- Introductions
- Agenda review
- August notes approval

1:40 Energy savings year-end forecast *(inform)*

The Director of Energy Programs will highlight progress to achieving the 2021 annual energy efficiency goals.

Presenter: Tracy Scott

1:55 Preview of draft 2022 action plans *(feedback)*

The council will hear about 2022 action plan development for each sector and the business lighting initiative, including overarching context, new strategies for 2022 and any significant changes from 2021. This information will prepare the council for the public budget workshop in October.

Presenters: Tracy Scott (overview), Thad Roth (residential sector), Oliver Kesting (commercial sector)

2:40 Break

2:50 Preview of draft 2022 action plans, continued *(feedback)*

Presenters: Jessica Kramer (business lighting initiative), Amanda Potter (industry and agriculture sector)

3:30 Energy efficiency measure and incentive changes *(feedback)*

As part of our ongoing measure development cycle, staff update measures analyses that may impact measure availability and participation requirements in each program for the coming year. Today, staff will present on anticipated 2022 measure changes, new offers and measure sunsets in the residential, commercial and industrial sectors.

Presenter: Alex Novie

4:00 2022 Industrial and Agriculture Program Contract Request for Proposals *(feedback)*

Industry and agriculture program managers will present information and ask for feedback on the 2022 request for proposals for the Production Efficiency program.

Presenters: Adam Bartini, Kirstin Pinit

4:25 Public comment

4:30 Adjourn

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

Next meeting: Our next meeting is the 2022 budget workshop on October 13, 2021, with the board of directors and other advisory councils. The workshop will be held between 9 a.m. – 3 p.m., likely from 9 a.m. – 12 p.m. Staff will confirm the actual time in the next few weeks.

Conservation Advisory Council Meeting Notes

August 4, 2021

Attending from the council:

Jeff Bissonnette, NW Energy Coalition
Andy Cameron (for Roger Kainu), Oregon Department of Energy
Jess Kincaid, Bonneville Power Administration
Matthew Tidwell (for Jason Klotz), Portland General Electric
Kari Greer, Pacific Power
Rick Hodges, NW Natural
Tina Jayaweera, NW Power and Conservation Council
Kerry Meade, Northwest Energy Efficiency Council
Lisa McGarity, Avista
Becky Walker, Northwest Energy Efficiency Alliance
Tim Hendricks, Building Owners and Managers Association

Attending from Energy Trust:

Hannah Cruz	Kate Wellington
Mike Colgrove	Amanda Potter
Elizabeth Fox	Adam Bartini
Emily Findley	Jessica Kramer
Emily Estrada	Amanda Thompson
Emma Clark	Amanda Zuniga
Alex Novie	Dan Rubado
Thad Roth	Jay Ward
Amber Cole	Quinn Cherf
Caryn Appler	Kirstin Pinit
Fred Gordon	Mark Wyman
Sue Fletcher	Marshall Johnson
Jay Olson	Sletsy Dlamini
Jackie Goss	Scott Leonard
Bayo Ware	Spencer Moersfelder
Kyle Morrill	Steve Lacey
Ian Pagatpatan	Tracy Scott

Others attending:

Alan Meyer, Energy Trust board	Elias Pite, Henkels Law
Lindsey Hardy, Energy Trust board	Joe Marcotte, TRC
Adam Shick, CLEAResult	Jenny Sorich, CLEAResult
Chad Balthazor, Cascade Energy	Misti Nelmes, CLEAResult
Brien Sipe, CLEAResult	Patrick Murphy, CLEAResult
Brooke Landon, CLEAResult	Randall Olsen, Community Action
Chris Smith, Energy 350	Organization of Washington County
Cindy Strecker, CLEAResult	Tom Elliott, Oregon Department of Energy

1. Welcome

Hannah Cruz, senior communications manager, convened the meeting at 1:32 p.m. via Zoom. The agenda, notes and presentation materials are available at www.energytrust.org/about/public-meetings/conservation-advisory-council-meetings.

Hannah Cruz opened with a summary of the agenda and led a round of introductions among the Conservation Advisory Council and board members. Hannah Cruz stated that representatives from low-income customer organizations had been invited to attend the meeting.

Hannah Cruz invited feedback on notes from the June meeting, and they were approved with no changes.

2. Exploration of ways to provide cost-effective energy efficiency measures to DEI communities

Topic summary

Oregon Public Utility Commission (OPUC) has been having broader conversations about cost-effectiveness and exploring ways Energy Trust can better address energy burden within the existing framework. These two topics emerged at a public OPUC workshop in April as possible ways to expand measure availability for customers with limited incomes.

Estimation of non-energy benefit impacts of reduced utility customer arrearages from energy-saving measures

Energy Trust presented an analysis to estimate the impact that energy savings can have on reducing arrearages, or debt from past-due customer utility bills, for utilities as a non-energy benefit. Since the beginning of the COVID-19 pandemic, the total amount of arrearages has grown and become more widespread in Energy Trust service territory. Stakeholders have asked whether there is value in reducing these arrearages in order to make energy-efficiency measures more available to impacted customers.

Energy Trust staff used a proxy calculation framework and some borrowed assumptions to calculate the value of reducing utility expenses associated with arrearages and then applied these values as non-energy benefits to the Utility Cost Test and Total Resource Cost test to understand the impact that these values have on the overall cost-effectiveness of measures. Typically, non-energy benefits are only applied to the numerator of the Total Resource Cost test. However, because these non-energy benefits directly impact utilities, these benefits were also applied in the numerator of the Utility Cost Test.

Outcomes of this analysis demonstrated that this set of non-energy benefits can increase the incentive cap on the tested measures, though not by a significant amount. Current incentive levels for these measures are already well below the current maximum incentive that could be offered due to budgeting and program delivery decisions. In addition, results indicate that these non-energy benefits would not significantly increase the benefit-cost ratio for the Total Resource Cost test.

This particular analysis required a significant investment of resources and the results did not significantly change the outcomes of the cost-effectiveness of the tested measures based on the results of the Utility Cost Test or Total Resource Cost test. Energy Trust can still pursue cost-effectiveness exceptions with the OPUC for measures targeted at limited-income customers. Furthermore, emerging policies which arise from recent Oregon state legislation could reshape the framework that establishes how Energy Trust serves these customers.

Discussion

Council members asked clarifying questions about the methodology throughout the presentation including: whether the test defines measure life as the life of the measure or the duration of the non-energy benefit being investigated (Lisa McGarity); how durable is the arrearage data given

that it is based on a limited timeframe and may change if COVID-19 ceases to have an impact in the future (Kari Greer); if the study considered electric and gas arrearages separately or as an average (Lisa McGarity) and if the study quantified the theoretical value of reducing arrearages that could reoccur throughout a measure life (Lisa McGarity). An attendee asked whether the study could account for low-income customers who pay for utility bills using a credit card and accrue interest (Brien Sipe).

Next steps

Energy Trust will continue to strategically identify and analyze non-energy benefits that have the potential to significantly contribute to the overall cost-effectiveness of measures intended to help limited-income customers.

Energy Trust co-funding results with Community Action Organization of Washington County

Topic summary

Marshall Johnson, senior program manager, presented a summary of results from a collaboration to fund energy-saving improvements in low-income customer homes served by Community Action Organization of Washington County (CAO).

Starting in 2019, OPUC expanded the public purpose charge framework to allow Energy Trust and Oregon Housing and Community Services (OHCS) to co-fund measures benefitting low-income customers with energy efficiency and weatherization measures. The framework allows Energy Trust to claim savings for the co-funded measures. Energy Trust worked with Portland General Electric to identify CAO as a candidate to begin applying this framework with weatherization and HVAC measures.

After a pilot year, the effort was renewed for additional program years. The pandemic created challenges for CAO with reaching customers and spending program funds due to labor and material shortages, resulting in a remaining pipeline of projects to complete when resources are available.

Randall Olsen from CAO provided insights from the collaboration, and shared that the overall experience has been positive, and allowed them to weatherize more homes and install more measures in those homes. One lesson learned was a need to for the two organizations to align terminology.

Discussion

Council members expressed support for the co-funding framework and offered suggestions including: Department of Environmental Quality's Climate Protection Program could be a source of funding in 2022 to work with nonprofits to deliver measures that reduce greenhouse gas emissions (Lisa McGarity); Bonneville Power Administration is working on a marketing plan for underserved communities through the Comfort Ready Home program, which includes increasing outreach to tribes and a team dedicated to tribal relations that could be a resource (Jess Kincaid); and a suggestion that Energy Trust should continue presenting on its growing focus on outreach and partnerships with community-based organizations (Lisa McGarity).

Next steps

Energy Trust will continue this co-funding effort and develop a proposal with key metrics to share with the OPUC. There are also plans to apply this framework to manufactured home replacement opportunities with additional agencies.

3. HB 3141 passage and implementation

Topic summary

Hannah Cruz reviewed the passage and impacts of HB 3141, the public purpose charge modernization law that affirms and advances the work of Energy Trust as a nongovernmental entity investing utility customer funds in energy efficiency and small-scale renewable energy. The bill's passage took place late in the session and is the result of a two-year long effort with public purpose charge supporters led by Governor Brown's office. Energy Trust participated in stakeholder meetings and provided testimony and information upon request.

Hannah Cruz clarified that the law will take effect January 1, 2022 and resulting changes in funding allocations will not impact Energy Trust's 2021 budget. The law removes the sunset for energy-efficiency funding and extends the 2025 sunset by 10 years for renewable energy, low-income efficiency, affordable housing and school building conservation. HB 3141 expands how funding for renewable energy can be used, including for distribution-system connected technology and low-income benefits. The OPUC is expected to define the implementation timeline this summer for the energy efficiency and renewable energy provisions. Energy Trust has formed an internal team to ensure it can respond to requests related to implementing HB 3141.

Discussion

No council discussion. An attendee asked if the bill introduced any additional definition or insight on the requirement to pursue all cost-effective energy efficiency, and if that could lead to additional funding given the high level of recent program activity (Chris Smith). Hannah Cruz shared there is no change to the ability to plan for and pursue all cost-effective energy efficiency.

Next steps

The internal team will continue to support the OPUC with information requests as they begin implementing the law.

4. Member share-out

Topic summary

Council members were invited to share what their organizations are focused on at this time; particularly, planning efforts and actions to support customers with their energy efficiency goals and needs.

Discussion

Council members stressed that the coming year is likely to bring the need for even more stakeholder engagement, particularly small nonprofits and community-based organizations. Members advised Energy Trust to be proactive about coordinating engagements with utilities and other entities when possible in order to avoid exhausting mutual stakeholders by over-engaging them (Kari Greer, Matthew Tidwell).

Next steps

None.

5. Public comment

There was no public comment.

6. Adjournment

The meeting adjourned at 3:27 p.m. The next meeting will be held on September 15, 2021.



2021 Year-End Savings Forecast
Conservation Advisory Council
September 15, 2021

2021 Year-end Forecast

- As of mid-July, staff anticipates achieving
 - 101% of the electric savings goal
 - 118% of the natural gas savings goal
- Read more in Q2 report at www.energytrust.org/reports



Energy Efficiency Year-end Forecast—By Utility

	2021 Budget Savings Goal (aMW or MMTh)	Q2 Forecast Savings (aMW or MMTh)	Variance	2021 Budget Incentives (\$ Million)	Q2 Forecast Incentives (\$ Million)	Variance	2021 Budget Levelized Cost/(per kWh or therm)
PGE (Efficiency)	26.3	27.3	4%	\$49.97	\$45.89	-8%	3.8¢
Pacific Power (Efficiency)	21.1	20.4	-3%	\$34.50	\$32.96	-4%	3.3¢
NW Natural (OR)	5.09	6.07	19%	\$14.36	\$16.23	13%	42.9¢
NW Natural (WA)	0.39	0.53	38%	\$1.95	\$2.24	15%	65.1¢
Cascade Natural Gas	0.57	0.66	15%	\$1.93	\$1.74	-10%	52.8¢
Avista	0.45	0.48	6%	\$1.20	\$1.36	13%	41.8¢

2021 Electric Savings Year-end Forecast—By Program

	2021 Budget Savings Goal (aMW)	Q2 Forecast Savings (aMW)	Variance	2021 Budget Incentives (\$ Million)	Q2 Forecast Incentives (\$ Million)	Variance	2021 Budget Levelized Cost/kWh
Existing Buildings	16.68	18.39	10%	\$30.88	\$29.27	-5%	3.5¢
New Buildings	4.43	4.08	-8%	\$8.02	\$7.59	-5%	3.7¢
Production Efficiency	16.82	14.76	-12%	\$26.67	\$22.55	-15%	2.7¢
Residential	5.54	6.11	10%	\$18.89	\$19.43	3%	6.9¢
NEEA combined	3.96	4.41	11%	-	-	-	2.6¢
TOTAL*	47.43	47.75	1%	\$84.47	\$78.85	-7%	3.6¢

*Columns may not total due to rounding.

2021 Natural Gas Savings Year-end Forecast—By Program

	2021 Budget Savings Goal (MMTh)	Q2 Forecast Savings (MMTh)	Variance	2021 Budget Incentives (\$ Million)	Q2 Forecast Incentives (\$ Million)	Variance	2021 Budget Levelized Cost/therm
Existing Buildings	2.07	2.79	34%	\$6.67	\$6.81	2%	52.9¢
New Buildings	0.36	0.36	1%	\$0.85	\$0.77	-9%	40.3¢
Production Efficiency	1.36	1.55	14%	\$1.94	\$2.05	6%	26.2¢
Residential	2.32	2.51	8%	\$8.03	\$9.70	21%	42.4¢
NEEA combined	0.003	0.003	25%	-	-	-	n/a**
TOTAL*	6.1	7.2	18%	17.49	19.33	11%	43.8¢

NOTE: Table includes Oregon data only

*Columns may not total due to rounding.

**NEEA gas levelized costs are not represented yet because NEEA gas investments in 2021 will result in savings in future years.



Thank You

Tracy Scott

Director of Energy Programs

tracy.scott@energytrust.org



Preview of Draft 2022 Energy Efficiency Action Plans

Conservation Advisory Council

September 15, 2021

Agenda

- Budget engagement schedule
- Action planning considerations
- Residential sector
- Commercial sector
- Business Lighting initiative
- Industrial and Agriculture sector

2022 Budget Outreach Schedule

October & November

Draft budget online and public comment period open, Oct. 6
Budget workshop **with CAC**, Oct. 13
Public comments due, Oct. 20
OPUC public meeting, Nov. 9

December

Final proposed budget online, Dec. 9
Board action on final proposed budget, Dec. 17

www.energytrust.org/budget

Comments due October 20; send to
info@energytrust.org

Action Planning Considerations

- Budget management strategies
- COVID-19 impacting customers differently
- Community and community-based organization engagement and outreach
- Impacts from supply chain issues, labor shortages, wildfires, drought
- Pent up demand for programs with pauses, caps
- Implementation of clean energy laws and programs





Residential Sector

Residential Program Context

- Challenging market to forecast

- The sector assumes continued strong demand for market rate offers as residential customers make home improvements
- The sector also expects continued demand for offers/services to support residential customers who have suffered job or income loss during the pandemic
- Labor shortages and supply chain slowdowns are driving costs higher and slowing down timelines for new construction and retrofits creating potential headwinds for an otherwise strong forecast



Residential Strategic Focus

- Expand Community Partner Funding with community-based organizations and Tribes to support DEI-focused customers
- Continue to deliver market-rate offers that support customer interest in upgrading their homes including DIY, program promotions and trade ally delivered offers
- Expand the opportunity for community-based organizations to develop program design approaches, conduct outreach and deliver savings to communities of color, customers with low incomes and rural customers



Residential Key Activities and New Opportunities

- Introduce new incentives and pathways through the EPS new construction program
- Support Targeted Load Management and utility-led demand response and activities
- Evaluate new incentive opportunities, including cooling, advanced windows, DIY wall mounted heat pumps, paper-based home energy reports
- Expand retail savings in appliances, water heating and grow lights
- Provide continuing support to communities impacted by wildfires, including technical support and incentives to rebuild above current code and community planning efforts
- Release request for proposals for program management contractors and program delivery contractors





Residential Diversity, Equity and Inclusion Focus

- Expand co-funding to additional low-income agencies across the state to increase the installation of insulation, windows and heating systems for both gas and electric savings
- Contract with community-based organizations to deliver Energy Trust offers and incentives to low- and moderate-income rural customers and communities of color
- Expand offers to new and existing manufactured homes
- Continue to support lighting in small hardware, grocery and discount retailers
- Continue fixed price and targeted offers to acquire savings from manufactured homes, zonal systems, rentals and Savings Within Reach

Questions and Discussion





Commercial Sector

Commercial Context

- Market challenges
 - COVID-19 recovery is uneven across markets
 - Labor shortages and supply chain slowdowns
- Measure savings reductions
- New commercial code updates



Commercial Strategic Focus

- Expand support for underserved markets
- Community and location specific efforts with utilities
- New Energy Performance Management offerings
- New Buildings program redesign
- Continue virtual assessments and training and leverage new approaches developed during COVID



Commercial Key Activities and New Opportunities

- Deepen relationships with communities and community-based organizations
- Revise program caps
- Launch Small Business Offering
- Wildfire relief support
- Location specific incentives
- Expand SEM and relaunch Pay-for-Performance offering

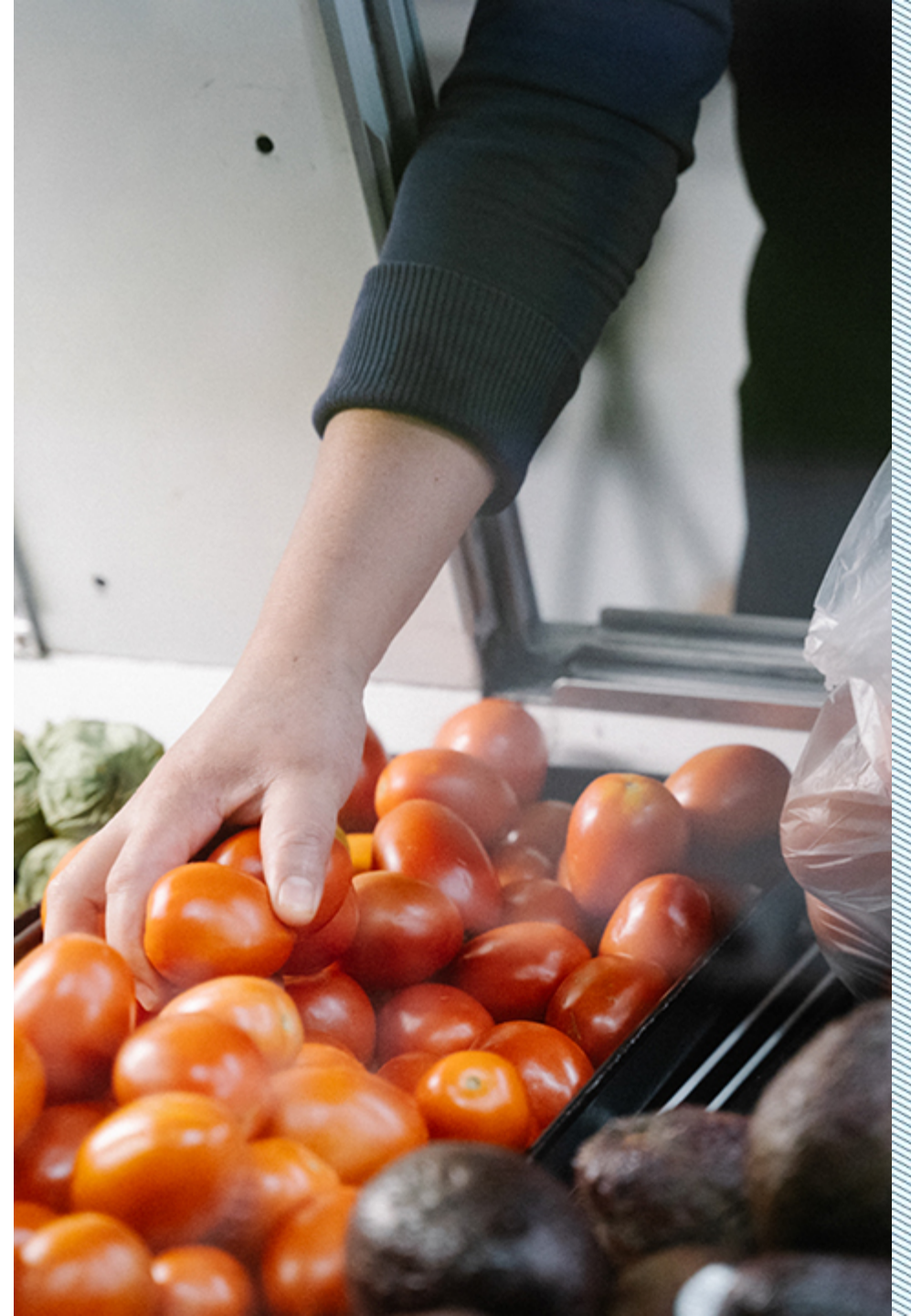




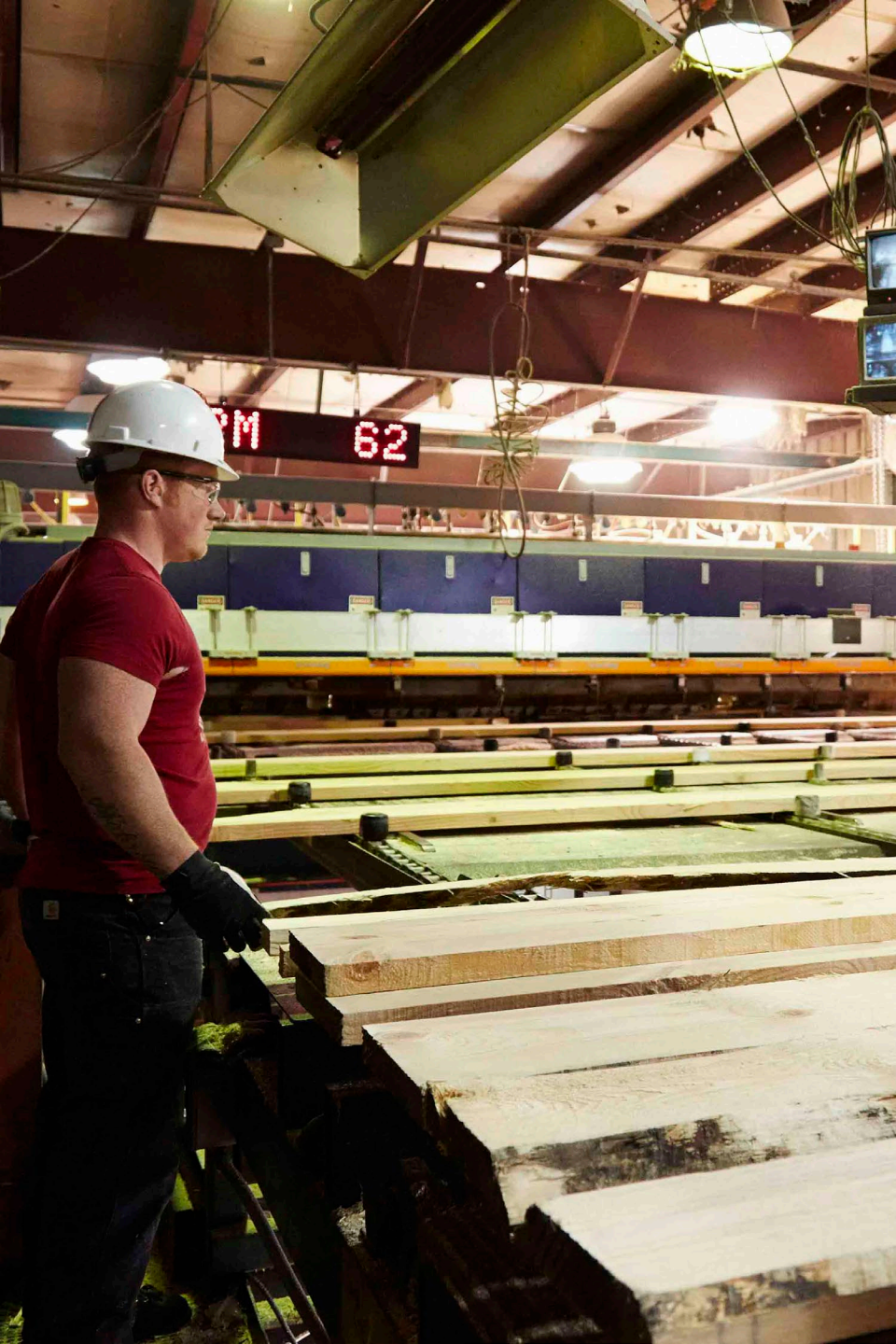
Commercial Diversity, Equity and Inclusion Focus

- Small Business Offering will focus on BIPOC communities
- Continue to support and diversify trade ally network
- SEM will expand in non-metro areas and will add an Affordable Multifamily Cohort
- Expansion of New Customer Strategies and Opportunity Area work

Questions and Discussion



10-minute Break



Business Lighting

Business Lighting Context

- 2022 Program Offers
 - Custom and prescriptive downstream
 - Midstream
 - No-cost direct install
- Market conditions
 - Rebuilding program participation with trade allies
 - COVID impacts to small customers
 - Labor shortages and supply chain slowdowns for trade allies



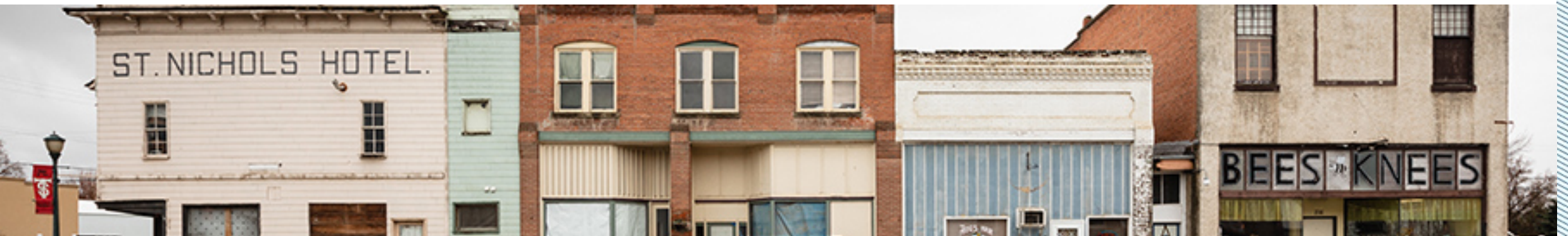
Business Lighting Strategic Focus

- Rebuild in-person relationships when possible
- Maintain savings and increase program accessibility
- Expand support for community-led approaches



Business Lighting Key Activities and New Opportunities

- Update incentive caps and program requirements
- Expand midstream and no-cost direct install offers
- Rebuild relationships with trade allies
- Launch a Trade Ally Gateway
- Explore advanced lighting + lighting controls design for major retrofits

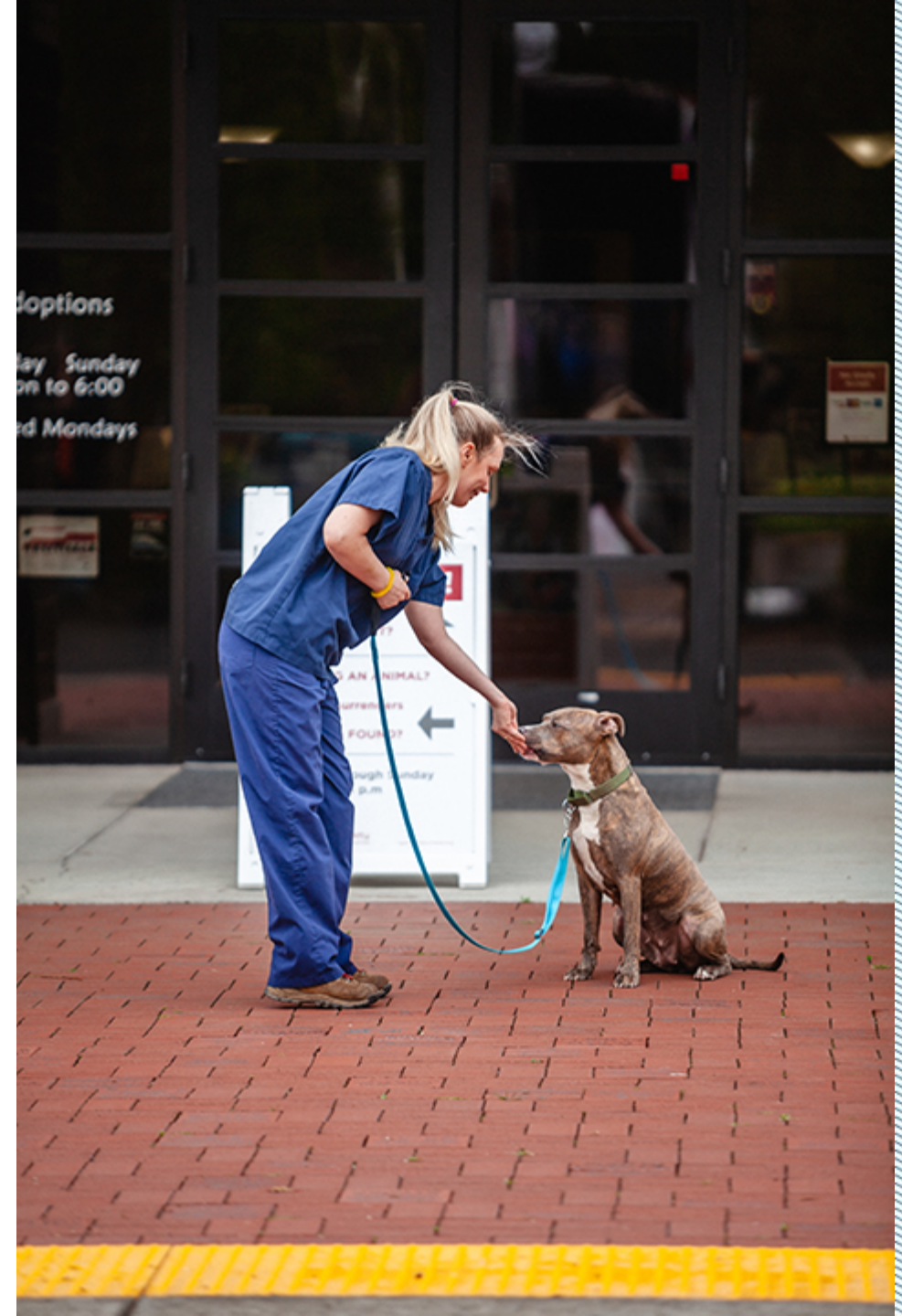




Business Lighting Diversity, Equity and Inclusion Focus

- Collaborate with commercial and industrial sectors on community outreach efforts
- Focus outreach efforts to serve women- and minority-owned businesses, small businesses and rural businesses
- Recruit minority-, women-, and service-disabled veteran-owned and emerging small business contractors to complete projects and join the Trade Ally Network
- Ensuring program access through language services

Questions and Discussion





Industrial and Agriculture Sector

Industrial and Agriculture Context

- Expect continued dynamic market
- Strong 2022 pipeline: high tech, food storage and production, nurseries
- Constrained budgets: airline industry and supply chain, irrigators
- Delayed projects: due to supply chain disruptions and semiconductor device shortage (esp VFDs and air compressors)



Industrial and Agriculture Strategic Focus

- Re-engage vendors/trade allies and customers
- Continue virtual delivery, as needed
- Focus on low-cost O&M and SEM
- Continue DEI efforts and explore new opportunities for reaching customers we have not served



Industrial and Agriculture Key Activities and New Opportunities

- Increase standard track incentive limits and restore marketing and outreach to previous levels
- Support small/medium customers by developing new prescriptive rebates, such as smaller variable frequency drive (VFD) for industrial pumping, fans and irrigation
- Maintain \$250K incentive cap on custom projects and introduce \$75K cap on SEM projects
- RFP for delivery of custom, SEM and standard tracks in 2022 for 2023 contract

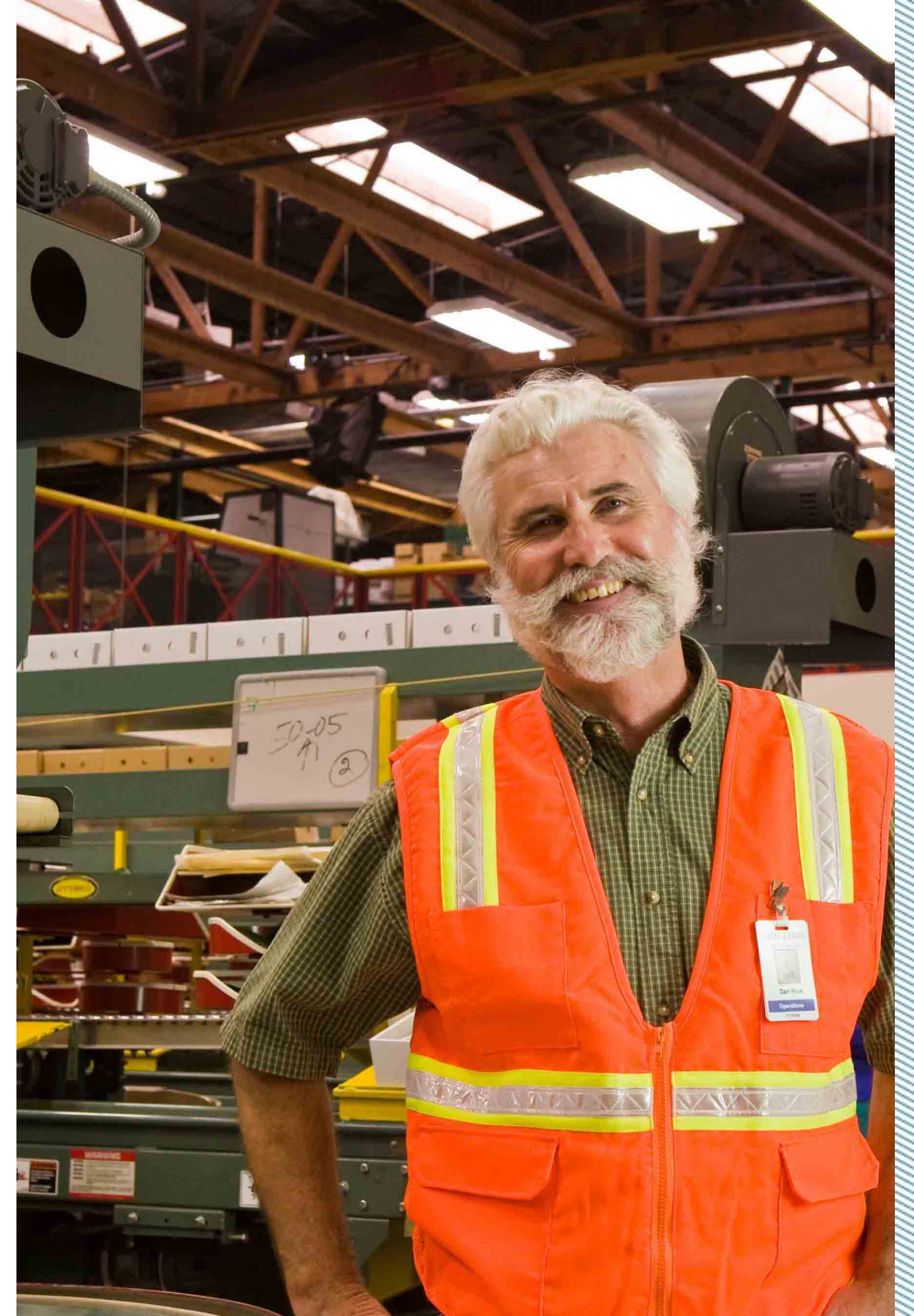




Industrial and Agriculture Diversity, Equity and Inclusion Focus

- Increase marketing, outreach and tech services to support small-to-medium, rural and minority- and women-owned customers
- Develop relationships with customers and community groups to help shape future efforts to reach customers we have not served

Questions and Discussion





Thank You

Tracy Scott, Energy Programs Director;
tracy.scott@energytrust.org

Thad Roth, Residential Sector Lead;
thad.roth@energytrust.org

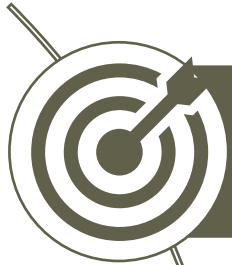
Oliver Kesting, Commercial Sector Lead;
oliver.kesting@energytrust.org

Jessica Kramer, Business Lighting Sr. Program Manager;
jessica.kramer@energytrust.org

Amanda Potter, Industry & Agriculture Sector Lead;
amanda.potter@energytrust.org

Reference Slides: 2022 Organizational Goals

2022 Organizational Goals



Achieve savings and renewable generation goals while addressing the needs of customers who experience significant energy burden or are impacted by disaster events



Expand support for community-led approaches to increase access to clean energy



Create development capabilities that will allow us to increase funding to deliver more savings and generation and expand our ability to meet changing customer and utility system needs



Implement new work strategies to adapt and thrive in our changing environment and support staff while managing operating costs

2022 Organizational Goals



Goal 1: Achieve savings and renewable generation goals while addressing the needs of customers who experience significant energy burden or are impacted by disaster events

We will meet the 2022 targets of XX aMW of electric savings with BB MW during periods of summer and CC MW of winter peak demand, YY million therms of natural gas savings and ZZ aMW of renewable generation, with a focus on:

- Creating program offers to better serve customers with high energy burden and help small businesses reduce energy costs
- Implementing programs and initiatives to help utilities manage loads during high demand periods
- Supporting communities recovering from disaster events with clean energy and resilience offers in coordination with utilities

2022 Organizational Goals



Goal 2: Expand support for community-led approaches to increase access to clean energy

We will expand community-led approaches to increase participation in energy efficiency and renewable energy programs and support community objectives, with a focus on:

- Identifying partnerships with communities or community-based organizations that represent and serve communities of color, customers with low incomes and rural communities
- Working with communities and community-based organizations to help shape our residential and business offers to meet their needs within our regulatory guidelines
- Leveraging additional funding sources and insights from communities to better serve all customer types
- Tracking and supporting community energy policy and planning efforts to identify opportunities for collaboration
- Applying Energy Trust's community engagement guidelines to evaluate opportunities for one or more community-led initiatives that could help us accomplish savings and generation goals

2022 Organizational Goals



Goal 3: Create development capabilities that will allow us to increase funding to deliver more savings and generation and expand our ability to meet changing customer and utility system needs

Unlike most non-profits, Energy Trust does not have an established development function. This limits our ability to deliver clean, affordable energy to customers. We will establish this function with a focus on:

- Building formalized systems, processes and structures to pursue new funding opportunities
- Developing relationships with organizations where there is mutual opportunity to pursue complementary activities or access other sources of funds
- Enhancing grid value with the utilities
- Informing policy discussions that leverage our development efforts
- Pursuing opportunities that improve the cost-effectiveness of our savings and increase adoption of renewable generation

2022 Organizational Goals



Goal 4: Implement new work strategies to adapt and thrive in our changing environment while supporting staff and managing operating costs

New work strategies will need to evolve our workspace, the way we work and our organizational culture, with a focus on:

- Striving for a more inclusive, flexible, accessible and supportive work culture that celebrates diversity
- Continuing to develop our organizational awareness of social justice issues and how they relate to our work
- Creating a culture and environment that enables us to retain and compete for talent
- Adapting to changing business conditions by regularly prioritizing and scaling work
- Utilizing business planning and other tools to manage administrative costs

2022 Budget Engagement Schedule with Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council

As a nonprofit organization investing utility customer funds, Energy Trust of Oregon conducts an annual budgeting and planning process. We develop an annual budget and two-year action plan collaboratively with our five utility partners, and we ask for feedback from our board of directors, advisory councils, Oregon Public Utility Commission, utilities, community organizations, other stakeholders and the public. We value and appreciate feedback and insights.

Key Dates for Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council

July

- Staff determine new activities for 2022 and identify significant changes from 2021 budget.

September

- **September 14 – Diversity Advisory Council public meeting:** Provide overview of budget process and schedule and relevant action plan highlights. Seek DAC input on budget priorities.
- **September 15 – Conservation Advisory Council and Renewable Energy Advisory Council public meeting:** Provide high-level description of what is driving activities in draft program action plans.

October

- **October 6:** Draft budget posted on www.energytrust.org
- **October 6:** Public comment period opens; Advisory council members encouraged to submit comments. Email draft budget binder to board, OPUC, advisory councils and public.
- **October 13 – public meeting:** Budget workshop with board, advisory councils, community-based organizations and the public. Discuss draft budget with an executive summary presentation followed by participatory workshop with staff.
- **October 20:** Public comment period closes.

November

- **November 16 – Diversity Advisory Council public meeting.** Review significant changes to draft budget, if any.
- **November 17 – Conservation Advisory Council and Renewable Energy Advisory Council public meetings:** Review significant changes to draft budget, if any.

December

- **December 9:** Final proposed budget posted on www.energytrust.org.
- **December 17 – Board of Directors public meeting:** Final proposed budget and action plan presented for board consideration and vote of approval.
- **December 31:** Board-approved budget submitted to OPUC and posted on www.energytrust.org.

Budgeting for Energy Efficiency and Renewable Energy

Guided by the draft 2020-2024 Strategic Plan, the budget sets annual revenues, expenditures and organizational goals to acquire all identifiable cost-effective energy efficiency and generate renewable energy from small-scale systems. The budget enables us to deliver energy-efficiency and renewable

energy programs for investor-owned utilities in Oregon, energy-efficiency programs for NW Natural in southwest Washington plus additional activities described in the draft budget.

Activities needed to achieve the organizational goals are detailed in program and support group action plans. There are separate action plans for the programs delivered in Oregon, the two programs delivered in NW Natural's Washington territory and for subcontracts to support delivery of the State of Oregon's Community Solar Program. Each action plan lists strategies, key activities, expected changes for 2023 and other contextual information.

Budget Process Overview

We start developing the budget in the summer of each year. We work with each of our five partner utilities and preview major changes and new activities for the upcoming year starting in August.

We provide high-level overviews of program and support group action plans to our three advisory councils in September: Conservation Advisory Council, Diversity Advisory Council and Renewable Energy Advisory Council. These meetings are open to the public.

We assemble a comprehensive draft budget with two-year action plans by the end of September. This budget package is posted for public review and comment in early October, and our Executive Director Michael Colgrove presents on the budget at a public workshop in October attended by our board of directors, three advisory councils and other stakeholders. Feedback is encouraged from the public and stakeholders through these meetings and in writing. Staff also present to OPUC commissioners in early November at a public meeting.

All feedback is considered as staff completes revenue discussions with each utility in November and refines the draft budget. The board acts on a final proposed budget in December, and the final budget is posted online and submitted to the OPUC by year-end.



2022 Measure Updates and Changes

Conservation Advisory Council

September 15, 2021

Measure Analysis Updates

1. Sunsetting Measures
2. Noteworthy Measure Changes
3. New Measures
4. Summary of OPUC Measure-level Cost-effectiveness Exceptions



Measures Sunsetting in 2022

Program	Measure Description	Measure Sunset Notes
<i>Residential and Multifamily</i>	Direct Install showerheads, shower wands, and aerators	<ul style="list-style-type: none"> Showerheads and shower wands part of targeted kits in 2022 All aerators will sunset
<i>Multifamily</i>	Multifamily Direct Install Lighting	<ul style="list-style-type: none"> In-unit LEDs part of multifamily kits offer in 2022
<i>Business Lighting</i>	Downstream Large Business Lighting Measures	<ul style="list-style-type: none"> Large business TLEDs and HID replacements moving to midstream for 2022 TLEDs remain part of small business direct install offer
<i>Production Efficiency</i>	Cannabis Insulation Calculator Tool	<ul style="list-style-type: none"> May be a custom analysis for future projects
<i>Existing Buildings</i>	Commercial Food Service	<ul style="list-style-type: none"> New appliance standards in Oregon effective in 2022 With new standards, we no longer have gas savings for many measures: dishwashers, fryers, ovens
<i>New Buildings</i>	Grocery Evaporator Fan Motor in New Construction	<ul style="list-style-type: none"> New construction measure is required per 2021 OEESC and will sunset for new construction
<i>New Buildings</i>	Market Solutions Restaurant	<ul style="list-style-type: none"> Many foodservice measure packages are no longer cost effective May revisit for DHW and HVAC opportunities beyond new code

Noteworthy Measure Changes for 2022

Noteworthy Changes for 2022: Residential and Multifamily

Program	Measure Description	Measure Changes Notes
<i>Residential and Small Multifamily</i>	Residential Gas Storage Tank Water Heater	<ul style="list-style-type: none">Updated measure has single qualifying product type: non-powered, non-condensing, ENERGY STAR gas storage water heaters
<i>Residential and Small Multifamily</i>	Residential Central Air Conditioning	<ul style="list-style-type: none">Updated market baselineReduced savings and maximum incentives
<i>Residential New Construction</i>	Energy Performance Score (EPS) 2021 Code in Oregon	<ul style="list-style-type: none">Updated baselines for new residential code (effective Oct. 2021, program change April 2022)Updated baseline analysis means builders would need to do more in 2022 to get the same incentive as 2021 (e.g., previous code EPS)
<i>Residential and Multifamily</i>	Clothes Washers and Dryers	<ul style="list-style-type: none">Updated baseline and reduced savingsNow includes laundry centers that are ENERGY STAR® rated

Noteworthy Changes for 2022: Commercial and Industrial

Program	Measure Description	Measure Changes Notes
<i>Existing Buildings, New Buildings</i>	Commercial Foodservice Measures	<ul style="list-style-type: none">• Baseline efficiencies increased due to new equipment standards• Many applications are no longer cost-effective: dishwashers, gas ovens• Gas fryer measure valid for 6-month sell-through period in 2022
<i>Existing Buildings, New Buildings</i>	Commercial Water Heating	<ul style="list-style-type: none">• Savings reduction for commercial and large multifamily applications
<i>Existing Buildings</i>	Commercial and Multifamily Steam Traps	<ul style="list-style-type: none">• Savings reduced for commercial, slightly increased for multifamily• Updated incentive structure to "per steam trap"
<i>Production Efficiency</i>	Process Hot Water or Steam Boiler	<ul style="list-style-type: none">• Expanded measure applications to include additional efficiency upgrades to process heating technologies
<i>Business Lighting</i>	Various Business Lighting Measures	<ul style="list-style-type: none">• Per-unit savings decrease of ~5% across all existing C&I lighting measures analyzed for 2022

New Measures!

New Measures for 2022: Commercial and Industrial

Program	Measure Description	Measure Notes
<i>Existing Buildings, New Buildings</i>	Garage Exhaust Ventilation Controls	<ul style="list-style-type: none"> Installing CO sensors with VFD control on ventilation fans in enclosed parking garages
<i>New Buildings</i>	Ventilating Bath Exhaust Fans in New Multifamily	<ul style="list-style-type: none"> Bath fans in new multifamily construction designed to function as part of the building's HVAC system
<i>Existing Buildings, New Buildings</i>	Commercial Gas Condensing Furnace	<ul style="list-style-type: none"> Targeting small and medium business customers in retrofit and new construction applications
<i>New Buildings</i>	Multifamily Market Solutions (2021 Code)	<ul style="list-style-type: none"> Updated program offer for multi-end use new multifamily projects permitting under 2021 code Under OPUC exception
<i>New Buildings</i>	New Building Interior Lighting Calculator (2021 Code)	<ul style="list-style-type: none"> Updated program offer for projects permitting under 2021 code No exterior lighting calculator due to increased code baseline

New Measures for 2022: Residential and Small Multifamily

Program	Measure Description	Measure Notes
<i>Residential</i>	Manufactured Home Replacement Offer	<ul style="list-style-type: none"> • Transition to program offer, standardized statewide across fuels • TRC exception request in progress
<i>Residential</i>	Energy Saver Kits in Select Markets	<ul style="list-style-type: none"> • Leave-behind kits – showerheads/wands, LED bulb, -- for customers served by community partners, specifically low-income and renters
<i>Residential</i>	Full-Cost DHP Installation for Low-Income Customers	<ul style="list-style-type: none"> • Exception request in progress • Community partners to inform program design
<i>Residential - New Construction</i>	EPS Oregon in Fire Rebuild Communities	<ul style="list-style-type: none"> • Incentivize new home construction beyond current code efficiency using a less efficient baseline for communities rebuilding older structures destroyed by wildfires
<i>Residential - New Construction</i>	Washington New Construction	<ul style="list-style-type: none"> • New code prescriptive pathway for Washington new construction

Measure-level Cost-effectiveness Exceptions Summary

Noteworthy Measures Under OPUC Cost-effectiveness Exception

Program	Measure Description	Measure Exception Notes
<i>Residential</i>	Manufactured Home Replacement Full Offer	<ul style="list-style-type: none">• Major exception request in process• TRC exception
<i>Residential, Existing Buildings</i>	Ductless Heat Pumps (DHP) in Existing Single-family, Manufactured Homes and Multifamily	<ul style="list-style-type: none">• Major exception request in process• TRC exception for heating zone 1, UCT exception for supplemental fuels• Pursuing cost-effectiveness exception for full-cost DHPs for low-income customers (program design still in development)
<i>New Buildings</i>	New Buildings Whole Building Offers	<ul style="list-style-type: none">• Extension to cost-effectiveness exception granted on 9/7/2021• Market Solutions, Custom and Path to Net Zero offers



Thank You

Alex Novie

Measure Development Manager –
Energy Programs

alex.novie@energytrust.org

Measure-level Cost-effectiveness 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 demand-side management (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

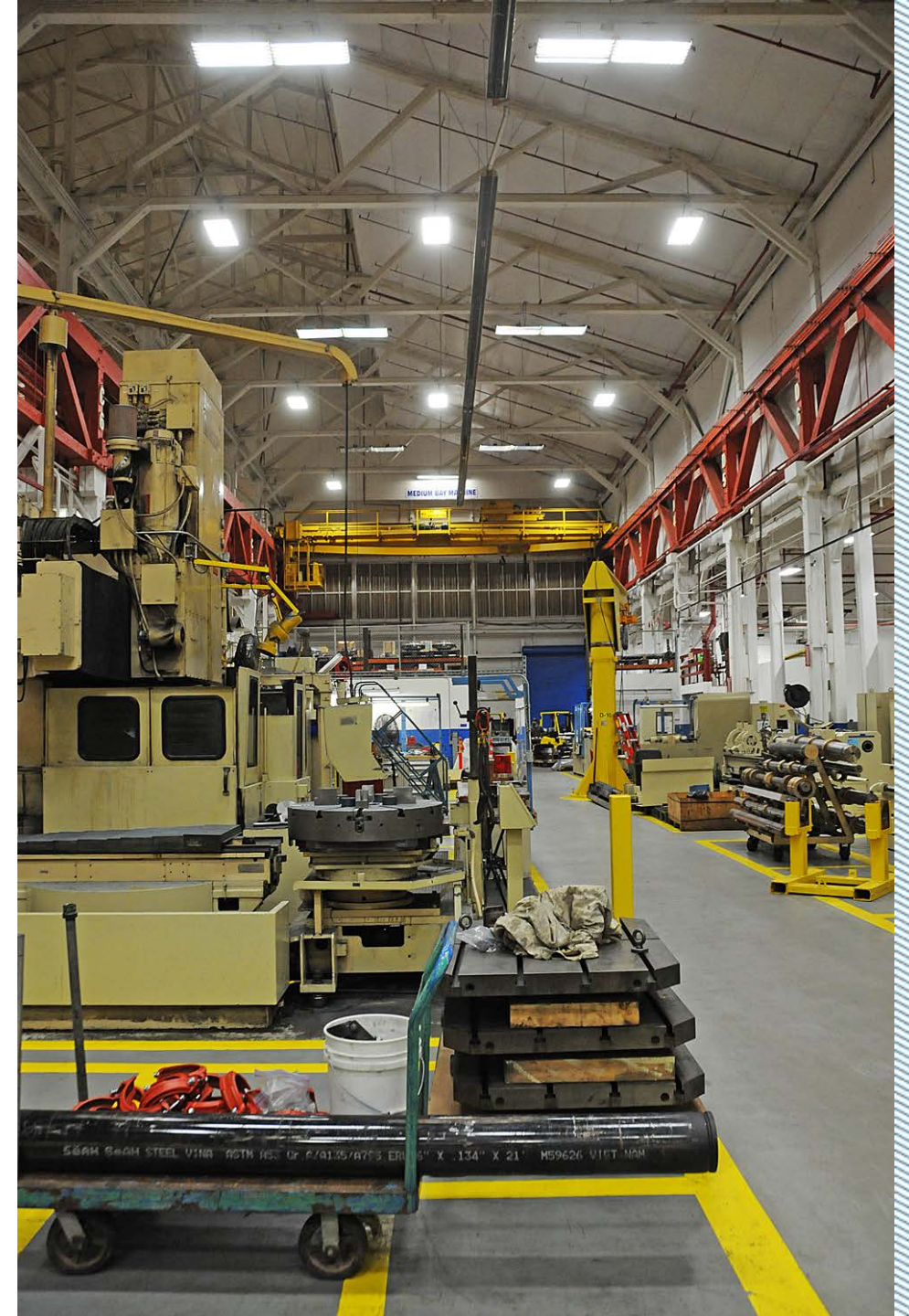


Industry and Agriculture 2022 RFP

September 15, 2021

Agenda

- Production Efficiency Program
 - Customer Overview
 - Program Overview
- Request for Proposals Overview
 - RFP Goals
 - Contracting Considerations
 - RFP Format
 - Implementation Qualifications
 - Schedule



Production Efficiency Overview



Who We Serve

- Industrial and Manufacturing Facilities
 - Wood products, high tech, food processing, food distribution/storage, breweries, wineries, aerospace, metals, general manufacturing
- Agriculture
 - Farms, nurseries, dairies, cannabis/hemp
- Water and Wastewater Treatment Facilities

Production Efficiency Program

Custom Track

Custom
Analysis
(Technical
Leads)

Strategic
Energy
Management
(Coaches)

Capital Upgrades
Retrofits
Custom O&M

SEM Practices
Energy Intensity
Modeling
O&M

Standard Track

Prescriptive
Rebates
(Trade Ally and
Vendor
Network)

Calculator
Tools
(Trade Ally and
Vendor
Network)

Compressed Air
Greenhouse
Irrigation
HVAC

Compressed Air
Greenhouse
Irrigation
HVAC

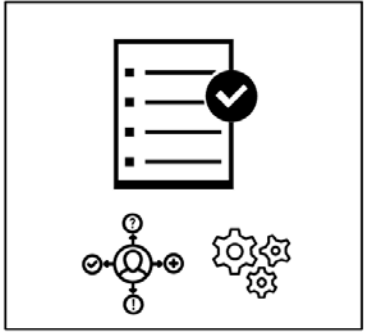


Custom Track Overview

Scope: Electric and natural gas efficiency projects delivered through 1:1 customer outreach by program delivery contractors.

Key Implementer Activities:

- Develop long-term customer relationships
- Perform technical studies
- Administer and manage SEM offerings



Standard Track Overview

Scope: Electric and natural gas efficiency projects delivered through trade allies and other vendors

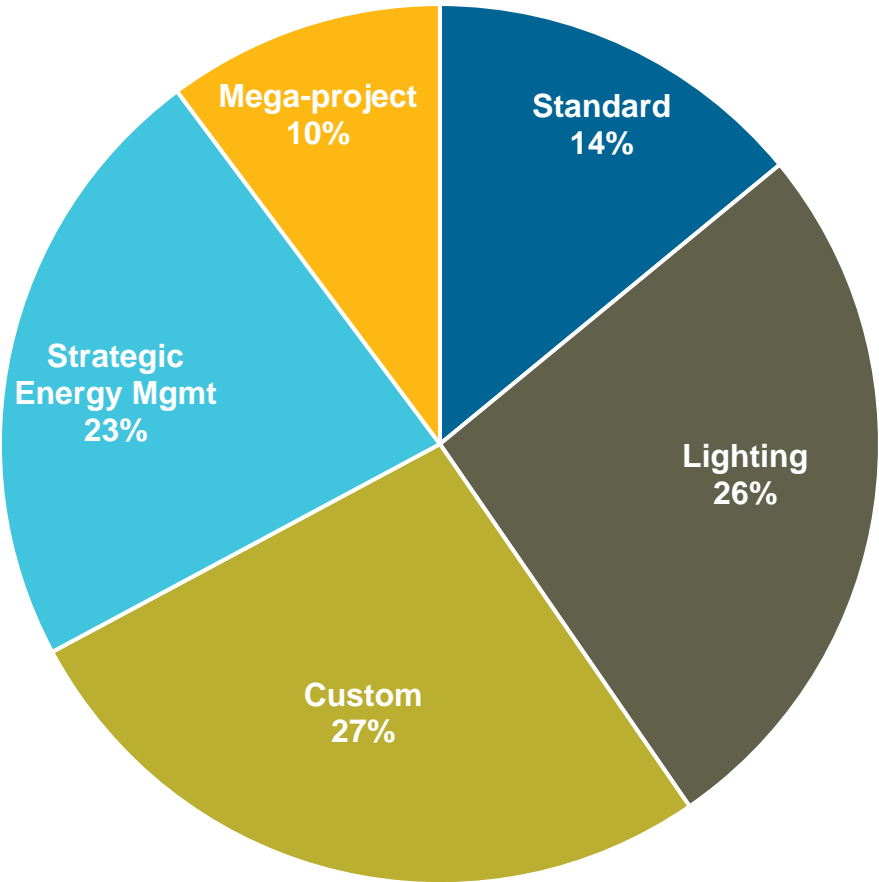
Key Implementer Activities:

- Recruit, train, manage trade allies and vendors
- Develop new energy efficiency measures
- Administer rebates and calculated incentives

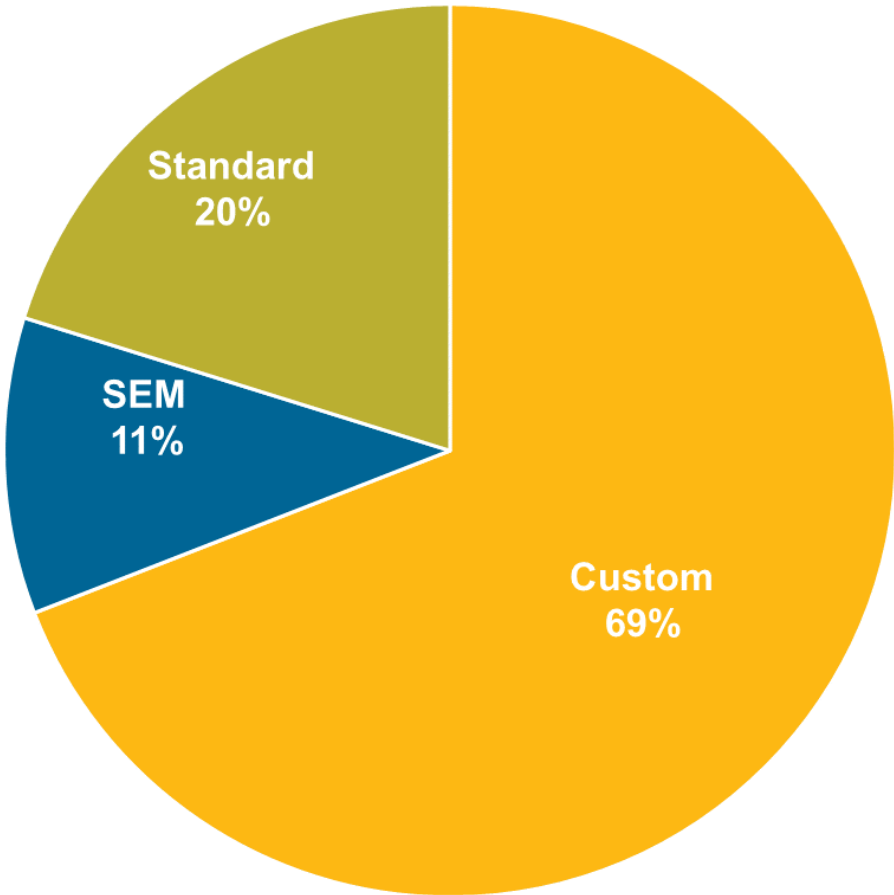


Industrial Sector: 2020 Savings Summary

ELECTRIC



NATURAL GAS



NEEA savings not included

DEI Focus Areas

Current / Continuing

- Small/medium, rural customers
- Minority- and women-owned trade allies and vendors

Explore / Develop

- Targeted services to communities
- Minority- and women-owned industrial customers across the territory



RFP Overview

Recent Contract History

- 2016 Standard competitive solicitation
 - Industrial lighting combined in Business Lighting bid in 2020
 - Non-lighting contracted through end of 2022
- 2018 Custom competitive solicitation
 - Awarded three PDC contracts
 - Contracted through end of 2022
- Custom and Standard non-lighting to be bid in 2022 for 2023 contracts

RFP Goals

- Cost-effectively achieve energy savings targets
- Consolidate contracts to streamline management and operations
- Establish territory-wide consistency for customers and trade allies
- Strengthen requirements related to DEI priorities
- Evolve program offerings

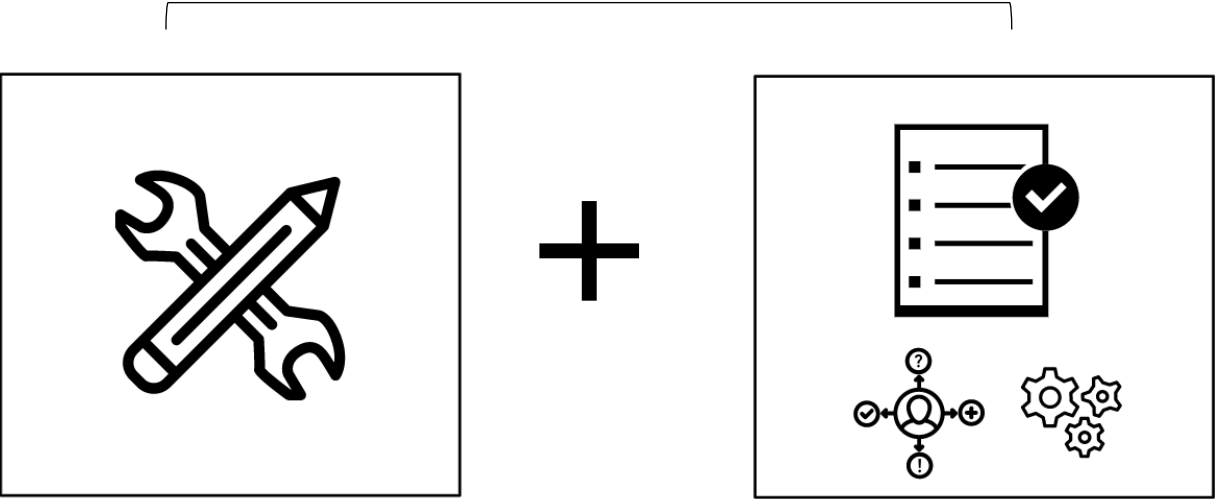


Contracting Considerations

- Consolidate / fewer contracts
 - Fewer points of contact for customers, trade allies
 - Streamline management and operations
 - Allow more time for strategy, community engagement, other initiatives
- Advance DEI strategies
 - Explore new ways to bring benefits to customers we have underserved
- Increase implementer team diversity
 - Require minimum 20% of contract delivery to be COBID-certified
 - Creative and diverse teaming and COBID-certified prime contractors encouraged to bid

RFP Structure

Option A: Two Separate Contracts

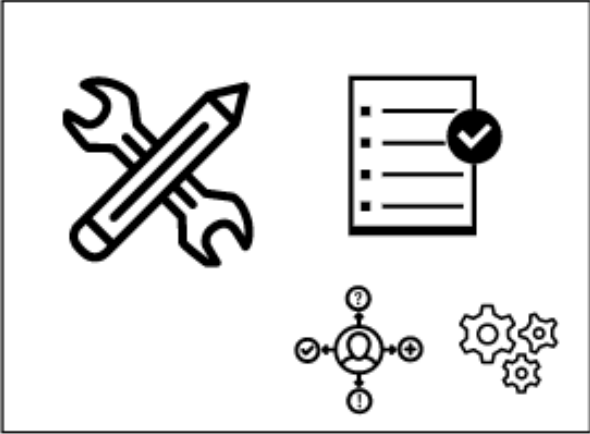


One contract
for custom/
SEM only,
territory-wide

One contract
for standard
track only,
territory-wide

OR

Option B: One Contract



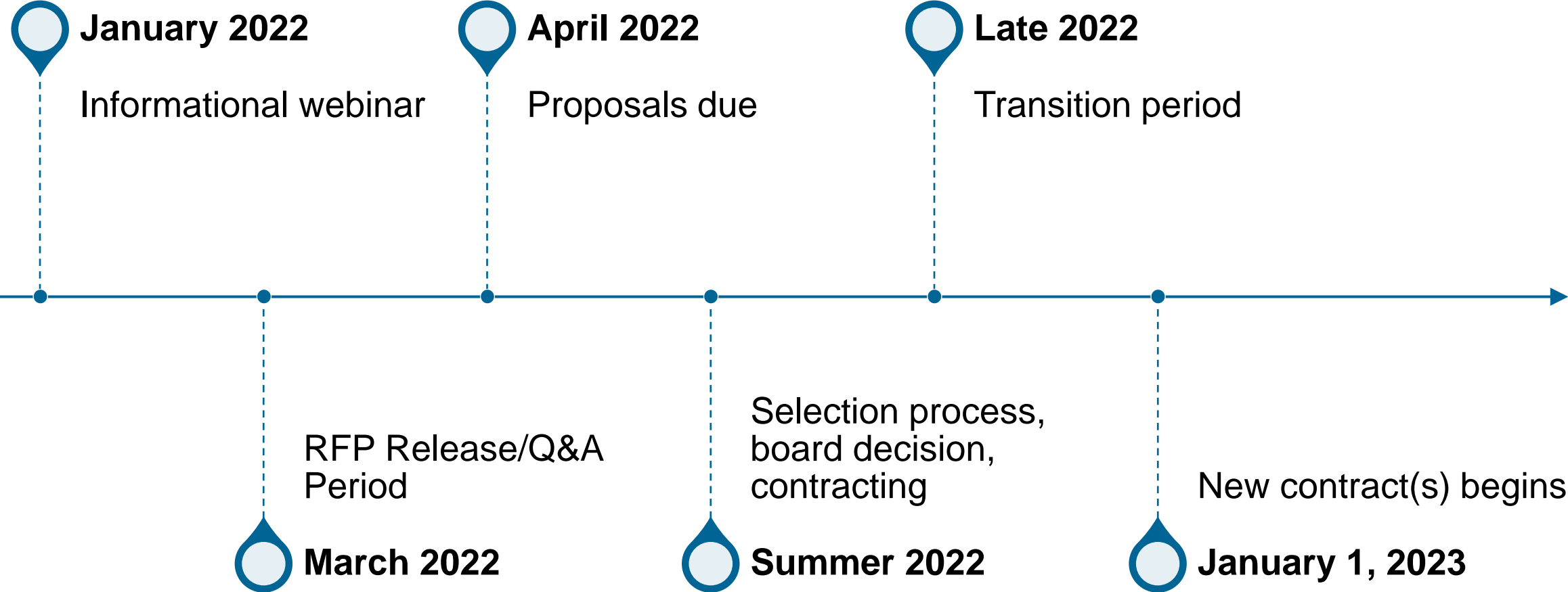
One contract for
entire program,
territory-wide



Implementer Qualifications

- Industrial efficiency
- Program implementation
- Account management
- Trade ally management
- Commitment to diversity, equity, and inclusion
- Measure development, such as:
 - Chilled Water
 - Compressed Air
 - HVAC
 - Industrial Pumping
 - Refrigeration
 - Greenhouses
 - Irrigation

RFP Schedule





Discussion

- We want to develop relationships with more industrial and ag sector business associations and customer representatives.
 - *Who should we be talking to?*
- What are emerging opportunities in the industrial or agriculture sectors that we should keep an eye on?



Thank you

Adam.Bartini@energytrust.org

Industrial Senior Program Manager

Kirstin.Pinit@energytrust.org

Industrial Program Manager