

Conservation Advisory Council Meeting Notes

May 11, 2022

Attending from the council:

Jeff Bissonnette, NW Energy Coalition
Jake Wise, Portland General Electric
Kari Greer, Pacific Power
Monica Cowlshaw, Cascade Natural Gas
Andy Cameron, Oregon Department of Energy
Lisa McGarity, Avista

Anna Kim, Oregon Public Utility Commission
Becky Walker, Northwest Energy Efficiency Alliance
Laney Ralph, NW Natural
Tim Hendricks, BOMA

Attending from Energy Trust:

Hannah Cruz
Elizabeth Fox
Elaine Dado
Alex Novie
Steve Lacey
Tom Beverly
Fred Gordon
Tracy Scott
Amanda Potter
Greg Stokes
Kirstin Pinit
Marshall Johnson
Melanie Bissonnette
Thad Roth
Wendy Gibson

Sue Fletcher
Jackie Goss
Ryan Crews
Cameron Starr
Emily Findley
Shelly Carlton
Dave Moldal
Oliver Kesting
Chris Dunning
Tyrone Henry
Huong Tran
Megan Greenauer
Sletsy Dlamini
Jessica Kramer

Others attending:

John Molnar, Rogers Machinery
Peter Therkelsen, Energy Trust Board of Directors
Henry Lorenzen, Energy Trust Board of Directors
Roger Kainu, Oregon Department of Energy
Christy Splitt, Oregon Department of Energy
Benedikt Springer, Community Action Partnership of Oregon
Brooke Landon, CLEARResult
Gunnar Brent, BEE Consulting
Naomi Cole
Guillermo Castillo, Small Business Utility Advocates

Matt Tidwell, PGE
Ezell Watson, OPUC
Patrick Murphy, CLEARResult
Jenny Sorich, CLEARResult
Heather Salisbury, CLEARResult
Misti Nelmes, CLEARResult
Cindy Strecker, CLEARResult
Kriya Kaping, CLEARResult
Joe St James Lopez, CLEARResult
Samantha Taylor, CLEARResult
Tess Studley, NEEA
Colin Podelnyk, TRC

1. Welcome and announcements

Hannah Cruz, senior stakeholder relations and policy manager, convened the meeting at 1:30 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 the board's new liaison to the council, Peter Therkelsen.

2. Organizational updates

- a. Budget and planning process**
- b. Quarter 1 update**
- c. Customer Fuel Choice project**

Topic summary

Tracy Scott, director of energy programs, provided an update on budgeting and planning for 2023 and 2024. Energy Trust asked for feedback from Conservation Advisory Council, Renewable Energy Advisory Council and Diversity Advisory Council members about the planning process last summer. The response was to engage with council members early in the process and make engagement relevant to council member areas of expertise. To respond to this feedback, Energy Trust is making changes to the planning process, including with the April Conservation Advisory Council meeting when strategic insights and market context were gathered. Information from that meeting was shared with staff and will be shared with the Energy Trust board next week. The council will also see summaries from Renewable Energy Advisory Council and Diversity Advisory Council engagement in the coming week.

Tracy Scott further explained that staff will bring two to three deep-dive questions to council at the June 29 meeting to gain further insights. Input from this event will help shape action plans.

Through the first quarter of 2022, energy savings have been lower than expected in each utility and both gas and electric. Labor and equipment shortages, rising costs and supply chain issues are all impacting this. While the first part of the year is dedicated to pipeline building and the majority of savings are realized in the second half of the year, Energy Trust is raising incentive limits, launching bonuses and working on outreach approaches and new offers to drive savings. Renewable energy activity is better than expected due to high demand for residential solar. There was great uptake on Solar Within Reach incentives and Solar is on track to reach requirements to spend at least a quarter of funding on projects that benefit low- and moderate-income customers. In addition, Energy Trust has enrolled three community-based organizations into its Community Partner Funding, continues to work on wildfire rebuilding assistance, is working with Salem, Tigard and Gresham to explore ways to support their community energy plans, and has awarded grants to 13 organizations to raise awareness of energy and Energy Trust for their clients/customers. The Energy Trust diversity, equity and inclusion plan centers on community engagement and these efforts align with the plan. The Q1 report to the Oregon Public Utility Commission (OPUC) has more information and will be emailed to the council on May 16.

Cameron Starr, senior customer service strategy manager, described the Customer Fuel-Choice project and updated council members on progress to date. The project focuses on improving customer education and guidance surrounding fuel choice, while maintaining the organization's fuel neutrality position. Following discussions, Energy Trust's board decided to maintain the fuel-neutrality policy and expressed willingness for staff to review how it advises customers when they update heating and water heating systems. The website, call center messaging and trade allies were identified as communication channels needing review and updates.

The project team has gathered general types of questions received from customers. Among the themes were cost, environmental considerations and what fuel is a better choice. The project team has drafted talking points that are currently out for review with utilities. Staff will hold a training with the call center in June. Web changes have begun, and focus areas will likely be on the do-it-yourself pages and descriptions of how differing equipment works. The second priority will be to help customers understand installation and operational costs, and what they need to consider. Without providing average prices, the changes are intended to help customers be prepared to discuss these things with contractors. Energy Trust will provide feedback cycles for utilities as the project progresses.

Discussion

Energy Trust staff explained that the fuel-choice project will incorporate current and new technologies and other discussions. The project team is working to reduce gaps that became apparent in the discussions with the board. Explanations of existing fuel-source requirements could be clearer.

Council members asked if there are any trends in questions and whether they will be tracked (Becky Walker). Staff replied that identifying the best fuel type is a frequent question. Energy Trust is identifying themes, but they really aren't new. The organization wants to help customers make decisions within its existing fuel-neutrality policy. Customers were previously sent to trade allies, but will now be given enough information to have an informed discussion with a trade ally.

Portland General Electric (PGE) stated that it has shared some of its thinking with Energy Trust. PGE appreciates Energy Trust's efforts to be responsive to customer questions and noted the approach is using old rules in a dramatically changing market. Current thinking is reinforcing a business-as-usual approach. It is unclear if customers are asking how emerging technology works, or why Energy Trust offers incentives for natural gas vs. electric equipment. The conversation should shift toward what is planned to be done differently, instead of an either/or approach. Gas and electric providers can show up together to present additional choices. PGE will advocate for ongoing evolution of this language (Jake Wise). Staff responded that the industry is changing and links between gas and electric systems are part of the broad context. Energy Trust will continue revisiting this topic.

Next Steps

This will be an ongoing discussion with more information shared with the council at a later date.

3. Residential program updates

Marshall Johnson, residential senior project manager, and Ryan Crews, residential program manager, presented Residential updates starting with the results of bonus incentives in 2020 and 2021. Bonuses for gas furnaces and ceiling insulation proved highly effective, increasing participation in Central, Eastern and Southern Oregon and led to an overall doubling of the volume of furnace projects during the bonus period. Results show regional differences, with even higher increases in volumes in Central and Eastern Oregon. Results are available in the council meeting materials.

Energy Trust will offer gas furnace and ceiling insulation bonuses again from June 1 – October 31, 2022. They will apply to Residential and small multifamily projects to increase savings and expand awareness of Savings Within Reach. Upgrades will be promoted in rural areas, focused on areas with historically lower participation. A project reservation system will provide insights into project volumes coming in given the uncertainties presented by ongoing equipment shortages and inflation.

Energy Trust also had a fixed-price offer for ductless heat pumps (DHPs) in 2020 and 2021. Pricing was solicited through a request for quotes in exchange for access to enhanced

incentives in rental properties. It had an impact on volumes but encountered budget limitations causing the offer to be ended early. There are significant issues with heat pump supply chains currently. Energy Trust will not offer a fixed-price promo in 2022, but bonuses will be coming from July 1 – October 31, 2022. Customers can receive a \$500 ductless heat pump bonus in single family and \$700 in multifamily for a total incentive of \$1,500 available.

There is also a no-cost ductless heat pump offer in development now. Ductless heat pumps offer heating, cooling and indoor air quality improvements. Electric resistance heat is very pervasive in Oregon, particularly in multifamily, rural and lower-income homes. Those systems often last for a long time and if they break are usually replaced with inexpensive electric resistance heaters. Energy Trust wants to grow its tactics to displace that heating source. There is a higher proportion of low-income customers who can benefit from DHPs in Energy Trust's service area. As part of the OPUC cost-effectiveness exception for this equipment, Energy Trust was encouraged to make available up to \$5 million in budget for DHPs for low- and moderate-income customers over the next three years.

Ryan Crews discussed the offer further. The goal is to explore how to support low income and energy burdened customers, while also fostering partnerships with community-based organizations (CBOs). CBOs are helping design and implement the offer. Energy Trust started with Verde, Community Energy Project, Rogue Climate and Lake County Resources Initiative. The goal is to install 100 units in 2022, with no out-of-pocket customer costs.

Discussion

Council members asked how determinations are made that a bonus is appropriate (Jake Wise). Council members also asked for more details about the reservation system and whether it will track the number of projects, or if Energy Trust plans to limit projects (Laney Ralph). Additionally, members asked if Energy Trust tracks actual income levels of participating customers, or only whether or not they qualify for Savings Within Reach, along with whether they rent or own the home (Lisa McGarity).

Staff responded that there is a two-year budget cycle and bonuses ran in 2020 due to uncertainty surrounding COVID-19 and decreasing project volumes. Bonuses were previously used successfully in the 2009 – 2011 recession. Energy Trust responded to an anticipated decline in volume. Bonuses are likely to perform differently now as times are different from 2020 when most people were at home and had stimulus funds. Staff added that the budget is finite, and there is a planned number of projects. Staff want to be aware of anything going beyond its forecasts and seeks to drive projects in 2022 – not in 2023. There also appears to be interest in growing demand for furnaces and ceiling insulation while maintain consistency for the trades. For gas furnaces, Energy Trust tracks whether customers are moderate or low-income. For ceiling insulation, the Savings Within Reach pathway for the bonus doesn't exist, so the bonus was added on top of the standard incentive. The Residential program is using its tools to use public Experian data. It's not perfect, but helpful. Ceiling insulation has seen higher than historic levels for low- and moderate-income customers. For gas furnaces, there were higher moderate-income levels and they fell as income fell. In rentals tracking was done specifically for ceiling insulation but not gas furnaces.

Council members stated that this was fantastic work on a shared objective with CBOs to deliver more benefits to energy burdened customer groups. PGE would like to participate in the conversations as they align with House Bill 2475 income-qualified rates. There is also an opportunity to work with Oregon Department of Energy (Jake Wise). A council member also asked if an exception was used for paying the non-cost-effective portion, also asking why Energy Trust chose to use 60% of state median income for eligibility, instead of the federal standard of 200% of poverty level (Lisa McGarity).

Staff responded that it did receive a specific cost exception from the OPUC. There are limits to the budget and it's set up as a test/pilot. The 200% federal level is similar to the state median income. Those who qualify for the 200% federal standard will qualify for the state's 60%. There are just a few more customers who will qualify. It's also a number that CBOs are familiar with.

Council commented that PGE sees delivering benefits to energy-burdened (60% state median income) customer groups as, a "Best Offer", which would be Energy Trust no-cost ductless heat pump, plus House Bill 2475 PGE income-qualified rate, plus Oregon Housing and Community Services funding, plus Senate Bill 1536 funds (Jake Wise). Members added that it's understandable why it would be hard for a community-based organization to establish energy burden without having the same level of data but hopes to have a better idea about who will have higher energy burden (Lisa McGarity). Staff responded that it will be an area of focus when it comes time to evaluate results. Energy Trust is asking for their actual household income amount – self attested whereas previously energy burden was been calculated by household income to energy costs. Energy costs of 6% or greater of income spent on energy indicate a burden according to traditional definitions. The program will be comparing participant's income/usage data against these metrics during evaluation to understand the degree of alignment.

Council members stated that PGE is collecting income, medical certifications and preferred language in their form to enroll in income qualified rates which has helped to understand demographics (Jake Wise). Council members added that Avista doesn't know the easy answer when determining eligibility and does 100% verification in its existing programs. Avista is developing its low-income rate and hasn't yet set the verification level (Lisa McGarity). Staff stated that census tract comparisons may be used, but discussions have not occurred around assessing the income amounts. It is broken into phases, so there are periods to stop, look at results and adjust. Staff added that its working with community partners who have customers with needs and develop trust with the partners.

Next steps

We will continue bringing updates to the council.

4. Business program updates

- a. Business Lighting**
- b. Production Efficiency**
- c. Existing Buildings**

Topic Summary – Business Lighting

Jessica Kramer, senior program manager for industry and agriculture, provided the Business Lighting update. Energy Trust has increased project and site caps to \$250,000 and removed trade ally caps and active project limits. Incentives gave increased and outreach was conducted to share these updates. Due to reduced participation, changes were made in March 2022. Two notifications were sent to trade allies and posted in the Insider newsletter. The program delivery contractor (PDC) has called or held in-person meetings with trade allies. The program marketing team has a customer email campaign planned in May and the program delivery contractor has also conducted customer outreach. Initial feedback shows that it's a much-needed change. Large capital decisions for 2022 were made in 2021, when incentives were lower, so customers are being approaching to see about phasing projects. Utilities have also been contacted for joint outreach and there is good traction in getting the message out.

Discussion – Business Lighting

Council members asked how Energy Trust outlines the lighting project size and if it is it by address or meter (Tim Hendricks). Staff responded that it's per address, rather than meter. It's complicated by campuses, and Energy Trust can follow up further.

Topic Summary – Production Efficiency

Kirstin Pinit, industry and agriculture program manager, provided an update on incentive changes in the Production Efficiency Standard track that went into effect in April. Project caps increased to \$250,000. Incentives for select electric and gas rebates were increased. The changes were communicated via email announcements, personal calls and visits with trade allies, as well as multiple Insider newsletter articles.

Discussion – Production Efficiency

Council members mentioned that in Southern Oregon there has been a push around illegal greenhouses and asked if Energy Trust requires a copy of a permit with application materials (Lisa McGarity). Staff responded that Energy Trust is unsure of how they check for permits but cannabis businesses must provide an Oregon Liquor Control Commission license and added that Energy Trust will follow up on this topic.

Topic Summary – Existing Buildings

Wendy Gibson, commercial senior program manager, provided an update on Existing Buildings. The site cap is aligned with other programs, increasing to \$250,000. Equipment must be purchased between March 1 and September 30. Energy Trust chose the bonus after doing a diversity, equity and inclusion lens review, finding that it covers smaller businesses. Outreach includes site assessments, Strategic Energy Management coaches bringing up retro-commissioning and bonus specific call-downs. Trade allies were notified via email, personal calls, site visits and Insider announcements.

Discussion

Members asked if Energy Trust is factoring in product availability (Lisa McGarity). Staff responded that Energy Trust is tracking it closely. Some equipment is appearing while other items aren't available. For example, there has been an ongoing shortage of gas fryers while chillers are improving, so there are ups and downs in equipment supplies.

Next Steps

No additional steps.

5. In-progress update on New Buildings code alignment

Topic Summary

Shelly Carlton, new commercial construction senior program manager, and Alex Novie, business measure development manager, provided an update on New Buildings code alignment.

Energy Trust New Buildings has a prescriptive incentive track, along with whole building tracks and additional services. The whole building tracks start at 5% beyond code. Whole building projects are 50% of program savings. As code becomes more stringent, whole building projects become more challenging to complete.

The new state code framework is American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) 90.1. Not all customers are equipped to do the modeling to meet it. Energy Trust can estimate savings beyond code but not costs compared to counterfactual code baseline. Energy Trust is working with Northwest Energy Efficiency Alliance (NEEA), Oregon Department of Energy and the OPUC to determine how to move forward. The OPUC extended the exception for whole building projects through the first quarter of 2024. Energy Trust is doing market research to understand how customers and design teams are responding to new code levels and making cost decisions.

The framework for design changes is to help customers design high performance buildings on a broader scale. Energy Trust will increase understanding of customer benefits and costs, find

ways to encourage teams to go further and achieve more savings, and ensure sound investments for customers and the utility system.

New Buildings is expanding training and education that supports whole building approaches and integrated designs. Project-based information will help customers design high performance buildings. Energy Trust also provides resources for project teams that may not have the resources for design and modeling. Energy Trust will continue incentives that drive deeper savings and focus on amplifying training and education, providing relevant examples, conducting research and rolling out offers.

Discussion

NEEA suggested to connect with Energy Trust on current research plans and stay in touch regarding research (Becky Walker). Council members also asked about the scope of code alignment, and whether it includes local code as well (Jake Wise). Staff responded that Energy Trust aligns with state code based on ASHRAE 90.1 and currently has state 2019 code and 2021 code projects. Members asked if the state Building Codes Division is doing any work on cost information (Lisa McGarity). Staff responded that there's a landscape of code compliance costs. Energy Trust focuses on cost and other elements of above-code buildings while Oregon Department of Energy (ODOE), NEEA and others focus on cost of compliance. Staff added that it's the purview of Building Codes Division to provide training on code compliance. A council member stated they would check with Building Codes Division regarding cost of compliance (Roger Kainu).

Members asked if Energy Trust anticipates that the Efficient Buildings Task Force will have an opportunity to plug into these conversations (Jake Wise). Staff responded that they are aware of Energy Trust's work, but it is unsure if they are plugged in directly. Staff added that the Resilient Efficient Buildings Task Force has a broad scope that it will learn more about soon. Energy Trust has provided briefings, along with many other organizations, on the current landscape.

Council members asked if Energy Trust offers modeling classes for customers (Lisa McGarity). Staff stated that it hasn't focused on it but is looking to learn from market research about some of the gaps in doing that modeling, along with who is the audience. As more gaps are uncovered, that may be something to pursue. Staff noted Energy Trust also does building energy simulation training and added that many of these modeling tools offer their own training. Energy Trust is faced with the questions of how to find a tool that can be used by those who are not full-time professional modelers and how to reduce that burden. Members added that the gap may be in the whole building retrofit, where they are required to do the upgrade, compared to New Buildings where a modeler is available in the design phase (Lisa McGarity). Staff responded that this applies in rural Oregon, where they often repurpose buildings rather than building from the ground up and may not have energy modelers to do the work.

Next Steps

Energy Trust is in the middle of market research now but should have some findings by this summer and will bring this information back to the council.

6. Member spotlight: Oregon Department of Energy

Topic Summary

Council member Andy Cameron and Government Relations Coordinator Christy Splitt provided updates on ODOE activities, including implementation of Senate Bill 1536, the Right to Cooling bill. Senate Bill 1536 passed in the 2022 legislative session, led by people of color and renter advocates. Several pieces of the legislation are on ODOE's to-do list. Senate Bill 1536 allocated a \$2 million grant administered via ODOE to Energy Trust to help landlords establish voluntary cooling spaces.

ODOE will also launch two heat pump programs. One program will involve landlords working through contractors to apply for funding under a \$15 million allocation, running through January 1, 2025. It covers 60% of costs but the agency can set the percentage for RVs and manufactured homes.

The second program has ODOE contracting with eligible entities to distribute the funds. There is a long list of regional administrators. Priorities are environmental justice communities or those without heating and cooling equipment. There is a \$10 million allocation without a sunset date. It covers 100% of heat pump costs. Staff is still being hired, which is a challenge right now.

ODOE is looking at federal funding with the State Energy Program (SEP). ODOE has \$730,000 per year. The federal infrastructure bill will provide \$6.5 million over five years. It permits a variety of activities, like home energy scores, electric vehicles, alternative fuels and more. ODOE is working on how to leverage these funds. A revolving loan fund is another focus. It allocates \$1.2 million for capitalization. It starts with conducting audits then doing the recommended upgrades. The auditor training program is a competitive application, focused on workforce development. ODOE is talking to stakeholders right now. Under the Energy Efficiency Conservation Block Grant 60% of state funds must go to local governments. Grid Resilience is a new program from USDOE with \$50 million in funding to strengthen the grid and reduce outages. What state agency the funds are allocated to is up to the governor. Another is cost effective code implementation for efficiency and resilience. The state can work with a partnership to implement building codes. \$225 million is available.

Discussion

Staff asked how Energy Trust received the cooling spaces contract (Jackie Goss). The statute specified a non-governmental organization, meaning that the legislature intended for Energy Trust to implement it (Christy Splitt). Staff added that Energy Trust is currently editing the statement of work with Oregon Department of Energy to work on program design and budget in order to launch the program as early this summer as possible (Tracy Scott).

Council members asked if ODOE sees some synergy with federal funding and the community renewable energy grant related to resiliency (Jake Wise). ODOE staff stated that opportunity announcements went out in March and applications will launch on May 23. The announcement gives everything people need to apply. ODOE is sending a poll to interested parties about extending the deadline. It has also held webinars for interested entities and has seen lots of interest (Christy Splitt).

Council members asked if ODOE has seen activity in partnerships for auditor training (Lisa McGarity). ODOE staff replied that they are still gathering input, but it is likely to exist (Andy Cameron). Energy Trust staff commented that as community-based organizations take on a greater role in serving customers, they have given feedback that some don't have that kind of training available. There may be an opportunity to support them with training (Marshall Johnson).

Next Steps

More information about the [federal infrastructure bill](#) is available online.

7. Public comment

There was no additional public comment.

8. Adjournment

The meeting adjourned at 4:30 p.m. Meeting materials are available [online](#). The next meeting is June 29, 1:30 p.m. – 4 p.m.