

## Key Takeaways

- 1. Load growth, decarbonization, resource price volatility and customer rate pressure will drive an increased value and scrutiny around energy efficiency, distributed energy, and demand response.**
  - Energy efficiency and distributed renewables must both grow to mitigate costly investments that would further increase utility customer rates and meet policy objectives.
- 2. Meeting energy efficiency targets will become increasingly important due to decarbonization goals, but also increasingly difficult to achieve. Hitting targets will require new program designs and funding mechanisms.**
  - Energy Trust will need to increase its risk tolerance and become more aggressive in acquiring savings, while still maximizing ratepayer funding and acting prudently.
  - Energy Trust and OPUC should collaborate to develop regulatory frameworks that better support flexibility and accountability, as well as portfolio and multi-year approaches to acquiring savings.
  - It's becoming necessary to approach all fuel types as a single energy system.
- 3. Over the next 5-6 years customers will need greater access to tools and information to manage their energy use and lower their electricity costs, while improving the reliability and resilience of the energy system.**
  - Increasing importance of managing peak loads efficiently
  - Energy Trust will need to evolve its offerings, its website and program marketing strategies, as well as its level of collaboration with other entities to meet those needs.
- 4. HB 2021's 2030 goals can largely be achieved through current energy efficiency practices, slightly higher levels of demand response, and increased investments in renewables and storage. The last 20% will be exceedingly difficult. Energy Trust needs to consider how to prepare for achieving 2040 goals in its planning.**

## Participating Companies:

1. CLEAResult
2. TRC Companies

## Key Takeaways / Insights

- 1. Energy efficiency is shifting from a stand-alone buildings-focused solution to one that is part of an integrated set of tools for achieving greenhouse gas emissions reduction and resiliency goals, with a stronger consideration for “who” benefits.**
  - A significant gap in coordination across these measures still exists. Agreement upon goals and metrics will be necessary to avoid market confusion, unintended consequences and to efficiently make progress.
  - This broader or more holistic view is introducing new technologies and infrastructure to consider in the portfolio of options, e.g., micro-grids.
  - Time and location of energy use, and therefore efficiencies and small-scale renewables, will become increasingly more important.
  - A customer-centric view helps ensure benefits from programs are being spread equitably.
  - Program implementors are making strategic investments to build capacity outside of energy efficiency to be able to offer more holistic services in anticipation of these changes.
- 2. Funding sources and industry actors are expanding, offering opportunities for innovation and flexibility while simultaneously creating complexity in the market and confusion for customers. Aligning these opportunities around goals and coordinating offerings to simplify options for customers will be important.**
- 3. While new technologies are promising and will be needed, the focus on them as the solution, both at the policy and consumer level will undermine the energy transition.**
  - “You can’t go from zero to heat pump in a home.” There are many other enabling measures that may be needed to support installations of efficiency projects and optimize energy use.
  - Energy Trust can step in and help drive a holistic approach that ensures important measures and opportunities aren’t missed.
- 4. Other states and programs, particularly California, are shifting cost-effectiveness measures from a program level to a portfolio level and integrating more non-energy benefits and “enabling measures” to reach more historically under-served customers.**
  - California changed to a two-pronged cost-effectiveness test, which allows for fuel substitution and electrification through energy efficiency programs.
  - California is testing a change to a total system benefit metric that includes avoided cost, impacts to the grid, and greenhouse gas emissions.
  - Exceptions tend to exist for residential and multi-family programs supporting priority customer groups. Small business is being left behind and programs with exceptions should also be considered for them.

## Category Synthesis: Program Management Contractors

5. **PMCs and PDCs experience challenges from program structure and administrative demands and compete with each other for implementation team partners. Workforce development will be key to meeting increased demand for services.**

# Summary: Trade Ally Network Perspective

## Overview of the Trade Ally Network

Energy Trust's Trade Ally Network is made up of over 1,600 independent contractors, new home verifiers, builders and engineers who provide services to customers directly. The key themes outlined below summarize interviews and direct feedback Energy Trust has received from Trade Allies.

## Key Themes from Trade Ally Interviews and Engagement with Staff

**Demand for services is high** and expected to increase

- Trade allies with extra capacity are expecting that to shrink in 2024
- Trade allies with no extra capacity are expecting that to remain the same in 2024
- Trade allies currently meeting customer demand are expecting that to remain the same or start to no longer meet demand in 2024

**Capacity for completing projects is a challenge** - the most commonly indicated barriers for completing projects are the following:

- **Workforce constraints** including recruiting, training and retaining qualified staff
- **Supply chain constraints** including sourcing qualified energy efficient equipment, avoiding delays in projects and working with distributors
- **Financial constraints** including inflation and interest rate increases, travel costs for projects and constant fluctuations in equipment costs

**Unique challenges faced by specific trade ally segments:**

- Firms that worked with **residential customers** were more likely to plan on engaging with **IRA programs** than the broader population
- **Certification Office for Business Inclusion and Diversity (COBID) certified or qualifying firms** are more likely to have **variable demand** for their services than the broader population due to seasonality of work (among other factors)
- More **rural firms** are more likely to have no extra capacity, or just meet demand for their services, compared to the broader population
- **Residential firms** were more likely to list **staffing as a barrier** to taking on projects than the broader population
- **Renewable energy firms** were more likely to list **finances and demand** as barriers to taking on projects than the broader population
- **Industrial and COBID certified or qualifying firms** were **less likely to list staffing as a barrier** to taking on projects than the broader population

**High interest in Energy Trust led professional development** – the top areas being:

- **Energy Trust specific training** on incentives offered across the entirety of the program, annual updates on programmatic changes, how to use Energy Trust provided tools and platforms, how to fill out forms, and other aspects of working with Energy Trust
- **Technical skills** including building controls, building and system modeling, on-site training for newer employees and how to ensure high quality work during installation
- **Business Management** support including funding and budgeting for upgrades, contracting and insurance, staff management policies and generally running a business

**Navigating multiple funding sources** is a challenge for trade allies

- Requiring contractors to take on additional administrative load such as income verification and site visits outside of their normal operation increases administrative costs for trade allies that can be a barrier for smaller firms to participate in offerings
- Funding provided to customers as an upfront cost reduction creates a barrier for contractors who do not have the capital to wait for long payment times

# Interview Summary: Lindsey Jones, Illinois Valley Community Development Organization



Category: Community-Based Partners

## Key Takeaways

1. Energy Trust provides a stable relationship-based funding opportunity, with ongoing conversation and support. The guidance, training and network of resources provided goes a long way. However, upfront capital constraints are limiting for a small, rural organization. Funding structured as a reimbursement is often not an option.
2. Through incentives and scale of project volume Energy Trust creates opportunities that would not otherwise be available to IVCDO and people in their largely rural, high-poverty community. There are additional opportunities for community or group-focused projects, particularly for solar, as opposed to individual homes or businesses (e.g. trailer parks, retirement facilities, etc.). There is also a need for more contractors who can install energy measures.
3. Places with a lot of ideological diversity, like the Illinois Valley, will require more nuanced communication of project benefits. Partnering with IVCDO, and other CBO's, ensures program messaging that resonates with the community.
  - Improved health, energy cost burden relief, infrastructure and resilience are all key benefits to message, whereas mitigating climate change often is not.

## Category: Community-Based Partners

### Key Takeaways

1. Seeds for the Soul views itself as an essential component of program delivery, helping community members understand program information and what is available to them. Continued support for community-based organizations will be critical to meeting program goals.
2. It is difficult for Seeds for the Soul to identify funding sources to support their existing revolving loan programs and their operations. This makes planning for future growth and stability challenging.
  - Grants are often project-oriented. Revolving loan programs and operational support don't fit within those funding parameters.
  - It is difficult to manage tradeoffs between program management and fundraising. Their lack of resources leads to missed funding opportunities. Obtaining more capacity-building funding will be really important.
3. Energy Trust provides needed support to community-based organizations:
  - A network of trade allies and other organizations that can support each other.
  - Funding that creates much needed stability.
  - Access to contractors in alignment with equity goals.
4. Opportunities for Energy Trust to improve its partnership with CBOs or improve its program offerings:
  - Create opportunities to share learnings and facilitate collaboration across CBOs to support service improvement and expansion.
  - Development of a strategy for CBOs to work together to pursue larger funding sources and deliver a more comprehensive suite of services.
  - Prioritization of no-/low-cost programs for a new lower-income tier of people who are in dire need, as opposed to middle-incomers looking for a price break.
  - Stronger support for community solar systems, specifically for income qualified people.
  - Better engagement with local governments to share and showcase the successes that result from working with community organizations and delivering effective programs.
  - Leverage local governments to promote programs and incentives and build awareness more quickly and efficiently

# Interview Summary: Cheyenne Holliday, Verde

## Category: Community-Based Partners

### Key Takeaways

1. Verde sees ample opportunity to expand efforts in the energy sector in the coming years.
  - Their geographic scope of services and programs is widening. Using its work in the [Northeast Portland] Cully neighborhood and the greater Portland area, it is demonstrating what's possible for communities across the state.
  - They plan to strengthen communities' presence in policymaking by teaching more community members how to bring their voices to those spaces, particularly to address inequitable access to resources.
  - Resilience is increasingly a concern. Verde wants to proactively develop their community's resilience to extreme weather and support economic resilience.
  - Verde Builds [a division of Verde that focuses on residential, commercial and public spaces construction and development projects] will shift its energy efficiency project approach to be more full-home, to resolve barriers to installation of energy efficiency and renewable energy measures (e.g., inadequate electrical panels), and make these projects as affordable as possible.
2. Verde appreciates Energy Trust's identification and coordination of funding sources for parts of a project they can't fund. This would be a valued service going forward.
3. Energy Trust could play a key capacity-building role in communities and organizations across the state.
  - Verde views Energy Trust's Solar Ambassadors program as a very successful approach that could be a model for developing similar programs with Verde and other community-based organizations.
  - Additional support and mentorship would help Verde grow. Areas include:
    - Workforce development – this is an area where Verde also plans to focus
    - Navigating the expansive and fractured landscape of potential funding sources
    - Management of project inquiries, such as call center services
    - Finance and data management systems and processes
4. There is a learning curve to working with Energy Trust. A new partner can find it hard to figure out the full scope of Energy Trust's work and how Energy Trust can help fill funding gaps.

## Category: Community-Based Partners

### Key Takeaways

1. Resilience is their community's paramount objective, and they are taking the initiative to improve it themselves.
  - There are concerns around electrification and how to handle power outages, especially for their most vulnerable community members. They are pursuing community backup sources of power and heating.
  - Wallowa Resources is working on a three-town micro-grid project that will serve 50+ locations with back-up hubs as a long-term solution.
  - Their 2024 agreement that is in development with Energy Trust will likely include funding to support resilience projects and community benefits.
2. Funding is the most likely factor shaping Wallowa Resources' future.
  - Pursuing funding requires significant time and technical knowledge. This is a huge barrier for smaller communities, especially those without a community organization supporting them.
  - The restrictions around Energy Trust and utility program funding create missed opportunities that would provide significant benefit to the community.
  - Wallowa Resources is considering pursuing independent funding streams to support projects for residences and businesses with hardships.
3. Community organizations need to be more proactive in looking out for their community from an energy and resilience perspective. In addition to addressing their own needs, Wallowa Resources sees vast opportunities to build capacity for communities without a community-based organization.
4. Wallowa Resources values Energy Trust's customer-focused approach and openness to assist however possible to further the community's goals.
  - The community-based partner understands how best to serve its community. Energy Trust respects that, rather than prescribing projects, solutions or preset agendas.
  - Energy Trust acts as a partner by connecting them with other organizations and communities that have similar projects, and they will collaborate to find pathways where there isn't an existing one.