

Conservation Advisory Council Meeting Notes

July 29, 2020

Attending from the council:

Alyn Spector, Cascade Natural Gas
Anna Kim, Oregon Public Utility
Commission
Julia Harper, Northwest Energy Efficiency
Alliance
Jess Kincaid (for Dave Moody), Bonneville
Power Administration
Cristian Salgado (for Jason Klotz), Portland
General Electric
Kari Greer, Pacific Power

Kerry Meade, Northwest Energy Efficiency
Council
Lisa McGarity, Avista
Rick Hodges, NW Natural
Tim Hendricks, BOMA
Wendy Gerlitz, NW Energy Coalition
Warren Cook, Oregon Department of
Energy
Charlie Grist, Northwest Power and
Conservation Council

Attending from Energy Trust:

Caryn Appler
Melanie Bissonnette
Amber Cole
Michael Colgrove
Ryan Crews
Hannah Cruz
Amanda Davidowitz
Becky Engel
Sue Fletcher
Fred Gordon
Jeni Hall
Marshall Johnson
Steve Lacey
Spencer Moersfelder

Alex Novie
Jay Olson
Kirstin Pinit
Thad Roth
Dan Rubado
Peter Schaffer
Abby Spegman
Kenji Spielman
Julianne Thacher
Jay Ward
Kate Wellington
Peter West
Amanda Zuniga

Others attending:

Dave Backen, Backen Consulting
Shelly Beaulieu, TRC
Tina Brooks, Pacific Power
Jon Eicher, ICF
Laura Hall, ICF
Lindsey Hardy, Energy Trust board
Elee Jen, Energy Trust board
Joe Marcotte, TRC
Alan Meyer, Energy Trust board
Whitney Rideout, Evergreen Consulting

Kevin Smit, NW Power and Conservation
Council
Jenny Sorich, CLEARResult
John Molnar, Rogers Machinery
Cindy Strecker, CLEARResult
Angel Swanson, ICF
Nick Dreves, ICF
Misti Nelmes, CLEARResult
Brian Lynch, AESC

1. Welcome and Introductions

Hannah Cruz, Energy Trust senior communications manager, convened the meeting at 1:30 p.m. The meeting was held as a video conference. Prior council meeting notes are posted [online](#) and the council accepted them with no changes. The meeting was recorded.

Hannah Cruz shared that Charlie Grist has announced his upcoming retirement. He has been on the council since 2015. On behalf of Energy Trust staff, Fred Gordon recognized his contribution to the industry and expressed gratitude for his counsel to Energy Trust.

2. Update on Residential Cost-Effectiveness Exception for Ductless Heat Pumps

Topic summary

Marshall Johnson of the Residential team provided background on the Oregon Public Utility Commission's approval of a residential ductless heat pump cost-effectiveness exception for units installed in homes with supplemental heat, which are to stay within a small percentage of overall ductless heat pump units installed by the program. Ductless heat pumps are the only measure in the Residential program with an exception.

Marshall Johnson gave an update on expected unit installations this year and a potential new collaboration in Southern Oregon. South Central Oregon Economic Development District (SCOEDD), with funding from the Environmental Protection Agency, plans to launch a program to support HVAC replacement and weatherization of 140 homes that meet federal low-income qualifications and that use wood for heating.

Marshall Johnson reminded council members incentives for this measure were updated in April and included increased incentives for community partners and a reduced standard incentive.

Discussion

Council members asked why standard incentives were changed in April (Wendy Gerlitz). Marshall Johnson explained it was related to equipment changes in ductless heat pump technologies and the fact that energy savings can be lower when replacing certain types of existing equipment, such as gas furnaces or wood-burning fireplaces. Members also asked whether there is confusion among trade allies with the different incentive levels (Lisa McGarity). Marshall Johnson said there could be and would like input from the council on how to mitigate this.

Members discussed whether to provide a higher incentive for ductless heat pumps installed in income-qualified homes. Marshall Johnson asked if council members felt there is benefit to providing a \$1,000 incentive for ductless heat pumps installed in income-qualified homes participating in a program like SCOEDD's even though it means not meeting the Utility Cost Test. Members suggested if the cost to the customer and energy savings can be balanced, then an exception might be worth pursuing (Alyn Spector). Members wondered if the ductless heat pump is the most affordable option (Alyn Spector). Members also requested more information about the change-out requirements and whether the SCOEDD program would be run through a community partner (Cristian Salgado, Rick Hodges).

Members asked if there is analysis of whether a gas-heating source or ductless heat pump is the more cost-effective option (Wendy Gerlitz). Energy Trust does not have this analysis to compare heating options as the organization is not allowed to encourage customers to switch their home heating fuel. Some council members expressed concern that Energy Trust isn't looking at such measures the same way as customers and suggested further consideration on the cost-effectiveness assessment, especially in light of the governor's executive order on climate change and greenhouse gas reductions (Wendy Gerlitz, Cristian Salgado).

Members asked how SCOEDD's program may dovetail with low-income weatherization programs. The SCOEDD program has the potential to triple the number of income-restricted homes served by low-income weatherization programs and by Energy Trust's programs, although the types of measures provided through all these programs will vary.

Members asked if participation in the SCOEDD program could disqualify participants from getting future weatherization upgrades that improve both the efficiency and health and safety of the home (Alyn Spector). It's understood that participation would not disqualify a customer (Lisa McGarity).

Members discussed how to account for the non-energy benefits that come from replacing wood heat with ductless heat pumps and whether those benefits are accounted for in Energy Trust's cost-effectiveness calculations, such as the reduction of woodsmoke particulates in the air and reduction of house fires. Council members cited various related resources from Bonneville Power Authority and the Environmental Protection Agency (Charlie Grist, Rick Hodges, Jess Kincaid).

Next steps

None.

3. Recent and Upcoming Changes to Energy Efficiency Measures

Topic summary

Marshall Johnson and Kate Wellington discussed changes to incentive levels and equipment requirements in the Existing Buildings, Residential and Existing Multifamily programs. These include new bonus offers and new measures that can benefit low-income and small business customers. Changes were made in support of Energy Trust's continual measure improvement process and response to COVID-19. Some measures launched this year instead of next year to respond to market needs.

Discussion

None.

Next steps

None.

4. Next Steps For Showerheads

Topic summary

Alex Novie and Dan Rubado discussed Energy Trust's potential next steps for programs that include showerheads. Energy- and water-saving showerheads have traditionally been part of Energy Saver Kits, multifamily Instant Savings Measures and existing and new commercial building offers. Showerheads are some of the most equitable measures offered by Energy Trust, enabling the program to reach new customers who often go on to participate in other offers.

Potential changes are being considered by Energy Trust as the NW Power and Conservation Council's Regional Technical Forum recently deactivated the measure as savings per unit have decreased over time. In addition, Gov. Kate Brown's Executive Order 20-04 is anticipated to include showerheads in its retail appliance standard. Most significantly, Energy Trust is considering moving away from offering mass market and retail showerheads in 2021 across most of its programs and offerings. Recent evaluation results indicated that savings projections appear to erode over time for showerheads in Energy Saver Kits that are delivered to single-family customers.

Removing showerheads from Energy Trust's offerings will likely have a notable effect on savings. For the New Buildings program, showerheads delivered primarily in new multifamily construction projects accounted for approximately 12% of gas savings and 6% of electric savings in 2019. For the Residential program, showerheads delivered through Energy Saver

Kits and retail channels accounted for approximately 8% of electric savings and 7% of gas savings in 2019.

Discussion

Members offered suggestions for other organizations to play a role in identifying these lagging markets (Rick Hodges).

Next steps

Staff will revisit this transition with the council at its September meeting. Staff also will follow up on the estimated counts of customers who have been served with past showerhead measures.

5. New Buildings Cost-Effectiveness Workshops

Topic summary

Jay Olson from the Commercial sector provided an update on recent workshops with the OPUC, Oregon Department of Energy and Northwest Energy Efficiency Alliance being held to determine a cost-effective pathway forward for the New Buildings program as the state moves forward with higher efficiency levels in the energy code. The workgroup is considering using a proxy value for building-wide savings and currently estimating what this value might be for a multifamily new construction building. It remains to be seen whether separate modeling would need to be completed based on building type.

Discussion

Members asked about past project cost percentage increases when codes changed (Lisa McGarity). Cindy Strecker with the New Buildings program management contractor explained that estimating these percentages can be difficult because data typically is building-specific due to the variety of nuances and details for each building, and cost changes are not isolated to energy-efficient construction changes or equipment installation is only and are influenced by other cost changes, like in materials and labor. Members suggested other resources that may show market-wide cost trends with code changes (Warren Cook).

Next steps

Staff will return this fall to hold a more in-depth conversation with the council about the recommendations from the workgroup.

6. Community Engagement Guidelines Development

Topic summary

Energy Trust's Sue Fletcher and Ryan Crews presented work to establish Community Engagement Guidelines for the organization that will be used by staff to prioritize and determine how Energy Trust can support a community's clean energy goals. The guidelines will primarily focus on geographic communities and community organizations but could be applied to other types of communities. The goal is to help Energy Trust respond more effectively to opportunities that come to Energy Trust and to help staff be more proactive in its pursuit of relationships with communities.

Discussion

Asked to provide input about the community priorities council members are hearing and whether they relate to energy, members suggested priorities including diversity, equity and inclusion and budget shortfalls due to the economic stress of COVID-19 (Lisa McGarity). Members recommended success factors in engaging communities, including being humble, direct, communicating the benefit of the program or relationship to the organization, participation in local community council meetings to hear their priorities and recognizing leaders and influencers from communities (Cristian Salgado). Members also reinforced the importance of creating a customized approach to deploy services and meet community needs (Warren Cook).

Next steps

Staff will continue to update the council as guidelines are developed, as specified in Energy Trust's 2020 organization goals.

7. 2021 Budget Engagement Schedule

Topic summary

Melanie Bissonnette reviewed the 2021 budget engagement schedule and opportunities for council members to provide feedback during regularly scheduled council meetings in September, October and November.

Discussion

None.

Next steps

Council members were encouraged to participate in upcoming budget engagement opportunities. Reviewing and providing feedback to staff and the board on the budget and action plans are a primary responsibility of the council.

8. Energy Trust Support for PCEF Applicants

Topic summary

Hannah Cruz provided an update on the support resources Energy Trust is preparing for potential Portland Clean Energy Community Benefits Fund applicants. Energy Trust's focus is to help nonprofits and their partners applying for PCEF grant funding become aware about the programs and resources available through Energy Trust that may support their proposals. For example, Energy Trust data regarding local housing stock and neighborhood demographics could help an organization determine where to target their proposed PCEF projects. To that end, Energy Trust is listening to organizations participating in PCEF for ways Energy Trust could support these organizations and their proposals.

Discussion

None.

Next steps

None.

9. Public Comment

There was no public comment.

10. Adjournment

The meeting was adjourned at 3:58 p.m. The next Conservation Advisory Council meeting will be held virtually and is scheduled on September 16, 2020.