Existing Homes

Marshall Johnson | Sara Fredrickson

Overview:

For 2015, key program design components will include the following strategies, objectives and goals.

Major strategies for Existing Homes include:

- Redesign program elements to further cost effective delivery approaches to meet utility cost test for gas and maintain UCT compliance for electric
- Incorporate design elements into trade ally support, including the trade ally network structure and quality assurance alternatives, customer experience and marketing/outreach, with attention to maintaining value to all customers while directing program dollars to reach customers with highest savings potential
- Manage trades to ensure awareness and fair opportunity to participate in new or changing program offers
- Continue to advance core measures through market engagement activities utilizing upstream incentive structures, innovative product promotions and customized trade ally or market actor offers
- Continue to evolve program offerings through analysis and evaluation to maximize cost effectiveness, savings and program benefit cost ratios
- Assess new and/or alternative savings opportunities to improve cost-effectiveness of program portfolio
- Focus on administrative cost reductions and program design approaches that address cost effectiveness
- Conduct pilots to test savings strategies, investigate cost-effective technologies and better understand the best way to incorporate innovations into the program
    - Develop and implement pilots that aim to discover cost-effective electric savings in anticipation of reduced savings from CFLs and lower avoided costs
    - Investigate gas savings opportunities through innovative approaches to address portfolio challenges due to low avoided costs and removal of gas weatherization measures

There are several challenges to address in 2015 to reach these goals. Challenges include:

- Different incentive structures for gas and electric measures, related to removal of core gas savings measures: wall, floor, knee wall and duct insulation and whole-house air sealing for gas and electric
- Finding cost-effective alternatives to instant savings measure (ISM) savings to support program goals to reduce long term reliance on ISMs

- Tradeoffs related to program delivery budget reductions
- Program alignment with market shifts in equipment costs, availability and specifications

Budget and Savings Overview:

2015 Budget				
Utility	Portland General Electric	Pacific Power	NW Natural	Cascade Natural Gas
Incentives	$4,448,134	$3,822,648	$2,165,174	$92,537
Electric Savings (kWh)	23,194,579	17,427,534		
Gas Savings (therms)			839,780	38,543
2014 Budget				
Utility	Portland General Electric	Pacific Power	NW Natural	Cascade Natural Gas
Incentives	$4,507,519	$3,542,799	$4,433,555	$182,954
Electric Savings (kWh)	26,021,507	19,611,614		
Gas Savings (therms)			1,181,808	41,899
Net Change				
Utility	Portland General Electric	Pacific Power	NW Natural	Cascade Natural Gas
Incentives	($59,385)	$279,849	($2,268,381)	($90,417)
Electric Savings (kWh)	-2,826,928	-2,184,080		
Gas Savings (therms)			-342,028	-3,356

Achieve a total of 38,277319 kWh and 840,397 therms.

- 36,437,935 kWh and 840,936 therms savings through the program tracks implemented by CLEAResult
- 2,901,089 kWh and 34,478 therm savings through Opower efforts managed by Energy Trust

- Behavior savings reduction from 2014 budgeted levels by approximately 15% to electric and by 85% to gas
- Overall Gas savings down by 5% because of loss of core weatherization measures for seven months of 2015-
- Increases in electric equipment volume and inclusion of LEDs are the biggest factors in electric measure mix adjustment

Existing Homes

Goals: Measure-level Savings

- Collaborate with utilities on promotions and outreach to drive efficiency upgrades
- Increase uptake of heat pump and ductless heat pump measures through strategies such as competitive bidding and streamlined purchasing options
- Increase water heating measures as an important part of long-term savings goals and streamlined purchasing options
    - Design upstream strategies to influence stocking of energy efficient equipment to expand consumer choices during emergency purchase
- Expand on NEEA's efforts with manufacturers and installers to foster growth in heat pump water heaters
- Collaborate with distributors selling qualifying products to influence the installation of higher efficiency gas furnace models in single-family rentals
- Expand self-install measures and simplify requirements
    - Explore buy down options for higher cost self-install measures such as LEDs and smart thermostats
    - Expand self-install incentives and alternative delivery mechanisms for smart thermostats
- Support expansion of on-bill financing beyond Savings Within Reach
    - Explore the development of on-bill finance and direct referral strategies to support water heater emergency replacement savings
- Develop additional delivery strategies for direct install measures including targeted direct install efforts, program ally engagement, and contractor-identified opportunities
- Define a cost-effective LED offering to include in direct install and Energy Saver Kits
- Continue developing new measure offerings to replace discontinued gas measures and explore innovation of electric savings measures
    - Inclusion of 8.5 HSPF heat pumps in Existing Manufactured Homes retrofits
    - Analyze results from 2014 ductless heat pump promotion and expand flat rate offerings in existing manufactured homes
    - Implement direct install of Nest thermostats in manufactured homes
- Review results of prescriptive air sealing specifications combined with ceiling insulation pilot to understand options for inclusion in program offerings
- Research savings validation for DHP replacing non-electric heat sources, such as wood stoves, to support energy efficiency upgrade opportunities, especially in Southern Oregon
- Collaborate with low-income agencies to replace and recycle old, inefficient refrigerators
- Plan for gas avoided cost changes in 2016

- Continue to explore and implement behavior savings strategies
    - Complete existing Opower effort to high use Pacific Power customers
    - Establish new behavior savings initiative for PGE and NW Natural customers, based upon the results of 2014 RFP for innovated behavior strategies

Goals: Trade Ally and Market Engagement

- Improve efficiency of trade ally management based on the prioritization of savings, enforcement of participation requirements and opportunities to deliver unique program offerings or promotions through 3-star trade allies or via competitive RFQ processes
- Support strategic utilization, additional development and roll-out of TA Portal phase 2
- Adapt trade ally quality management practices to reduce program administrative resources, including:
    - Create mobile/online tools for contractor-centric QC data collection and reporting for trade allies to feed electronic information into the program
    - Develop data-centric analysis methodologies to guide program-delivered field QA
    - Implement a revised quality assurance strategy that engages market actors to deliver field QA, reduces program in-field services and utilizes data to verify quality installation of projects
- Continue to collaborate with CCS on Roundtable format changes to better engage market actors, such as distributors, lending allies and real estate allies in program activities
- Evolve distributor SPIF offer to drive installation and improved incentive application submission for qualifying measures
- Evolve the EPS program track to increase market uptake in compliance under HB 2801, with emphasis on program design that serves both Metro and non-Metro areas
- Collaborate with partner agencies in non-Metro regions to increase uptake of efficiency measures and application submissions
    - Work with SCOEDD to increase DHP and weatherization measures in Southern Oregon
- Promote financing options to contractors, including lending allies and on-bill, to reduce cost barriers to customer participation in making energy efficient improvements to their homes
- Collaborate with market actors to promote incentives through channels which may include Smart Water Heat, NW Ductless Heat Pump Project, Ecorebates and Ecotone, among others

Goals: Customer Experience

- Guide customers to action through strategic targeting based on usage, demographic information and housing characteristics to reach customers with the highest savings potential
- Leverage automated email communications throughout the year that best utilize customer information to promote program participation
- Continued refinement of customer services goals to evolve contact center requirements that address quality customer service, operational efficiency, staff cross-training and prioritization of savings acquisition while balancing the need to achieve administrative cost reduction goals
- Emphasize electronic online interactions with customers
    - Improve customer experience through utilization of automated email communications triggered by program participation
- Collaborate with utilities to do joint media campaigns that maximize/reduce program marketing budget
- Leverage trade allies as salesforce in providing program marketing and customer service
- Integrate lending options into the customer engagement process
- Continue to improve incentive application data submission
    - Simplify application requirements and removal of 'nice to have' data fields leading to expedited processing, decreased DNQ and missing information
    - Promote instant incentives
    - Increase emphasis and value from online forms
    - Continue development towards paperless processing
    - Utilize electronic terms and conditions and signatures
- Assess new strategies for Home Energy Review delivery that improve cost-effectiveness of home audits while adhering to ORS 469.633
    - Discontinue program delivery of in-home audits
    - Modify delivery of enhanced "Evaluate Your Home" services that inform customers of their energy-saving opportunities through online tools
    - Continue to offer on-call staff for homeowners to talk to an Energy Advisor

Home Performance with ENERGY STAR®

Goals:

- Continue to support Home Performance with ENERGY STAR through sponsorship agreement with USDOE
- Collaborate with Clean Energy Works and the Home Performance Guild of Oregon to support the Home Performance market and strategies to deliver cost-effective savings

- Support Energy Trust and Clean Energy Works contract through incentive processing
- Discontinue the Home Performance Assessment Incentive
- Addition of a multi-measure bonus for qualifying projects

Savings Within Reach

Goals:

- Continue to support moderate income customers while maintaining program cost effectiveness goals
- Review/adjust Savings Within Reach measures to meet cost-effectiveness requirements
- Promote Savings Within Reach on-bill repayment product
- Monitor the uptake and success of the moderate income loan product, which includes on-bill repayment, no participant fees, and no upfront costs to Savings Within Reach participants with PAC, PGE, and NW Natural as the primary heat source
- Continue to offer instant incentives for SWR customers provided through their contractor's invoice as a reduction in the total project cost
- Continue coordination with CAPO to best serve customers and ensure clear awareness of eligibility between Savings Within Reach and low income options

Existing Manufactured Homes Free Service

Goals:

- Support trade ally network and delivery of Existing Manufactured Homes free services
- Support participating trade allies in targeting parks with opportunity

Schools

Goals:

- Coordinate with Resource Action Program to deliver LivingWise Kits to 6th grade classrooms with overlap in Pacific Power and PGE territories
- Evaluate success of parent engagement strategy from fall 2014 and implement improvements

Risks and Considerations:

- With EISA coming into full effect and the LED market rapidly expanding, the lighting market is in a period of transition and savings from CFLs are uncertain. Budget and measure buildup are based on inclusion of LEDs starting January 1, 2015
- Understanding consumption data for customer homes will be important to targeting priority measures. However, systems, data utilization protocols and marketing campaigns through CRM will need to be fully developed to maintain a high level customer experience

- Gas weatherization avoided costs have required the program to reduce incentives, eliminate measures, and change measure level requirements to the point that fewer projects qualify, impacting therm savings potential
- Discontinuation of in-home audits comes with risks and considerations:
    - Will maintain compliance with ORS 469.633 through online Home Energy Profile via the online option
    - Budget and measure buildup are based on discontinuation of HERs starting January 1, 2015
    - Impact on customer experience through a transitional phase
    - Significant reduction in program delivery costs including decreased IT support of Custom Home Energy Report and measure updates to the field tool and XML, removal of financial audit certification process, reduction in call volume and scheduling time, reduced management overhead of logistics, and reduction in marketing and events
    - Reduction in savings from direct installs can be made up through contractor-ordered Energy Saver Kits, an effort being tested in 2014 to address historical challenges identified through contractors participating in Trade Ally Direct Install (TADI) offering
- Ductless heat pump average installed costs are close to the maximum to support TRC cost effectiveness test requirements. New strategies are in place to segment costs starting January 1, 2015
- There may be a decrease in general awareness of Existing Homes offers due to an increase of targeted marketing and reduction of field services
    - This risk will be offset by maintaining Outreach and Events budget to participate in home-improvement events throughout service territory
- Multiple program delivery and processing improvements which will lead to operational efficiencies rely on several factors:
    - Budget and resource availability for improved systems for data collection
    - Reduced requirements for processing/approving applications
    - Development of tools for trade allies including mobile applications for collecting data related to ISMs
    - Market based systems to support EPS deployment
    - Customer experience automated email communications