CONSERVATION ADVISORY COUNCIL
Notes from meeting on February 13, 2013

Attending from the Council:
Garrett Harris, Portland General Electric (for Anne Snyder-Grassman)
Don MacOdrum, Home Performance Guild
Juliet Johnson, Oregon Public Utility Commission
Don Jones, Jr., Pacific Power
Scott Inman, Oregon Remodeler's Association
Holly Meyer, NW Natural
Jim Abrahamson, Cascade Natural Gas
Bruce Dobbs, Building Owners and Managers Association
Brent Barclay, Bonneville Power Administration
Marlowe Kulley, City of Portland (for Andria Jacob)
Wendy Gerlitz, Northwest Energy Coalition
Jon Belmont, Oregon Department of Energy

Attending from Energy Trust:
Kim Crossman
Oliver Kesting
Tom Beverly
Marshall Johnson
Matt Braman
Fred Gordon
Jessica Rose
Spencer Moersfelder
Paul Sklar
Scott Van Swearingen
Dan Rubado
Elaine Prause
Steve Lacey
Thad Roth
Amber Cole
Jackie Cameron

Others attending:
Jeremy Anderson, Weatherization Industries Save Energy
Josh Weissert
Kendall Youngblood, PECI
Tim Davis, Conservation Services Group
Nick Michel, Lockheed Martin
Anne Curran, PECI

1. Welcome, introductions and 2012 preliminary results
Kim Crossman convened the meeting at 1:30 p.m. The agenda, notes and presentation materials are available on Energy Trust's website at www.energytrust.org/About/public-meetings/CACMeetings.aspx.

Kim gave an overview of the agenda: We will be reviewing preliminary 2012 results. The dashboards are a great representation of results, but it's not on the agenda to dive into them too deeply. We will be revisiting cost-effectiveness. The residential deemed savings calculator, Existing Multifamily changes and rooftop tune-up items all relate in some way to the overall discussion of cost effectiveness that we've had in the last several meetings. We will also do a deep dive on one of the commercial, cutting-edge pilots with Phil. The piece about serving on the Conservation Advisory Council will be last. It's the beginning of a discussion that may come back in the next council meeting.

Kim: The preliminary results show the best numbers we have at the moment. We saved 52.9 average megawatts; about 10 percent more than last year. We saved 5.9 million annual therms of natural gas; also about 10 percent over the prior year. What we don't see here are individual program goals, and we want to do a shakeout of the numbers, first. Production Efficiency had the most electric savings in 2012, and Existing Buildings is close behind. Existing stock in all sectors were big.

Scott Inman: Where does multifamily fall?
Kim: In Existing Buildings.
Scott Van Swearingen: It's about 10 to 15 percent of Existing Buildings' savings; and this year's savings are an increase from prior years.

Juliet Johnson: What's the biggest slice of Existing Buildings?
Oliver Kesting: Commercial office and retail lighting.

Kim: We did a lot of trend analysis last year, and came to the council with this in-depth data from March through May. We'll be doing those again for 2012, along with presentations, on about the same schedule this year.

Kim: Cascade Natural Gas therm savings are looking great this year, and that's an area where we typically struggled to meet goals; but not this year. We reached 99 percent of stretch goal.

Jim Abrahamson: At the next council meeting we will probably get to the dashboard, and I want to get deeper into the numbers. Instant-savings measures and kits accounted for a big piece of Existing Homes savings, and we'll need to dive into that the next time around. We need to get behind those numbers and see what's actually there.
Kim: That would be part of a deep dive trends presentation. Just to clarify, you are asking for specifics on the Existing Homes portion of Cascade Natural Gas savings, which is 82,000 therms of the 431,000 therms saved in Cascade Natural Gas territory overall, is that correct?. We may not be ready to address it today.
Jim: I want to put it out there for the next time around.

Kim: The trends analyses are the best place where we really parse things out. My understanding is this was a very successful year for renewables, as well. There are good numbers from wind and hydro.

Elaine Prause: We had a great year, and are very happy with the results.

Kim: It's hard to imagine that we continue to ramp up each year, especially when we have already been ramping at these levels for several years.

Juliet: It's surprising to me that Existing Buildings is so high. I would expect homes to account for more.
Don Jones: One reason is that there's a good run on lighting retrofits, because of the change this year.
Kim: Existing Homes represents the lion's share of gas savings. On electric, Production Efficiency is the highest; which is pretty close to typical savings. Add in New Buildings and Existing Buildings and we are way up.

Brent Barclay: Is lighting in industrial facilities served by Production Efficiency or Existing Buildings?
Kim: It's served by Production Efficiency. We don't split it by technology but by building type.

2. Cost-effectiveness update

Fred Gordon: This is a brief update on cost effectiveness, and you have heard details about most of this at past council meetings. Our appeal for home weatherization and solar water heating was approved a few months ago. The New Homes, New Buildings and Existing Buildings measures appeal hearing is scheduled on March 12.
Juliet Johnson: Tentatively, yes.

Fred: There are a bunch of measures on the gas side that I won't go through again, since you've heard them twice. We are asking for time to assess whether each measure has potential for market transformation, or for other exceptions that are part of the UM-551 cost-effectiveness rule. Based on further discussions with OPUC staff, we have now proposed to do this review of measures within six months, and then propose to the OPUC which measures to keep. We're trying to clear things up in time to do our planning for 2014. The appeal also recognizes that the primary purposes of New Homes and New Buildings programs as a whole are market transformation, and they should not be judged on a year-by-year basis. We are operating as if the appeal goes through, until we are directed otherwise.

Juliet: Like last time, we'll take it to a public meeting for the commission to consider. We'll circulate the memo to council members before the meeting, and your comments are welcome. We'll give you about a week or two to send comments back to us.

Marla Culley: So, you have two years to analyze and present the findings to the commission?
Fred: We offered to do it in six months, propose the measures that would pass the tests on a one-off basis, and then we'll decide on the best timing to make changes.

Holly Meyer: If you have six months to decide, what happens in March?
Fred: That's when the OPUC decides on the appeal, which includes the provision of the six-month process to review measures. If they decide to accept these things as market transformation, we can take a longer view of what to do with them.

Kim: It seems like our 2013 theme is cost effectiveness. We will visit and revisit it, and how it comes up in our programs. It's a topic that only a handful of people thoroughly understand. If we can do more to help all of you understand it, we will discuss it further to give you the knowledge and tools to better understand it.

Fred: My group could give a training on it soon, and council members could take advantage of that.
Juliet: That may be a good idea.

3. Deemed savings calculator to inform residential decision making
Matt Braman: Many of you have heard of the savings estimator. PECI, Clean Energy Works Oregon and Fluid all helped with this tool, and we thank them for all of their efforts. It's a database object that integrates into our systems to develop measure-level savings estimates. You provide a recommendation and this returns estimated savings. We can adjust savings estimates based on users' bills to give better recommendations. It can separate water heating and space heating loads, and lets us tell people where to focus their efforts.

> We now have years of stable results from many measures, and we can use that data to tell users what past participants have saved. It's simple and flexible, and we can add new measures easily. It can also help with measures where we don't offer incentives; gas furnaces, for example. We can still recommend they upgrade to a high-efficiency gas furnace and show the savings.

Holly Meyer: Even though there's no Energy Trust incentive, we can still show a big incentive, the savings.

Matt: Now, let me list off what the tool isn't. It's not a modeling tool. It can utilize customers' bills, but it doesn't require them. If a homeowner or contractor wants to enter a bid, it can use that cost to show project payback. It can be used by Clean Energy Works Oregon, our Home Energy Review report, consumers, our online audit tool and with Imagine Energy's tool.

Holly: Imagine Energy's savings numbers could be different than yours. What's the mechanism to reconcile the two?
Matt: Basically, their tool would provide the recommendations and our tool would use those for the savings estimates.

Matt continued: Historically, CSG's software modeled the home to provide a home energy report, and homeowners liked that report format. We continued using the report, but with program changes, we needed to find a new way to populate the report. The estimator takes information from FastTrack, our program tracking database, does the estimate and sends it back. We'll just show savings and incentives, but not payback, because we don't have costs.

> Right now, all the pieces and tools are still being tied together; and that's the hard part. By the end of February, we'll include it in the new Home Energy Review Report. That's phase one. Phase two will be development of a new customer facing tool. Customers can enter their own utility bill numbers and cost estimates into the tool, at that point.

Marlowe Kulley: Will they be able to log into it?
Matt: We don't want to do that, yet, and we need to do further work on it.

Scott Inman: Who decides what will be a recommended measure?
Matt: The home energy reviewer or contractor would determine that.

Scott: Would it make sense to include everything that's not up to current requirements?
Matt: We can add things later on. With replacement windows, we are trying to tell the homeowner what they will see happen to their bills. We can use their existing and new conditions, and they'll see a larger savings estimate if they have single-pane windows than double-pane windows. The tool avoids showing incremental costs and savings, which are harder to explain.

Wendy Gerlitz: If a customer puts in their bill information, how many months will they need to make it work?
Matt: We need the past 12 months to separate heating and other loads.

Wendy: By partnering with the utilities, can't we make it easier for the customer to get that information? Could you have some mechanism for letting utilities know the customer had a review, so they can provide the billing data?
Don Jones: Don't we push that data to you, already?
Matt: Yes, you do. We are looking into that for phase two. We are starting with customers entering it, for now.

Jim Abrahamson: It seemed like a Home Performance audit in earlier conversations. This is not just with a reviewer? Is it the online tool, also?
Matt: This is when someone actually goes into the house.

Matt: Home Energy Reviews won't change at all, it is just the way that we are using the information that is already collected.

Scott: But this can be made into an online tool for consumers?

Matt: That will be phase two, and we are also working on a contractor version that can be used as a sales tool.

Garret Harril: Are you going to give the customer lots of options of what they are looking for, so they can be more accurate?
Matt: We would like them to have a bid in hand so they aren't driving blind.
Fred: Basically, this is at the end of a long decision tree. It helps people see how things work out.
Matt: Right. We already have an online audit tool, and this comes after it.

Jim: There is a certain savings number associated with each Home Energy Review; including instant-savings measures. Will there be any savings from the Home Energy Review beyond that? If the customer did the recommended, non-incentive measures, would there be any therm savings?
Matt: It's a good case, but that's not the intention.

Don J: So this replaces CSG's tool?
Matt: Partially, but this will add more such as the consumer web tool and contractor sales tools.

Scott: It seems like there's a lot of overlap with the existing tool.

Kim: Would it be accurate to say that a primary purpose of the tool is to get past the barrier of customers doubting that energy savings are real?

Scott: I get my monthly Opower report each month, and it's a one-page comparison of my home vs. my neighbors' homes. It's a great tool for me. It can't be that expensive to send. This could be another tool like that monthly report.

Matt: There will be a close connection between the online tool and the existing consumer tool, so they could become more merged over time.

Charlie Grist: How did you vet performance and calibrate it? Where does your confidence come from?
Matt: We started with measures where we have stable results over time. We used billing data. We found we could separate water and space heat by isolating seasonal loads. We made some assumptions on electric water heat.

Charlie: Does someone get to identify that they have electric water heat?
Matt: Yes, they get to do that for water and space heat, but we are trying to keep it simple. It's not meant to be a modeling tool.

Charlie: It sounds like there's a billing data calibration with this one. There are a bunch of these tools out there, and each one does it differently. You've got a lookup table populated with typical loads for different configurations, and that gives you a baseline.

Don J: What will you use for savings reporting?
Matt: This is independent of any savings we would report.

Don J: Could you pick up this report and use it to report savings to the OPUC? Would the estimate match up with what you end up reporting?

Matt: In many cases the deemed savings are the same as we use in this report, but not all cases. We have more flexibility to provide homeowners more site specific information using the Savings Estimator.

Don MacOdrum: Will your disclaimer be complete? What years are in the set of data to build the averages used for deemed savings?
Fred: We use the most current year we can get. In some cases it's 2009, but it uses the closest three years' worth of data.

Don M: I know this is based on maturity of different programs and the result of a well-supported contractor network.

Matt: We will start engaging with trade allies on the contractor tool, and we don't have a report for them right now for Home Performance. Next Tuesday, we will start engaging the Home Performance contractors to learn what they want from this as an optional sales tool. It will go beyond Home Performance, over time.

Holly: How will it handle the fuel switching situation?
Matt: It will only work with the existing fuel type. It won't run "What-if-you-switched-fuel?" scenarios.

Don M: Does it show a combination of savings and dollars?
Matt: Yes, it's a three-year or five-year option.

Juliet: Refresh me about the payback requirement?
Matt: We want to provide the homeowner with payback information, and find out if they'll still do some measures to save energy, despite long payback periods. If we still see the same level of uptake, we can tell they are motivated by other reasons.
Fred: Our big cost-effectiveness problem is what the measures cost. We want to see if that information leads to some moderation on the high end of the costs.

Jeremy Anderson: What's the unit you use? Is it per house, per square foot, number of rooms or something else? What about windows?
Matt: A home energy reviewer estimates square footage. Windows would be per square foot installed, but it depends on the measure. We would estimate the incentives also.

Kim: Does the group want a demo of the tool?
Holly: Can we see it compared to Energy Savvy and Aclara to better understand the options?
Kim: We'll see what we can do.

Holly: When it comes to the customer using this on their own, the need isn't as clear to me. If I already have a contractor bid, as a homeowner, I'm not sure if I would go to this tool to plug the bid in.

Scott: How is this different from something like Energy Savvy? Does it show savings in different ways?
Matt: Energy Savvy only shows aggregate savings, but this will show measure level.

Scott: Energy Savvy doesn't give you the full range of possibilities.

Kim: When this comes back for a demo, we can talk about the proliferation of tools.

4. Existing Multifamily weatherization changes
Paul Sklar: Small Multifamily was served by the single-family program until recently, and we wanted to bring them together within large Multifamily. It would help us leverage the Oregon Department of Energy's small premium project package, and remove the non-cost-effective gas measures. The gas cost-effectiveness ratios were quite low for both large and small multifamily. Ceiling and floor insulation were not cost effective for gas-heated, small multifamily projects.

Charlie Grist: Where did the data come from?
Paul: We used data primarily from the last year, and removed the tax credit. Many of these are measures where we've had stable savings numbers.

Charlie: Even in the combined benefit cost ratio, the number is minus tax credits? That's really low.
Jeremy Anderson: These look pretty similar to the single-family numbers. When you take tax credits into account, you would expect the numbers to look better. Why aren't they?
Paul: We've seen this in single-family, too. In this program, heating loads are lower because of shared walls.

Paul continued: Results are very similar for wall insulation. Knee wall and rim joist insulation didn't really apply to some projects, but they aren't cost effective for gas. The overall impact on multifamily, on average, is less than 5 percent of gas savings in 2013. The Existing Buildings impact is less than 1 percent of gas savings. So it's a very minimal savings impact on Energy Trust. We determined that Multifamily will no longer offer incentives for ceiling and floor insulation with gas space heat. Small Multifamily will lose wall insulation and rim joist insulation.

Bruce Dobbs: Did you look at fenestration?
Paul: We didn't include it this time.

Bruce: Envelope measures, excluding windows, don't have a huge impact on Multifamily. Windows are expensive and don't pass the societal test, but they save a lot of energy. With prices going down for gas, people tend to want to use more because it's cheap. We are pushing to use less.
Kim Crossman: You're right, and that's the bigger issue.

Don Jones: Wasn't this part of the cost-effectiveness discussion for single family?
Fred: I think we left things less than clear. We discussed single family and put together a business case for it. We said we would work hard to drive costs down and savings up. These measures were such a small part of the program we had a hard time trying to imagine how we would work to lower the cost.

Don J: We shouldn't drop gas measures and miss opportunities, since we never know if the prices will stay down.
Fred: We were really unable to put a case together that we could accept internally. In Oregon, we do cost effectiveness at the measure level; not so in Washington.

Juliet Johnson: I am still thinking about this, but one option would be to propose continuing them. The commission hasn't said they will look at the cost-effectiveness matter, yet.

Wendy Gerlitz: Has anyone looked at these measures as part of a bundle that's typically done together to see if they pencil out as a group? Maybe that way you keep the measures, don't miss opportunities and they can be cost effective.

Paul: I haven't done that, and it would be interesting to do, but we would have to see if one measure drives the rest of them.

Don J: You've got a trade ally team targeting Multifamily, which is a hard-to-reach market, low gas prices and an OPUC willing to look at the long-term premium values of gas. I might not want to keep single-family going, and not do this, too. We understand that the cost test doesn't make everything come to a stop. I think that for a limited period of time, you should keep these in at the lowest cost you can.

Holly Meyer: What should we do today? What should the council provide?
Kim Crossman: We thought we may have had a process misstep, internally, because we had done a lot of work on this and not brought it to the council. It was small enough as a percent of Multifamily savings that we thought it didn't need discussion here. We re-thought our decision, and brought it here because it's part of the cost-effectiveness discussion. There is a plan to change these measures, and this is really more of a feedback item, so the discussion is great. It will help us rethink all of this. If something changes we will end up coming back.

Fred: We started out thinking that this looks expensive and isn't cost effective; plus, it's a small part of the program, so is it worth the political capital and time to appeal it? For less than 1 percent of Existing Buildings savings, should we bother with it? I'm hearing that we should drop these measures because the overall amount of cost is small and that we should keep them because the amount of savings is small. Both arguments I'm hearing are equally logical. Some folks are less than sure that we should cut these loose. There are concerns about consistency with the single-family program, and the limited number of gas measures. Also, I'm hearing an argument that "things like avoided cost might change." We haven't appealed any measures to the OPUC yet solely on the basis that things may change. It's difficult for the OPUC to set rules and make decisions solely on that basis.

Kim: If we had to be selective about exception requests, what should be our criteria: savings, equity or impact?

Wendy: You've got some exceptions, so are more coming?
Fred: The second big programmatic exception one was supposed to be the last one, but there may be measure-specific requests later on. We don't want to create a bad impression with the OPUC by asking for another exception every month.

Jim Abrahamson: This is something that normally would come in at the program level. It probably sparked calls to Holly and me because they were gas measures, and we don't have many gas measures left. What comes to the council will probably vary from instance to instance.

Holly: It seems that when things are on the margin, you make tweaks and get a two-year exception. It feels more like a tidal shift that's happened. It's not little things; more major shifts. Because it's a small budget, it's maybe good to make the exceptions while we look at the more fundamental cost-effectiveness tests. We shouldn't drop these measures that don't cost much until we figure out the big picture. Maybe we need a half-day workshop on what's included in the cost-effectiveness tests? It will allow us to give more educated feedback.

Don M: I agree with Holly's statement. I hope we're in a two-year revision process. When we ask the questions, we need to know a little about them, so we understand the types of answers we will get. At ACI Northwest, Charlie's cost-effectiveness presentation landed in the room with a thud because people realized it's more difficult to understand than they first thought. A cursory knowledge will help.

Charlie: UM551 has a well-crafted list of exceptions, and that's where we should go. On the electric side, there's a different premium adder for lost opportunity vs. other measures. In other words, there is some value to getting the savings later instead of missing the opportunity. With retrofits, there are times you shouldn't do them because they are too expensive, and other times you should look at them.

Don J: We know that some lost opportunities for retrofit are created by purchasing cycles and psychology involved. If we already have a crew of contractors there, we should try to make the investments while they are there.

Wendy: We don't want to lose the opportunity we could have by bundling things together. We may be missing an opportunity to install a measure that won't come back around. You run the programs and know what people are doing, and you can look at bundling in a way that makes sense.

Scott Inman: The only thing with forcing customers to buy a package is if you require one measure to be done, you don't risk anything; but if you require two things in a package, you risk losing both.
Wendy: I don't mean to get rid of the individual measures; just offer packages.

Jeremy: The way contractors sell multifamily is that landlords want windows, but they'll do other things while we're there. They don't care how much their tenants pay on utility bills, so they wouldn't do other things on their own. It's a lost opportunity if you don't do it when windows are installed. The same strategies for cost effectiveness in single-family can be used on Multifamily.

5. Commercial rooftop HVAC unit tune-up offering redesign

Spencer Moersfelder: This offering was developed during the height of the recession. In order to deliver it, you have to be a trade ally, and it's open to commercial customers in Oregon and Washington. There was a dramatic ramp up for projects and savings from rooftop tune-up from 2010-2012. We had tremendous gas savings, but they are relatively expensive in dollars per therm compared to other measures we do. We are trying to balance out savings and budget to bring in cost-effective savings and meet demand for other less expensive measures. There are really three measures here: three- to four-ton units had to be less than seven years old, and need to add an economizer.

Don Jones: Is there an OEM equipment requirement or can you make your own economizers?
Fred: I think it is only factory built; not build-your-own.

Spencer: Five to 30-ton rooftop units should be less than 10 years old and have an economizer already, but the measure adds demand control ventilation and carbon dioxide sensors, plus the outside air sensor has to be tuned up. It necessitates damper repair, when it's appropriate. Economizers open and close at the right temperatures to use outside air for cooling instead of cooling equipment.

Kim: Numerous national studies showed that well over 50 percent of economizers had failed.

Spencer: The key difference on the second tune up measure for units five to 30 tons is adding a new thermostat.

Spencer continued: We are no longer offering incentives on smaller units, but there are economies of scale for larger units. Smaller ones were borderline, in terms of cost-effective savings. Folks at the PMC had conversations with trade allies who even asked why we offered incentives for smaller units. It's never popular to drop incentives, but at least they understood it.

> Tim Clark of ICF is doing a great job of communicating on behalf of Energy Trust. Trade allies feel good that there's an offering at all. We have a 2013 goal of serving about 1,500 units by June 30. Clark Public Utilities and NW Natural are working with us to serve 116 units in Southern Washington during the same period. We have somewhere in the neighborhood of 116 trade allies that are approved to work on rooftop tune-ups, but only a handful of them are regularly offering the measure.

Kim: So how does this relate to cost-effectiveness? We are looking proactively at our costs, high and low, and tuning up offerings to avoid cost-effectiveness issues down the road.
Spencer: The measure life is about seven years, so it's a shorter life. This, coupled with more expensive incentives per unit savings, functions to increase levelized cost.

Charlie Grist: Are you familiar with the Regional Technical Forum protocol for evaluation of savings?
Spencer: We are working regularly with Nick, and Dave Robison is doing the impact evaluation for us.

Charlie: There may be some opportunities to use the RTF protocol.
Fred: We are leaning pretty heavily on billing data to evaluate gas savings.

Brent Barclay: What about pricing on smaller units when you have a facility with many units vs. one, larger unit? It would be a shame to miss facilities with a large footprint but with many small units. A custom path may be an option in that case.
Spencer: The price ends up being the same because the contractor's work is very similar regardless of the size of the unit. The work associated with the individual, discrete measure is about the same either way.

Tim Clark: You do see that on strip malls and that sort of building more often. It takes a set amount of time to do the tune-up work either way.

Kim: Driving time ends up figuring into it, but the work period is about the same on small vs. large rooftop units.

Brent: It always disappoints when we make exceptions and split the market apart. It's an overall industry problem, but seems short-sighted on our part.

6. Conservation Advisory Council purpose

Kim: I was asked to facilitate the Conservation Advisory Council this year, and because of that, I decided to look for documents about our operating principles. It turns out they exist for both the Renewable Energy Advisory Council and the Conservation Advisory Council from a board meeting in 2007 where a charter was adopted for the advisory councils. There is an even older document from September 15, 2004, which talks about our operating principles, the things we are committed to do. These operating principles are included in the board resolution, are an example, and we are supposed to update them. Last time they were updated was 2004. So, this is a chance to speak up, and to put out your wish list. We try to keep the meetings casual and friendly, as a discussion where we can learn from knowledgeable people with great experience.

For instance, what types of things do we want to have on the agenda? Evaluations tend to get bumped because policy issues take their place. Today we can discuss it, and next time we can come back and make changes.

Don Jones: Which is the superseding document; the charter or the operating principles?
Kim: The charter comes from the board and is the superseding document. The operating principles are what we set. We can't make our operating principles go against the charter. We also want to set our own expectations.

Kim continued: As part of this first discussion, we should introduce ourselves as Conservation Advisory Council members, and explain a little about our roles, experience and time on the council.

Bruce Dobbs: I am on the BOMA board and take the information from these council meetings back to them. They want to know how the public purpose money is being spent, and the programs are operated. Building owners want to get a good return on the public purpose money. I've done this for six to seven years, about since the inception of the Conservation Advisory Council. It sometimes feels like decisions are already made, and we're a rubber stamp. Sometimes, but not always.

John Belmont: It's probably clear why the Oregon Department of Energy is part of this, since we have parallel goals with Energy Trust. We have a rotating system of who should be here for meetings, and it sometimes depends on the agenda topics.

Jim Abrahamson: I have been on the Conservation Advisory Council for four years representing Cascade Natural Gas. These councils, both renewable and conservation, are essential advisory councils to staff and board, and it's hard-wired into the Energy Trust's charter. Energy Trust has a public responsibility to have broad representation into reviewing its work. We had a good example with the Multifamily changes of looking like a rubber stamp. Many times we hear at Energy Trust's board meeting, "Has the Conservation Advisory Council reviewed this?" Multifamily incentives were a great example of a discussion where we identified issues the board should address or consider.

Kim: We are going to confer internally about the Multifamily changes, and we'll decide next steps and come back.
Jim: It's an issue that may not have come to the Conservation Advisory Council, but came here this time because of gas company sensitivity to loss of another gas measure.

Don Jones: Pacific Power operates programs in five other states, and we bring that experience in with us. I've been here since the very beginning, so have a long history. It is an advisory group, but what does that mean? Do you need us to vote on things? The key word is in the middle, "advisory." It's interesting to put the bounds around that meaning. I don't think we're the "Conservation Decision Council." You have the advantages of people helping you in hindsight by way of this group.

Garrett Harris: I'm standing in for Anne Snyder-Grassman, but will try to provide her perspective. As a supervisor at PGE, Anne supports SB 838 funded staff. It's good to be part of the discussion to know what's going on at Energy Trust.

Marlowe Kulley: Since the City of Portland isn't a funder, we bring a different perspective, which may be a slightly different view from the numerically-focused cost-effectiveness discussions. We are focused more on carbon emissions and equity, so it's not the same view.

Brent Barclay: Because I handle conservation programs at the Bonneville Power Administration, all the sectors and portfolios are my area. I've been on the Conservation Advisory Council for about three years. BPA looks for places we can align with Energy Trust and leverage resources. We have many utilities in Oregon that are surrounded by Energy Trust or are connected with you. There's an overlap of trade allies and gas territory overlaying our public utility territories, which means there is a good chance for collaboration. Asking Energy Trust staff what they would like from this group is as important as learning what's working for us.

Holly Meyer: It is interesting in how the role of the person assigned to the Conservation Advisory Council differs between utilities. Marketing people work together for congruent messaging, but I'm in the policy side for NW Natural, so I look at where we can leverage what happens here to help our business, and also have used the Conservation Advisory Council to advocate, speak up if we feel a topic hurts our customers and business. That approach hasn't seemed a very constructive and productive route to take at the Conservation Advisory Council, at times. I haven't been entirely clear about our role as advisors, in my 4 and one-half years, and it does sometimes feel more like a rubber stamp. Decisions are pretty well made, and if we strongly protest, Energy Trust may listen to us then stall and do what they were going to do, two months later. It makes sense that at the time you were set up, with new staff, there may have been more of a need for expertise from outside of Energy Trust, but now 10 years later you have experts on staff and some council members have less experience. That would lead to a change in the council's role. It makes sense to have us here, but you may need to equip us more, maybe each year, to advise you.

Kim: It helps to hear that perspective of what might have changed.

Wendy Gerlitz: The NW Energy Coalition is a nonprofit membership organization and is very diverse. It includes utilities, environmental groups, Energy Trust, contractors and anyone interested in the energy system and how we can promote clean energy. We focus on energy efficiency as the primary resource, followed by renewables. I have been on the Conservation Advisory Council for two years. Steve Weiss was here previously. I like this opportunity to get a deeper understanding of Energy Trust systems, how they work and how I can promote the work of Energy Trust. I can learn if things are running smoothly, and how I can help. There are lessons learned that I can share with folks in other states. Overall, the Conservation Advisory Council provides a diverse look from interesting perspectives. This group offers the public purpose charge diversity and discussions. We learn from each other. It took about six months for me to really understand what we do and our role. There are differences in how staff looks at, and values, our advice. We're not just a rubber stamp, but at times our opinion is more valued than at others. It's not consistent. Staff may not be clear how they can use this group to the fullest extent.

Don MacOdrum: The Home Performance Contractors Guild of Oregon is a member-based trade association focused on the house-as-a-system style of contracting. Energy Trust is a sponsor of the Home Performance with ENERGY STAR® program. I've been here since April 2011, and I have learned a lot from this group. Beyond all else, the learning and deepening of relationships and these connections are critical for a healthy industry. This discussion itself is a healthy thing. I distribute the information among my stakeholders, and like having the short feedback time we have here by having staff present. Since I'm focused on one program, it helps put things into perspective by seeing the rest of the Energy Trust operations. We definitely need more understanding of things like cost effectiveness to discuss these issues.

Scott Inman: The Oregon Remodelers Association has been part of the Conservation Advisory Council for a long time, and I've been here for about a year. I feel that I'm here to represent the trade allies. I've respected Energy Trust for keeping things inclusive. Prior utility programs were more exclusive and not market driven. Energy Trust has focused on small business and how many jobs are done by trade allies. That continuing focus keeps it market driven. It's great that you are looking at doing the right things, and keeping incentives fair. You are looking at the economic end of things and that needs to be part of it. It's important that we know what doesn't come to the council, but gets handled in other places, like technical specifications. As part of the Trade Ally Stakeholder Group, I look at the Weatherization Specifications Manual, and feel the staff has done a good job with those things. The savings results, year after year, show that you have it together. If you weren't making those results, this council might have a reason for more input, earlier. It's not broken. It's a diverse group in one room, and you get along well.

Juliet: I'm here because the legislature passed the bill that allowed Energy Trust to exist. The OPUC decided on this by rule. Energy Trust acts as a contractor to the OPUC, and reports back to us. There is a grant agreement with the OPUC. It's important that we look out for the ratepayer dollars. We've not had disciplinary actions at all with Energy Trust, but we do spend a lot of time explaining our oversight and what's happening at Energy Trust to the legislature. This group has a healthy interaction with those who speak up about impacts on their businesses. People would just go underground with their issues if you didn't have this forum. Updates on performance here are great. The fuel switching discussion has been healthy. I like it when people speak up and bring their experience and wisdom in. There's a good balance between requests for recommendations and informational items. It might be useful to toggle back and forth and look for agenda items from this group; and we could put forth some good synthesis thinking on some issues, like fuel switching.

Charlie Grist: The Northwest Power and Conservation Council was created by Congress back in the 1980s to develop a regional power plan. In my experience, this model of public purpose charge implementation by an independent third party is very rare, and Energy Trust has been one of the most successful examples of its type. Others haven't done as well. How we should use this group is a good question. I recommend that you, as a staff, decide what kinds of things this group can advise on, ask the board what they want from us, and the OPUC what they want. It can range from decision advice, how we evaluate, how we design programs, to just business relationships. If the board really wants advice from us, there should be a board member at each meeting. Does it have to be more formal? Maybe not; but how should they be engaged? We don't know whether any of this discussion goes forward to the board. There may be time-certain jobs that we should do. Three times per year we advise on something. Maybe some of it should be hard wired and the rest should float. Which ones do you want advice on, and which don't you? Open processes have made us successful in the Pacific Northwest.

Fred: There was almost always a board member present until 18 months ago, then it fell off. We should talk to the board about it.

Kim: There are things we can do to re-forge those connections.

Holly: Some of our team has been reading a book called "Reinventing Fire." The book pointed out that the Pacific Northwest is leading the charge to retrofit buildings, and even with one of the mildest climates and low energy costs, we are leading. Maybe it's the structure of how we do things that leads to our success. We have the opportunity, as a group, to take things to the next level. We can help Energy Trust, but there are pieces written on cost effectiveness, for example, and we could really think about these things and dig in. It might shape solutions that can drive a message outside our region.

Kim: The “strategic plan” mentioned in the Conservation Advisory Council charter refers to our annual action plans, which are part of the budget development process and do come to the council every year. This language from the charter is in the original bylaws of Energy Trust.

> Frankly, we see the Conservation Advisory Council as part of the team. You collectively blanket the whole realm of energy efficiency in the region. It’s important to have you be a part of it. Please take a look at the charter and principles for next time.
>
> Think about what advisory should mean. How is staff thinking about using the Conservation Advisory Council for advice? We have a good framework, and maybe we need to make changes. We would like to give you known things that will come here, and when they will show up.

Wendy: I would like to get board input. Can we do it at the next board meeting?
Kim: Not the next time, since that meeting is next week, but we will discuss it internally and re-forge the linkages.
Jim: It is important to check in with them because they are always asking if things came to the Conservation Advisory Council, so they do think about it.

Fred: To know what is and what isn’t a board decision is something important for this group.

Kim: It would be good presentation for a board member to give to the Conservation Advisory Council.

Brent: Sometimes, other entities are represented here, but how do we steer this toward them? The Northwest Energy Efficiency Alliance used to be here, but isn’t for example. Targeted membership is something to consider.

Kim: We need to hear from you who should be represented. The Eugene Water and Electric Board is another organization without a Conservation Advisory Council member since Bill Welch retired; but they aren’t ready to send someone else yet. Our charter says we should have 10-18 members, and we currently have 16. Who is missing?

Don: Is there a parallel effort underway for the Renewable Energy Advisory Council?
Kim: I will check with Betsy, but there isn’t that I know of.

7. Public comment
There was none.

8. Meeting adjournment
Kim thanked all council members for their participation and adjourned the meeting at 4:35 p.m. The next council meeting is March 13, 2013.