

Renewable Energy Advisory Council Meeting Notes

Wednesday, April 10, 2019

Attending from the council:

Alexia Kelly, Electric Capital Management
Andria Jacob, City of Portland (Phone)
Anna Kim, Oregon Public Utility Commission
April Snell, Oregon Water Resources Congress
Dick Wanderscheid, Bonneville Environmental Foundation
Erik Anderson, Pacific Power
Frank Vignola, University of Oregon (Phone)
Jaimes Valdez, Spark Northwest
Kendra Hubbard, Solar Energy Industries Association (Phone)
Michael O'Brien, Renewable Northwest
Rebecca Smith, Oregon Department of Energy (Phone)
Susanne Leta, SunPower

Attending from Energy Trust:

Betsy Kauffman	Joshua Reed
Dave McClelland	Jay Ward
Jed Jorgensen	Samuel Girma
Zach Sippel	Matt Getchell
Lizzie Rubado	Dan Rubado
Jeni Hall	Andy Griguhn
Lily Xu	Gayle Roughton
Dave Moldal	Alex Novie
Peter West	John Volkman

Others attending:

Angela Crowley-Koch, Oregon Solar Energy Industries Association
Shelley Beaulieu, TRC
Kyle Barton, PGE

Executive Summary:

1. Communication updates
 - Staff provided an update on Energy Trust's Renewable Energy Certificate (REC) policy. Energy Trust will stop taking ownership of RECs for solar projects under 360 kilowatts.
 - The Oregon Public Utility Commission has completed a contract with the organization Energy Solutions—a contractor who will be implementing a community solar program in Oregon. Energy Trust will operate as sub-contractor to Energy Solutions and views this as great development for the State of Oregon.
2. Diversity, equity and inclusion update
 - Staff provided an update on Energy Trust's work on an initiative to expand renewable energy benefits for low and moderate-income groups.

3. Strategic Plan

- Staff provided an update on Energy Trust's five-year strategic planning process. The draft strategic plan will be taken to the board of directors in May.

1. Welcome, Introductions, Announcements

Jed Jorgensen called the meeting to order at 9:33 a.m. The agenda, notes and presentation materials are available on Energy Trust's website at: <https://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/>. The meeting was recorded on Go To Meeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email info@energytrust.org.

Jed Jorgensen opened with brief notes and updates for the group:

- Energy Trust has a new conference room audio/visual system. We recorded the February meeting with the intent to reduce staff time needed for meeting notes, however the audio transcription was unsuccessful. We are still recording today's meeting, but we will also have a staff member taking notes.
- Pacific Ocean Energy Trust is unable to provide the wave energy update today but has provided Jed with some content he can share with the group. Jed will give a brief overview of the information now and will reschedule Pacific Ocean Energy Trust to present at a later date.
- Energy Trust launched a request for qualifications seeking a contractor to expand management of the growing irrigation modernization program. The Farmers Conservation Alliance (FCA) was the only entity to respond. Staff took a proposed contract to the board of directors to increase the scope and funding under the program management contract with FCA.

2. Communication updates between RAC and board of directors

Jed Jorgensen provided an update on communication between the Renewable Energy Advisory Council and Energy Trust's board of directors.

Jed Jorgensen: There are a few updates we would like to provide the council regarding changes to Energy Trust's Renewable Energy Certificates (REC) policy.

Last fall 2018, staff proposed to the board of directors that Energy Trust stop taking ownership of RECs for solar projects under 360 kilowatts. There was general support for this change, with strong reservations from some members. It was then taken to the board of directors for discussion and the board approved the change. Implementation is taking time, but things are progressing.

Dave McClelland: Energy Trust will communicate this policy change to existing customers.

Betsy Kauffman: The Oregon Public Utility Commission has completed a contract with the organization Energy Solutions—a contractor who will be implementing a solar program in Oregon. Energy Trust will operate as sub-contractor to Energy Solutions and views this as great development for the State of Oregon and an interesting new task to work on. The commission administers the program and communications about timing of the program rollout will come directly from them.

Jed Jorgensen: Next month, Energy Trust will have to consider whether the organization will have a role in providing incentives to community solar projects and what the budget impacts would be.

Betsy Kauffman: It's important to note that whether or not Energy Trust provides incentives is separate from the administration of the program. Regardless of Energy Trust's work as a sub-contractor to Energy Solutions, Energy Trust will still consider whether or not to provide incentives for these projects.

Susanne Leta: What is Energy Trust's role and will you be able to streamline cost for installers?

Dave McClelland: Energy Trust will be serving a delivery role, much like a program management contractor. Energy Solutions brings expertise and background in software development, while Energy Trust will draft the implementation manual, provide customer service, process applications and give guidance for project pre-certification and certification activities.

Jaimes Valdez: Will Energy Trust provide recommendations to the advisory council? What is the process for deciding when to provide incentives?

Betsy Kauffman: At the next Renewable Energy Advisory Council meeting we will discuss how the above market cost framework factors into this decision so that the council can provide recommendations.

Dave McClelland: This is the start of a process that will then feed into the budget process, so there will be more steps along the way. If we do get support from the council, we will discuss allocating funding in 2020 for community solar projects.

Jaimes Valdez: Is there a projected launch date for community solar that is part of the larger sub-contracting performance metrics?

Betsy Kauffman: We defer to the Oregon Public Utility Commission and Energy Solutions who are responsible for answering those types of questions.

Michael O'Brien: Is it possible to share some questions before the next meeting so the group can consult the correct stakeholders at our organizations?

Suzanne Leta: Can you also make sure there is some consideration to Portland Clean Energy Fund dynamic?

Betsy Kauffman: Yes. This is the first of many conversations to come.

Kyle Barton: Would the incentive come from Energy Solutions or Energy Trust?

Betsy Kauffman: Energy Solutions is the backend administrator of the program, it's a different funding source. The main contract for that administrative work comes from the Oregon Public Utility Commission and Energy Trust operates as a sub-contractor. The commission has been very clear about differentiating the public purpose charge funding, which provides incentives for our regular energy programs, and this other funding source for supporting community solar work. In May, Energy Trust will begin to address issues of whether to provide incentives to this new category of solar projects in the market and how we will think about these relative to the standard residential, commercial and low-income solar initiatives. Energy Trust's decision about whether to provide incentives is unrelated to Energy Solutions and the administration of the program.

Dave McClelland: Currently there is no additional funding for these projects. Energy Trust would be limited to supporting projects that are 360 kilowatts alternating current (AC) or below,

based on the changes to the REC policy. Energy Trust could not provide incentives for the large-scale projects.

3. Diversity, Equity and Inclusion: Baseline Energy Trust data

Dan Rubado presented on Energy Trust's diversity, equity and inclusion (DEI) research. This project is a result of the DEI committees' general desire to see how Energy Trust has served diverse communities so far and how equitably programs are serving Oregonians.

Energy Trust created community-level diversity indicators: income, race/ethnicity, geography (urban and rural) and identified high-priority areas for DEI.

Staff looked at participation rates from sites and compared to the census demographics. The Solar program was done differently, since solar participation is a relatively small percentage of Energy Trust activity. Staff looked at the share of solar projects in a particular year occurring within Census tracts with different diversity indicator categories. The share of projects within each indicator category was compared to the share of residential electric sites in those areas to determine which categories were being under- or over-served by the program.

Dave McClelland: I think it would be interesting to look at direct-owned versus third-party owned systems, particularly from 2014-2015.

Jaimes Valdez: Can we include incentive values, disparity in system size, energy burden per household or dollars spent in different census areas? The allocation of resources matters as well.

Dan Rubado: The income index does incorporate household income and housing cost burden (including energy burden) for all housing related cost (i.e. mortgage, utilities), it's imbedded but not called out. We could potentially look at generation per participant as another metric of participation, similar to what we did with the efficiency programs.

Jay Ward: Does this embed the Residential Energy Tax Credit (RETC)? One of the struggles was that it wasn't available to low- and moderate-income customers.

Dave McClelland: Projects had spill-over RETC in 2018, so Energy Trust cannot see the impact or how things are moving yet, but it will be interesting to view projects we received last year after the RETC sunset.

Suzanne Leta: Do you track which projects received RETC?

Dave McClelland: Yes, we track the cut-off date of when projects came in and how that aligns with the RETC sunset. We assume anything that came in after the sunset date was no longer eligible to receive both our new, higher incentive and the RETC.

Suzanne Leta: Low- and moderate-income customers have less tax liability and couldn't take the RETC which plays into the third-party ownership component. It's not just about whether financing is available, but if there is a third-party financing option available where the third-party entity can take the federal solar investment tax credit and pass some of those savings on to the customer.

Jay Ward: Third party exited halfway through 2016.

Dave: We were seeing a lot of our third-party projects move into more of the 'one category' areas (higher income).

Zach Sippel: How do you feel about using Census tracts as a proxy?

Dan Rubado: This research was not intended to measure individual participation or precisely quantify differences in participation between particular demographic groups—and it is better than not having any data to analyze. It provides us with broad indicators on the equity of our

programs. There are limitations but we are able to draw inferences based on differences in participation rates and demographic characteristics in different areas.

Dave McClelland: The Census data serves as an indicator, if we structure program design to reach people who historically haven't had access, it would then show up on this indicator.

Anna Kim: What are the next steps?

Dave McClelland: The solar program has a goal by the end of 2020 to increase percentage of participation in select areas by 20 percent. To do that, we are working on primarily income-based strategies. We are working with a low- and moderate-income workgroup to develop strategies for reaching these customers. We also have a low- and moderate-income innovation grant that we put out last year and nine communities received that grant developing their own program to serve customers. Staff also presented a concept, Solar Within Reach, and we plan to bring this to the council as it develops.

Betsy Kauffman: Some of you have been attending the low- and moderate-income working group and I'd like to thank you for participation. In May, we will be deciding how to move forward.

Anna Kim: Are you using data mainly to inform and track or are you targeting specific areas?

Dave McClelland: This is an indicator and not a sole driver of program design.

Alexia Kelly: How do language barriers factor into this research?

Dan Rubado: For the past 10 years, Energy Trust has sent out a customer satisfaction survey. Last year we offered it in Spanish and we only received two or three responses. So, among our participants, there does not seem to be much of a language barrier. The Census data shows us there is a proportion of linguistically isolated customers, but the share is quite low.

Alexia Kelly: What if outreach isn't in their preferred language?

Dan Rubado: We have more Spanish materials now than in the past, with more targeted outreach in residential and commercial programs.

4. Strategic Plan update

John Volkman presented work on the strategic plan process. Staff started work on the strategic plan last fall 2018 and will take the draft to the board of directors at the annual strategic plan meeting in May.

Michael O'Brien: How will Energy Trust interact with the Oregon Public Utility Commission on the policy-support element of this draft plan?

John Volkman: We do not have a plan for how that will work yet. Right now we have periodic staff-to-staff interactions and we are learning how we can support each other. Issues will be brought to the Conservation and Renewable Energy Advisory Councils on an ad hoc basis, until the process is outlined.

Alexia Kelly: Energy Trust is uniquely positioned to conduct research and run pilots and can bring that real-world collaboration and insight to policy measures.

Andria Jacob: Does Energy Trust anticipate issues with the commission's cost-effectiveness test when combining the Portland Clean Energy Fund (PCEF) with Energy Trust incentives?

Fred Gordon: This is assuming there are opportunities with PCEF. We are getting increasing guidance to get complementary funding. We are not sure of the opportunity yet because PCEF is still getting set up.

Betsy Kauffman: When will this group get a copy of the draft strategic plan?

John Volkman: After the board of directors meeting in May.

5. Wave energy update

Jed Jorgensen provided a high-level update on wave energy and plans to reschedule the original presentation by Pacific Ocean for a later date.

6. Public comment

There was no other public comment.

7. Adjourn

The meeting adjourned at 11:18 p.m. The next council meeting will be held on May 22, 2019 from 9:30 a.m. – 12:00 p.m.