

Conservation Advisory Council Agenda

Wednesday, July 26, 2023

1:30 – 4:00 p.m.

Virtual meeting

Register at <https://us06web.zoom.us/meeting/register/tZ0rf-6pqijE9wgkD1V-NjrEQZsoqc1TjX9> for your unique meeting link

1:30 Welcome and Introductions

1:35 Community Agreements

1:40 Proposed Revisions to Energy Trust’s Fuel-switching Policy (*discuss*)

Energy Trust operates under a board-approved [Fuel-switching Policy](#). The board Nominating & Governance Committee has identified revisions to the policy and restating of its current terms to clarify the organization may receive and expend funding—outside core ratepayer funding—that may include fuel-specific requirements. With guidance from OPUC representatives, the committee has identified additional changes to align the policy with emerging state policy on decarbonization. Staff will review the factors prompting the board committee’s review of the policy, including current energy and building decarbonization policy discussions, and walk through the proposed policy revisions. CAC feedback is sought and will be considered and shared with the board when it deliberates the policy change at its August 9 meeting. **Please review the current policy and proposed policy prior to the meeting.**

Presenter: Debbie Menashe, Director of Legal and Human Resources

2:10 2024 Action Planning—Deep Dive into Priority Topics (*engagement and discussion*)

This is the second of two engagements with CAC to gather your perspectives on customer priorities and needs for Energy Trust to consider as we plan for 2024 energy efficiency program services and incentives.

During the first session in April, we gathered the council’s thoughts on market trends, customer needs and emerging opportunities in energy efficiency. During this second session, staff will review a market intelligence memo prepared based on that input and input from RAC, DAC, the board and utility partners. The council will then identify the top areas of opportunity to have deeper discussion on during today’s meeting.

This session will be interactive and will include small group conversations between council members and staff, and a facilitated large group discussion. **Please come prepared by reviewing the materials and sharing your expertise and ideas during the meeting.**

Facilitator: Alanna Hoyman-Browe, Project Manager

2:40 Break

2:50 2024 Action Planning—Deep Dive into Priority Topics, continued

3:50 Member Announcements, Suggestions for Future Meetings

3:55 Public Comment

4:00 Adjourn

Meeting materials (agendas, presentations and notes) are available [online](#).

Next meeting is Wednesday, September 20, 2023, 1:30 – 4:00 p.m.

Enjoy the rest of your summer!

Conservation Advisory Council Meeting Notes

June 28, 2023

Attending from the council:

Lisa McGarity, Avista
Andy Cameron, Oregon Department of Energy
Laney Ralph, NW Natural
Kari Greer, Pacific Power
Noemi Ortiz, Cascade Natural Gas
Becky Walker, NEEA
Kerry Meade, NEEC

Tina Jayaweera, Northwest Power and Conservation Council
Peter Kernan, Oregon Public Utility Commission (for Anna Kim)
Jeff Bissonnette, NW Energy Coalition
David Murphy, BPA (for Margaret Lewis)
Jake Wise, Portland General Electric

Attending from Energy Trust:

Hannah Cruz
Cheryle Easton
Tom Beverly
Jackie Goss
Julianne Thacher
Natalia Ojeda
Debbie Menashe
Danielle Rhodes
Tracy Scott
Megan Greenauer
Elaine Dado
Cory Hertog
Steve Lacy
Elaine Prause
Themba Mutepfa
Thad Roth
Kate Wellington
Amber Cole
Ryan Crews
Fred Gordon
Kenji Spielman

Andi Nix
Marshall Johnson
Ansley Guzynski
Alex Novie
Lori Lull
Scott Leonard
Mia Deonate
Mana Haeri
Jake Kennedy
Shelly Carlton
Amanda Zuniga
Taylor Ford
Elizabeth Fox
Jeni Hall
Kyle Morrill
Andrew Shepard
Dan Rubado
Kirstin Pinit
Michael Hoch
Sue Fletcher

Others attending:

John Molnar, Rogers Machinery
Tim Treadwell, Portland General Electric
Adam Schick, CLEARResult
Will Mulhern, Oregon Department of Energy
Quinn Cherf, Portland General Electric
Terra Bell, CLEARResult
Dave Hammond, CLEARResult
Eric Koch, CLEARResult
Emily Haynes, Portland General Electric

Brooke Landon, CLEARResult
Thelma Fleming, Energy Trust board
Olga Burtness, CLEARResult
Jane Peters, Energy Trust board
Brian Mayfield, CLEARResult
Joe Marcotte, TRC Companies
Bill Tovey, Energy Trust board
Henry Lorenzen, Energy Trust board

1. Welcome and Announcements

Hannah Cruz, senior stakeholder relations and policy manager, convened the hybrid Zoom/in-person meeting at 1:30 p.m. via Zoom and Kirstin Pinit, senior program manager, facilitated in-

person. The agenda, notes and presentation materials are available at <https://www.energytrust.org/wp-content/uploads/2023/06/Final-CAC-Packet-June-2023.pdf>.

The council accepted the April and May meeting notes with no changes.

2. Community agreements

Topic Summary

Hannah Cruz summarized the existing community agreements for CAC members. Agreements are to:

- Stay engaged
- Share the stage
- Listen to each other to learn and understand
- Assume best intent and attend to impact
- Address actions that marginalize or harm another person

Discussion

None

3. Partner Spotlight: Portland General Electric (PGE) Smart Grid Test Bed Collaboration

Topic summary

Tim Treadwell PGE, customer technology development and Smart Grid Test Bed Program manager and Megan Greenauer, Energy Trust solar program manager, presented this collaboration in light of the increasing complexity of the utility landscape and how to meet changing energy demand. The Smart Grid Test Bed collaboration is funded through a U.S. Department of Energy Connected Communities grant and includes multiple partners, including Energy Trust. PGE described the collaboration as building a new function – essentially a virtual power plant operating model. It provides a new way to operate with many unknowns that are very different from historical operations. The Smart Grid Testbed collaboration has a five-year timeline, from June 2022 – June 2027. The goal is to retrofit 580 buildings out of a 2,800-building target area to create a 1.4 MW flex load resource. The test area is in North Portland, which is primarily residential with neighborhood businesses mixed in. There will be community-focused field demonstrations and lab-based analysis work streams.

Energy Trust is a sub-recipient of the grant and will work with PGE and Community Energy Project to encourage participation of existing buildings in energy efficiency, solar+storage and flex load equipment offers.

Discussion

None

Next Steps

The council will be updated on program outcomes.

4. New Buildings program update

Topic Summary

Shelly Carlton, new commercial construction senior program manager, presented updates on the New Buildings program. The program helps design teams go beyond code using training, energy design and modeling services, whole building incentives and prescriptive incentives. Recent code changes made it impractical to identify incremental savings and costs, which are used to measure success and cost-effectiveness. Getting a baseline for a building isn't practical for design teams because there is a myriad of options for the baseline, which creates an expensive level of work. Energy Trust convened a team of people with varying expertise and

perspectives to help redesign the program. The opportunity supports the transition toward higher-performing buildings while providing resources to get them there.

The desired impact is to have all of Oregon's new buildings go beyond code, and be resilient, comfortable and accessible. Energy Trust seeks to obtain more savings beyond code, have more project teams use integrated design, have customers make cost-informed decisions, provide greater benefit for historically underserved communities and lower operating costs for building occupants.

Discussion

Council members asked what ideas are being considered to increase rural participation (Lisa McGarity). An attendee also asked whether there is enough room beyond code for Energy Trust to meet cost-effectiveness requirements. Council members also suggested that smaller projects could be looking for off-the-shelf solutions and that integrating measures wherever possible will help customers participate. Rural customers are doing design-build options, rather than using an architect or engineering firm, so it would be something the contractors could use and integrate (Lisa McGarity).

Staff responded that the Simplified Performance Rating Method will mostly be tested in rural markets. Buildings that fit into this will be smaller and a better match for rural customers. Staff shared that Energy Trust is having many conversations about outreach right now. Northwest Energy Efficiency Alliance works on some of these Simplified Performance Rating Method aspects and is going toward simplified modeling to get the market more familiar with this direction. Council members expressed that these are long-term projects, so consistency in the market is helpful (Becky Walker). Staff members added that New Buildings was under an Oregon Public Utility Commission cost-effectiveness exception for the total resource cost (TRC) because of the inability to determine the baseline costs. The utility cost test (UCT) comes out at 2.0 and has for some time. Energy Trust has been tapping into the latest research and projects to help design teams as they try to improve every enrolled building. The Net-Zero Fellows provide a channel for Energy Trust and staff can incorporate their learnings.

Next steps

None

5. Exploring and quantifying non-energy benefits

Topic Summary

Jake Kennedy, planning and evaluation project manager, reviewed an updated analysis to quantify the non-energy benefits associated from energy efficiency investments reducing utility customer arrearages (or debt from past due payments on utility bills). Results of the analysis were presented to the council in August 2021.

Energy Trust considered the impact of incorporating reduced arrearage carrying cost (RACC) and reduced arrearage expenditures (RAE) on cost effectiveness. These are the opportunity costs of the utility carrying customer debt, along with the cost of debt write-offs.

Using these two non-energy benefits would allow Energy Trust to increase incentive amounts for some existing measures; however, the conclusion is any such increase would have limited impacts. Energy Trust and the OPUC agree that policy options beyond attempting to quantify this non-energy benefit be explored to reach the customers that are in arrears.

Discussion

An attendee pointed out that the study period was during the COVID-19 pandemic, when arrearages increased substantially, and utilities were prevented from using certain collection strategies. It may overstate what things look like during stable periods. Staff responded that

less benefit is seen as fewer customers are in arrears. The analysis was agnostic to the number of customers and average. It did spike during the pandemic, then level off after that (Jake Kennedy). Staff added that the impact for customers shouldn't be undervalued as they can benefit significantly from reducing debt, but it's difficult to quantify (Fred Gordon). Staff also pointed out that the analysis only applies to customers in arrears and it would be difficult to determine the customers currently in arrears that would receive the benefit of higher incentives (Jackie Goss and Jake Kennedy).

Council members asked in what situation could 100% of incremental cost be paid—in which situations are the incremental costs the same as the full cost of a measure (Lisa McGarity)? Staff responded that it depends on how the baseline condition for which the measure is being applied is defined. For some measures and instances, such as retrofits, the incremental cost can be the full cost. For others, the incremental cost is the difference between the costs of the baseline measure and the efficient measure, and therefore less than the full cost of the measure (Jake Kennedy).

Next Steps
None

6. Hybrid HVAC pilot

Topic Summary

Andrew Shepard, residential senior project manager, and Dan Rubado, planning and evaluation senior project manager, discussed the hybrid HVAC pilot. This effort first emerged as a potential area for investment through deliberations at a state legislative task force in summer 2022 and was ultimately included in Energy Trust's 2023-2024 budget and action plan. The pilot will test a new approach to achieve gas savings and help gas utilities reach their greenhouse gas emissions targets while adding cooling to homes that lack it. Energy Trust worked with all five partner utilities in finalizing the design and funding of the pilot.

The Hybrid HVAC pilot will test adding central ducted heat pumps to existing gas furnaces. Objectives of the pilot are to determine the utility system costs and benefits to the measure, customer costs and benefits and the costs and process considerations associated with installing these systems in low-income households. Data sources will include utility customer information (UCI) billing analysis, advanced metering infrastructure (AMI) and an audit, process and qualitative data collection.

Energy Trust plans to pay the full cost of installation and is looking for low-income customers with relatively new gas furnaces and weatherized homes. Staff plan to educate customers on the pilot and work with a select group of trade allies through a request for quote process. Projects will be given on a rolling basis and heat pumps will be sized based on the cooling needs of the home. Cost range will be \$10,000 – \$12,000 with a cap of \$13,000. Roughly 90 homes dispersed throughout the state with a unit goal for each of the five utility service areas are planned. Evaluation will occur in 2025 after a full year of data.

Discussion

Council members pointed out that heat pumps require larger ducts than furnaces and asked if that will be part of the screening process. They also pointed out that contractors must be made aware of the importance of control systems (Tina Jayaweera). Staff responded that air volume is often an issue, and it may be dealt with by using a single-stage heat pump. Controlling the size of the heat pump will also help. Sizing for cooling needs will also be important. The gas furnace will still provide primary heating in the coldest weather. The comfort risk will be low, but is still being studied. Homes may be screened out for poorly designed or inadequate ducts. Energy Trust is working with trade allies to maximize both comfort and savings. Trade ally

engagement will help fully answer questions about crossover temperatures and optimizing comfort and savings (Andrew Shepard).

Board members who attended asked if customers will be able to choose their primary heat source (Jane Peters). Staff responded that customers must have both fuel types, but gas will only be used in the coldest temperatures (Andrew Shepard).

A council member asked if any load-shifting impacts would be seen (Becky Walker). Staff stated that load-shifting will not be part of the pilot (Andrew Shepard).

Next Steps

Energy Trust is currently scoping and vetting, and will speak with stakeholder advocates in the next month. We plan to start installations in late July or August. Results will available in 2025.

7. Meet new board members

Topic Summary

Danielle Rhodes, board services administration manager, introduced two of three new board members who recently joined the board of directors: Bill Tovey and Jane Peters. Ellsworth Lang, an enrolled member of the Klamath Tribes is another new board member who was unable to attend.

Bill Tovey introduced himself as director of economic and community development for the Confederated Tribes of the Umatilla Indian Reservation in Pendleton. He handles construction and housing development and has worked with Energy Trust on a tribal medical clinic, educational facility and other projects.

Jane Peters introduced herself as an energy program evaluator for more than 40 years. Jane founded Research Into Action, which was sold in 2021. She is semi-retired while also doing some consulting.

Hannah Cruz stated that the board may be looking at the role of Renewable Energy Advisory Council and Conservation Advisory Council and asked if the new board members could offer their perspectives. Both members indicated that they don't have opinions yet, as they are still learning the organization and councils operate.

Discussion

None

Next Steps

None

8. Member Announcements, Suggestions for Future Meetings and Public Comment

Hannah Cruz announced an upcoming voluntary anti-racist and diversity, equity and inclusion training for Conservation Advisory Council and Renewable Energy Advisory Council members. Council members were encouraged to hold Friday, September 29, 2023, for the training. The training will explore the intersectionality of clean energy and race and focus on community building with a shared vocabulary. More details will be shared later in the summer.

There were no other announcements. There was no public comment.

9. Adjournment

The meeting adjourned at 3:30 p.m. Meeting materials are available [online](#). The next meeting of the council will be July 26, 2023. It will be a three-hour meeting to gather feedback on the draft budget and action plan.



Restatement of Energy Trust Fuel Switching Policy

Conservation Advisory Council

July 26, 2023



Background

Energy Trust policymaking process

- Board Nominating and Governance Committee recommends policies to full board for vote

Drivers of policy restatement

- Stakeholder comments
- New funding opportunities
- State decarbonization policies and strategies



Restatement of Fuel-switching Policy

Current policy: Fuel-switching Policy

- Fuel choice is a customer decision

Revised policy: Aligning with Oregon's Decarbonization Policies

- Maintains that fuel choice is a customer decision
- Adds that Energy Trust can administer programs that promote cleaner air, electrification or decarbonization with funding separate from OPUC ratepayer funding
- Adds that Energy Trust will follow OPUC guidance in advancing state policy objectives, including investments that may accommodate fuel switching



Thank You

Debbie Menashe

Director of Legal and Human Resources

debbie.menashe@energytrust.org

4.03.000-P Fuel-switching Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	February 27, 2002	Approved (R84)	February 2005
Board Decision	May 4, 2005	Amended (R331)	May 2008
Policy Committee	December 2, 2008	Reviewed-no changes	May 2011
Board Decision	May 22, 2013	Amended (R669)	May 2016
Policy Committee	May 12, 2016	Reviewed-no changes	May 2019

Policy:

- This policy applies only to energy efficiency measures, not to solar-thermal, geothermal or other renewable energy systems.
- Fuel choice is a consumer decision. While Energy Trust offers incentives to encourage consumers to use high-efficiency equipment for the fuel consumers choose, Energy Trust does not intend its incentives to affect fuel choice.
- Energy Trust will not advocate fuel-switching to non-renewable options, but may provide fuel-neutral technical information on efficiency options. That is, Energy Trust may undertake technical studies to identify efficiency opportunities and make recommendations for making an application more efficient for an energy source specified by the energy user. If the energy user expresses interest in converting to another energy source, Energy Trust may perform analysis showing the economics of alternative systems, including the savings and incentives for installing high-efficiency options for the energy source. This type of assistance should help customers consider the merits of their options.
- Energy Trust should work with gas and electricity suppliers who wish to provide efficiency information and/or incentives for conversion, where the customer deems that appropriate.
- Energy Trust should revisit the Policy periodically to assess whether the Energy Trust is missing compelling opportunities.

4.03.000-P Aligning with Oregon’s Decarbonization Policies

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	February 27, 2002	Approved (R84)	February 2005
Board Decision	May 4, 2005	Amended (R331)	May 2008
Policy Committee	December 2, 2008	Reviewed-no changes	May 2011
Board Decision	May 22, 2013	Amended (R669)	May 2016
Policy Committee	May 12, 2016	Reviewed-no changes	May 2019
Policy Committee	May 9, 2019	Reviewed-no changes	May 2022
Nominating & Governance Committee			
Board Decision			

Policy:

Energy Trust programs, incentives, technical assistance, and education support policies and efforts to address climate change and reduce greenhouse gas emissions. By 2030, Energy Trust’s funding utilities will need to make significant changes to significantly reduce carbon from their mix of resources. Energy efficiency is the least cost, lowest risk resource for decarbonization. Energy Trust will help address the climate challenge by supporting customers in identifying their most efficient choices to decarbonize their energy consumption. This delivers benefits to utility customers, particularly those with a high energy burden.

- Energy Trust will follow guidance from the Oregon Public Utility Commission (OPUC) with respect to Energy Trust investments overseen by the OPUC (OPUC ratepayer-funded) in advancing state policy objectives articulated by the OPUC, including investments that may accommodate fuel switching from gas equipment to electric for the purpose of advancing decarbonization policies.
- Energy Trust will support customers to advance their objectives for decarbonization in the most efficient possible way, since, ultimately, fuel choice is a customer decision. Energy Trust’s OPUC ratepayer-funded programs offer incentives and information to encourage customers to use high-efficiency equipment for the fuel customers choose. Through these programs, Energy Trust provides technical information on efficiency options and answers customer questions about applicable solutions that advance energy efficiency and fuel switching consistent with OPUC guidance.

- **Energy Trust may support and administer programs that promote clean air, electrification and/or decarbonization goals with funding separate from OPUC ratepayer-funding if consistent with Energy Trust's vision and purpose.**
- **Energy Trust shall revisit this Policy periodically to assess whether Energy Trust is missing compelling opportunities to support customer needs.**

MEMO

Date: April 2023
To: Energy Trust Staff and Board of Directors
From: Michael Colgrove, Energy Trust Executive Director
Subject: Summary of Market Intelligence

This memo summarizes input and insights gleaned from customers, stakeholders and experts in 2023 and late 2022. Energy Trust sought and received input from the following groups, some of which were asked about market trends, customer and community needs, opportunities and strategic priorities for Energy Trust.

- Conservation Advisory Council
- Diversity Advisory Council
- Renewable Energy Advisory Council
- Utilities
- Staff conversations with customers, partners and stakeholders
- Energy Trust's 2022 Customer Awareness and Participation Study¹

Information about market conditions was also sourced from the Oregon Office of Economic Analysis' Oregon economic and Revenue Forecast from March 2023².

What's happening in the market?

- **The Inflation Reduction Act is creating unprecedented funding opportunities.** The Federal Inflation Reduction Act, plus other federal legislation, will drive significant new opportunities in Oregon and Southwest Washington. But much of the details of how funds will be distributed are unknown, and there are challenges in figuring out how organizations should organize and partner to help this money flow through to the market and customers. This will require a lot of coordination and communication across organizations and agencies to be effective. (CAC, RAC, utilities)
 - *"There's so much potential. Everything is happening right at once and we don't want to miss out on the opportunity."* (RAC)
 - *"The biggest opportunity is around federal funding and figuring out how we work together to help customers access funds and services."* Avista
- **Portland Clean Energy Community Benefits Fund is a huge opportunity as well.** In Portland, there's a need for organizations to work together creatively to use the resources that are coming through PCEF. PCEF is finalizing its Climate Investment Plan for implementation in early 2024, which will create additional opportunities for collaboration. (CAC, RAC)
 - *"There are real huge major opportunities if we all work together and look at how to creatively use resources that are coming."* CAC member

¹ https://www.energytrust.org/wp-content/uploads/2023/04/Energy-Trust-of-Oregon_CAP-Study-Report-2022_Final-wSR.pdf

² <https://www.oregon.gov/das/OEA/Documents/forecast0323.pdf>

- **The industry lacks capacity to keep up with the opportunities.** Labor shortage is a major issue for the energy efficiency industry, especially as new funding creates more opportunities. There is not enough capacity for community-based organizations and trade ally contractors to deliver on new programs and opportunities. The challenge is not lack of funds, but rather how to distribute all the new funding to individuals. In addition, community action agencies are at capacity, especially because of a backlog of customers that accrued during the pandemic. (CAC, utilities, staff conversations)
 - *“More funding is available but there’s not enough labor to keep up.” CAC member*
- **Communities lack expertise and bandwidth to capture new funding.** With new funds coming available, some communities lack the skills and time to take advantage of time-sensitive grant opportunities. Rural and tribal communities don’t have the capacity to apply for grants or incentives. Smaller cities and counties lack understanding of how to administer federal funds. All of these communities need help. (RAC, utilities)
 - *“We’re hearing from communities feeling like grant funding opportunities are flying right past them.” RAC member*
- **People need information and resources to make sense of new opportunities.** People are confused about all the funds and programs becoming available. Renters and people who are Latin and Indigenous, live in rural areas and experience lower incomes are less aware of Energy Trust’s programs. They need education and guidance through marketing and outreach that is culturally relevant and available in multiple languages. (DAC, utilities, Customer Awareness and Participation Study, staff conversations)
 - *“People are having a really tough time figuring out who to talk to, and organizations and agencies are having a hard time figuring out who to do a warm handoff to.” CAC member*
- **Costs are increasing for energy, goods, services and borrowing amid economic uncertainty.** Energy and equipment prices are increasing. People are shying away from borrowing money due to high interest rates. Small businesses are facing tighter cash flows or holding on to money because of uncertainty in the market. (RAC, utilities)
 - *“Interest rates have affected demand for solar installations.” RAC member*
 - *“Increasing costs of HVAC are driving people to repair rather than replace equipment.” NW Natural*
- **A recession is possible in 2023 or 2024.** The Oregon Office of Economic Analysis forecasts a mild recession in the second half of 2023. By the end of 2022, consumer spending on goods flatlined, and home sales and new single-family housing starts fell considerably, supply chains eased for some technologies (though are still impacting some equipment like residential HVAC and windows) and manufacturing activity weakened. Oregon maintains high employment rates. (RAC, utilities, Oregon Office of Economic Analysis, staff conversations)
- **Affordability is a growing challenge.** Home prices and rents are rising faster than incomes. Amid rising costs of living, affordability is a significant concern for low- and moderate-income households. There are still many obstacles for these customers to participate in energy efficiency programs, such as upfront costs. Many of these customers can’t afford necessary home repairs, making deferred maintenance a barrier to participation. Reducing energy burden is a priority, and so is keeping rates as flat as possible. (CAC, DAC, utilities, Oregon Office of Economic Analysis, staff conversations)
 - *“Community Energy Project can’t serve 50% of homes with PCEF funding because the deferred maintenance is so bad.” CAC member*

- **Figuring out how to serve renters is an urgent problem that needs to be solved.** People who don't own their homes, including many Native American and Black people, aren't able to participate in clean energy programs and benefit directly from energy transformation. (CAC, DAC, staff conversations)
 - *"This is one of our biggest problems we talk about all the time, but nobody really knows how to solve it." CAC member*
- **People are more interested in clean energy.** Customers and communities are more aware of and interested in clean energy and climate change based on the weather events of recent years. An example: growth in residential solar projects was exponential in 2022. Some customers, including commercial and industrial businesses, are interested in electrification. (CAC, DAC, RAC, utilities, staff conversations)
 - *"People are interested in switching from liquid fuels to electricity due to cost and climate change." DAC member*
- **People and communities are using energy differently to stay safe and healthy during extreme weather and power outages.** Air conditioning is now a necessity to stay cool during heat waves and to breathe clean air during wildfire season. According to Energy Trust's 2022 Customer Awareness and Participation Study, 85% of households have some type of cooling. Rural customers experience frequent and prolonged electric outages, necessitating a backup energy source. Resilience is a priority for people and communities, and communities are seeking help around climate and energy planning. (DAC, utilities, Customer Awareness and Participation Study, staff conversations)
 - *"A lot of people in rural Eastern Oregon are switching to heat pumps but using alternative fuels as backup during outages, which may be needed 10-20 nights a year." DAC member*
- **Meeting greenhouse gas emissions reduction targets is a priority for the utilities.** Utility partners must meet ambitious emissions reduction targets set by the state. The utilities and the OPUC are relying on energy efficiency to help meet climate goals with minimal rate impacts on customers. While all utilities are focused on saving energy as a tool to reduce emissions, gas utility partners are interested in renewable natural gas, Energy Trust's hybrid HVAC pilot and the release of the first gas heat pumps expected in late 2023. Electric utility partners are interested in electrification and managing increased demand. Reducing peak demand is increasingly important. (RAC, utilities)
- **Partners and utilities are eager for more collaboration.** Utilities, community partners and community-based organizations want to deepen relationships with Energy Trust to build mutual understanding and trust. Utilities appreciate partnership on distribution system planning, clean energy planning and community outreach and see opportunity to increase and deepen this work over the coming year. (Utilities, staff conversations)
- **Policies continue to evolve and influence Energy Trust.** That includes policies at the federal, state and local level that could create additional opportunities and challenges. Some large commercial and industrial customers are postponing capital updates due to uncertainty around potential policies that could require electrification. (RAC, utilities, staff conversations)

What should Energy Trust prioritize given these market factors?

- **To meet growing opportunities and demand, Energy Trust could help develop new delivery partners.** With community-based organizations and community action agencies at capacity, Energy Trust can identify and build capacity of new partners to distribute funds and deliver programs in underserved communities. (CAC)

- *“Energy Trust can help communities roll out energy programs so we don’t leave anyone behind in the energy transition.” CAC member*
- *“Energy Trust can expand beyond its traditional role and play a bigger part in building entities around the state that know the communities and can do this work.” CAC member*
- **Energy Trust could play a bigger role in convening partners.** Effective partnerships are essential to fully realize opportunities driven by new funding. As more community-based organizations get involved, they need education and relationships in the industry. We could play a bigger role in convening and educating them. The low-income solar working group is a successful example of how we’ve done this in the past. (CAC)
- **We could also support workforce development for contractors and delivery partners.** Workforce development and training is crucial to deliver on all the available new funding and ensure quality installations, especially in rural areas. Training is important not just for contractors (especially for BIPOC and women-owned companies) but also for community-based organizations that deliver services. Skill development is needed for contractors around HVAC, heat pump water heaters, weatherization, solar and battery storage, and it is also needed for energy assessors, electricians and roofers. There’s also opportunity to help schools offer trade apprenticeships and information on energy careers. (CAC, DAC, staff conversations)
 - *“The market isn’t developed yet for the amount of money that’s coming in.” CAC member*
- **Energy Trust could help people navigate the increasingly complex array of funds and offers.** There’s no one place where people and organizations can go to figure out their options, and Energy Trust could be that place and help by providing resources and information. (CAC, DAC)
 - *“We need one place we can get information to relay to clients, business partners and customers.” DAC member*
 - *“There’s not a one-stop shop for questions.” DAC member*
- **We could braid multiple funding sources to help bridge gaps in funding for projects.** Energy Trust needs to be creative and find ways to bridge the gap for parts of a project that funding may not cover. Federal, state and other funds can be braided with Energy Trust incentives to minimize customer costs. (DAC, utilities)
- **We could do more to make programs accessible.** Reducing jargon and participation requirements will ensure more customers get access to clean energy. (CAC)
- **Prioritizing weatherization could maximize the value of other investments.** With so much funding on the way for HVAC upgrades, there could be an opportunity for Energy Trust to maximize the value of those investments by supporting weatherization and deferred maintenance. (CAC)
- **Utilities would like more help from Energy Trust to achieve their emissions reduction targets.** That could include targeting locations facing grid constraints and population growth and exploring new offers such as hybrid HVAC and new technologies for large industrial customers. (Utilities)



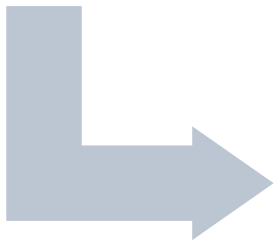
Deep Dive Discussions to Inform 2024 Budget

Alanna Hoyman-Browe & Tracy Scott

Advisory Council engagements in planning and budgeting in 2023

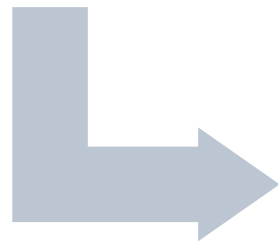
Input

- What: Market Intelligence gathering session
- When: April Advisory Council meetings
- How: Facilitated discussion



Input

- What: Subject matter deep dive sessions
- When: July Advisory Council meetings
- How: Facilitated discussion



Output

- What: Joint AC meeting
- When: October
- How: Presentation & discussion

What is happening in the market?

- IRA and other funding opportunities
- Industry lacks capacity to keep up
- Communities lack bandwidth
- People need information and resources

“There are real huge major opportunities if we all work together and look at how to creatively use resources that are coming.”

“More funding is available but there’s not enough labor to keep up.”

“We’re hearing from communities feeling like grant funding opportunities are flying right past them.”

What is happening in the market?

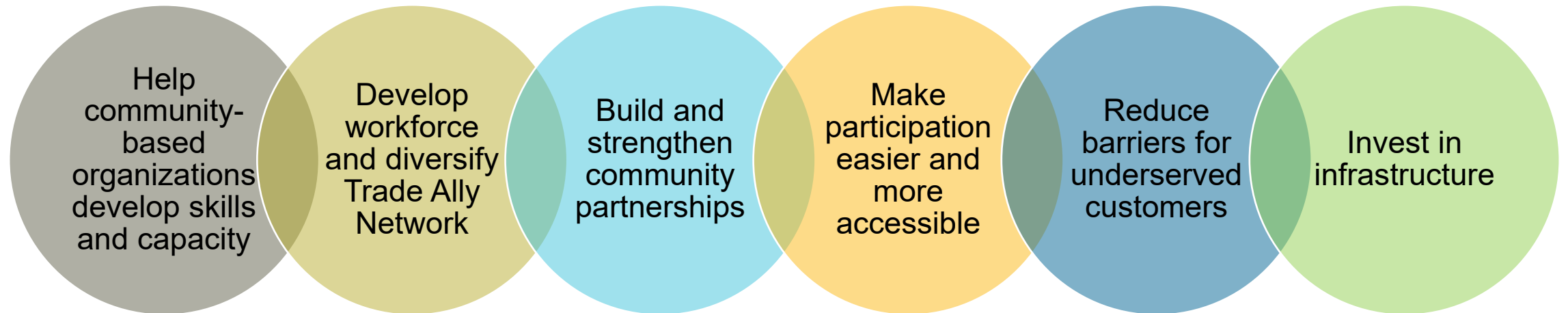
- Costs are increasing
- A recession is possible
- Haven't figured out how to serve renters
- People are interested in clean energy
- People use energy differently to stay safe, healthy through climate change
- Utilities must meet emissions reduction targets

“Community Energy Project can't serve 50% of homes with PCEF funding because the deferred maintenance is so bad.”

“[Serving renters] is one of our biggest problems we talk about all the time, but nobody really knows how to solve it.”

“A lot of people in rural Eastern Oregon are switching to heat pumps but using alternative fuels as backup during outages.”

Accelerating energy savings





Thank You

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