

Conservation Advisory Council Meeting Notes

September 11, 2024

Attending from the council:

Laney Ralph, NW Natural
Noemi Ortiz, Cascade Natural Gas
Lisa McGarity, Avista
Jonathon Belmont, Bonneville Power Administration
Charity Fain, Community Energy Project
Amanda Welch (for Andy Cameron), Oregon Department of Energy

Becky Walker, Northwest Energy Efficiency Alliance
Kari Greer, Pacific Power
Kerry Meade, Building Potential (formerly NEEC)
Peter Kernan, OPUC

Attending from Energy Trust:

Hannah Cruz
Alex Novie
Tom Beverly
Elizabeth Fox
Amber Cole
Tracy Scott
Greg Stokes
Elaine Prause
Kenji Spielman
Julie McMorine
Danielle Rhodes
Cody Kleinsmith
Leila Shokat
Jen Shafer
Laura Schaefer
Emily Cahill
Alistair Simmonds
Joy Turtola
Abi Sloan
Themba Mutepfa
Kirstin Pinit
Cory Hertog
Thad Roth
Spencer Moersfelder

Gemma DiMatteo
Erin Roach-Alberts
Amy Grable
Jane Hammaker
Maddie Norman
Adam Shick
Adam Bartini
Katie Hughes
Amanda Potter
Kathleen Belkhatat
Tiffany Hatteberg
Andi Nix
Jackie Goss
Julianne Thacher
Abby Spegman
Michael Hoch
Megan Greenauer
Angela Clayton-Schmidt
Akanksha Rawal
Sue Fletcher
Marshall Johnson
Tara Crookshank
Patrick Urain
Amanda Zuniga

Others attending:

Brooke Landon, CLEAResult
Jenny Sorich
Candice Kelly, Resource-Innovations
Lindsey Diercksen, LD Consulting LLC
Allie Romo, CLEAResult

Cameron Walsh, CLEAResult
Jeff Cropp, TRC
Sarah Hall, OPUC
Benedikt Springer, OPUC
Kate Ayres, OPUC

1. Welcome and announcements

Alex Novie, communities and new initiatives sector lead, convened the meeting at 1:30 p.m. via Zoom. The meeting agenda and presentations are available online at <https://www.energytrust.org/wp-content/uploads/2023/11/CAC-Packet-September-2024.pdf>. Alex led introductions and shared the council community agreements.

Tracy Scott, director of energy programs, shared there will be a joint advisory council meeting on October 10 to gather feedback on the 2025 budget.

2. Energy Trust Draft 2025-2030 Strategic Plan discussion

Topic summary

Staff shared an update on the draft 2025-2030 Strategic Plan, included in the [CAC meeting packet](#). Energy Trust's vision remains unchanged, but the purpose statement is updated to highlight the collaborative nature of Energy Trust's work and community-centered benefits. The phrase "clean energy solutions" appears throughout the plan and is defined as energy efficiency, small scale renewable energy and customer-sited grid connected technologies that customers use to manage energy use. Future conditions add up to increasing demand for existing services and the need for new services. The five focus areas are interconnected with each other:

- Maximizing clean energy acquisition to help reduce customer energy costs, help utilities avoid investments in generation and help relieve grid restraints
- Reduce the cost of decarbonization, making the transition less costly and risky for customers and utilities
- Creating greater impact for priority customers who haven't been served as well in the past, such as rural customers, communities of color and people with high energy burdens
- Motivating the next level of customer participation among customers who haven't worked with us or could do more
- Supporting community resilience to ensure clean energy solutions and their benefits are included in resilience efforts

The plan will be available for public comment through September 20. Comments may be submitted via the website, emailed to info@energytrust.org or mailed to Energy Trust's office.

Discussion

Staff facilitated discussion via Mural. The council said the plan is comprehensive and does a good job of distilling the themes. The focus areas are in line with what is being heard at a regional and local level (Becky Walker). The council indicated it aligns with NEEA and the Oregon Department of Energy's plans and provides good opportunities to work together (Becky Walker, Amanda Welch). The council added upstream work can help drive deeper adoption locally, and it will be helpful to talk more about how NEEA can support upstream work for priority customers with their data (Becky Walker). It liked how cost came up in a few places and how it's a major barrier for many customers (Becky Walker).

The council asked if Energy Trust is anticipating cost increases among installers as some may charge customers more with the additional funding available, adding that Bonneville Power Administration is sensitive to it (Jonathan Belmont). Staff responded it will be important to track costs. Energy Trust saw similar cost increases in the pandemic and had to run through its update cycle more quickly. It will be important to track trends in costs and ensure funding isn't exceeding project costs.

The council noted it is important to ensure there isn't a cost for low-income households to ensure adoption. Full installation costs should be covered; not just the unit installed, but also the surrounding costs. This includes looking at the impact on utility rates, ensuring customers are getting the benefits, that communities aren't left behind, and a rate structure that helps defer costs through discounts. One example is looking at households that never had cooling but now do; they will have costs in the summer that they didn't before and may need support to understand that. We don't want to put them in a place of paying a bill vs. not having heating or cooling (Charity Fain).

Community Energy Project is looking at how it collects and uses data since it does full retrofits at \$40,000 to \$50,000 per house. It is doing focus groups and will also offer a heat pump educational video. The focus is on people understanding the technology. If a community hasn't had access to it in the past, there is no one with first-hand experience to ask about it. Resilience and healthy homes will be another topic for listening sessions and outreach. Community Energy Project is happy to discuss how that information will be shared over the next couple of years (Charity Fain).

The council was pleased to see Energy Trust is looking at the overall system cost and acknowledging the more customers participate in energy efficiency, the greater the benefit to everyone. It added a lot of the plan is top of mind for the region, but the "laggard" concept is good to include so the region can get to where it needs to be (Lisa McGarity). The council said it would like to see more gas efficiency and resilience strategies spelled out (Laney Ralph).

Staff provided additional context on fuel switching in the next six years and a related strategy in the draft plan to support electrification as requested by customers, policymakers or funders. Currently, Energy Trust is guided by a board of directors' policy "Aligning with Oregon's Decarbonization Policies." Oregon does not have an explicit policy to electrify end-uses, and the OPUC regulates electric and natural gas utilities separately. This is reflected in the board's policy, which directs staff to follow OPUC rules to ensure electric ratepayer funds deliver benefits to those ratepayers and the electric grid, and similar with natural gas ratepayer funds delivering benefits to those customers and the gas system. The board policy also clarifies staff may pursue and administer funds not regulated by the OPUC that could have fuel-specific objectives (i.e., federal Home Electrification and Appliance Rebate). There is increasing customer interest in electrification options, and Energy Trust will continue to support those customers in alignment with the board policy. The hybrid HVAC pilot that is funded by all five utilities is one way Energy Trust is exploring the impacts of adjusting fuel use based on weather needs and customer interest.

The council mentioned the goal of reducing decarbonization costs in focus area 2 is similar to focus area 1. NEEA struggled a bit with this in its own plan, giving thought to what activities were cost saving vs. what were just about decarbonization for its own sake. It is tricky to determine where the metrics should appear (Becky Walker). Staff said the plan opens the door to Energy Trust getting a better understanding of customer habits, as timing of incentives may have an impact on cost reduction. There are several facets to this. Staff will share the feedback about metrics with the planning committee.

Next steps

None.

3. Gas transport update

Topic summary

Staff gave an update on serving transport customers for Avista and NW Natural. The invalidation of Oregon's Climate Protection Program in 2023 changed plans for serving transport customers, who are large users who purchase their own natural gas and pay utilities to transport it to their sites via existing infrastructure.

Energy Trust began offering strategic energy management (SEM), along with standard and custom track incentives for Avista transport customers in 2023. A few enrolled in SEM, and they will continue until their engagements end – one in fall 2024 and another in March 2025. Energy Trust discontinued custom tracks in spring 2024 and only offers standard track prescriptive incentives right now. The total budget is \$300,000 for 2024. It's a little less than the approved budget and is capped.

NW Natural transport customers weren't yet being served when the Climate Protection Plan was invalidated. Energy Trust recently signed an agreement with NW Natural to offer standard prescriptive incentives up to \$75,000 and is serving transport customers through Production Efficiency and Existing

Buildings. Less than four months remain, so the full budget may not be spent due to the long lead times for large commercial and industrial projects.

New Climate Protection Plan rules are out for public comment and may take effect in early January 2025. Energy Trust will revisit what it offers in October.

Discussion

None.

Next steps

None.

4. Business lighting downstream pause for 2024

Topic summary

Staff provided an update on recent changes to downstream lighting incentives. Energy Trust offers downstream lighting incentives through trade allies, instant discounts through midstream distributors and small business direct installs. Downstream incentives are now paused to manage the budget through the end of the year. Energy Trust increased incentives in April 2024; it increased the downstream budget by 70% over 2023 due to anticipated higher volume. Activity was much higher than anticipated, driven by the incentive increase and customer response to HB 2531. HB 2531 prohibits the sale of fluorescent lighting, making LEDs the standard. Energy Trust is already seeing the impacts of this new standard in 2024 program implementation. As HB 2531 goes into effect in 2025, fewer lighting measures will qualify for incentives.

Prior to pausing, Energy Trust reduced marketing activity and tightened controls. It announced the pause on August 12, with a deadline of August 23. Projects not offered incentives can resubmit when the program reopens. Because the 2025 budget is still in development, staff doesn't know what the downstream offer will look like, although staff does expect to reduce incentives and project maximums.

Discussion

None.

Next steps

None.

5. Measure updates for 2025

Topic summary

Staff presented on 2025 measure changes. Specific measures are shown in the [CAC presentation](#). Staff discussed new measures being added in 2025, along with several operating under exceptions granted by the Oregon Public Utility Commission (OPUC). New measures include ducted heat pumps in stacked multifamily and high-speed doors and advanced controls for walk-in coolers and freezers. Potential measure exception requests currently in progress include manufactured homes early retirement; ductless heat pumps in existing single-family, manufactured homes and multifamily; and ducted and ductless heat pumps in small and medium businesses. There is an existing exception for ductless heat pumps in multifamily, and ductless heat pumps in stacked multifamily is new.

Research and pilots will include no-cost ductless heat pumps, ducted heat pumps, heat pump water heaters, targeted duct treatment, and dual fuel heat pumps. The no-cost measures are designed to see how Energy Trust can serve customers experiencing low-incomes and energy burdens by working with community partners like community-based organizations and housing organizations. There will also be a pilot to offer no-cost small commercial heat pumps through community partners.

Discussion

The council members asked about volume expectations for manufactured home replacement and ductless heat pumps in stacked multifamily (Lisa McGarity). Staff responded that manufactured home replacement has been steady but is expected to increase to over 100 units in 2025 compared to 60-70 in 2024. Ductless heat pumps in stacked multifamily properties is new, so Energy Trust will know more in time.

Next steps

None.

6. UM2211 update from OPUC staff

Topic summary

Benedikt Springer, senior utility and energy analyst at the Oregon Public Utility Commission, provided an update on the Energy Affordability Act (HB 2475) and OPUC Docket UM 2211. All utilities have established bill discount programs by now. Staff is working on better reporting on disconnections and arrearages. Energy burden data is in review and the OPUC is looking at how energy programs in Oregon can be made more accessible. Dockets are the way the OPUC tracks on these decisions. All are listed on the OPUC website. Contact information and links to search for dockets are included in the slides.

Discussion

None.

Next steps

None.

7. Council member announcements

Becky Walker from Northwest Energy Efficiency Alliance announced the call for nominations for NEEA's Leadership in Energy Efficiency awards is open through September 13.

8. Public comment

None.

9. Adjournment

The meeting adjourned at 3:30 p.m. The next meeting will be held Thursday, October 7, 2024, at 1:30 p.m.