

Conservation Advisory Council Agenda

Virtual meeting

Wednesday, April 9th, 2024

1:30 – 4:00 p.m.



Zoom meeting registration link: <https://us06web.zoom.us/meeting/register/fzyxOjX8Qb2jAFFHrl7qSw>

1:30 Welcome, Introductions and Community Agreements

1:40 Director of Energy Programs Desk (*inform*)

Natalie Hathaway, Energy Trust's new Assistant Director of Energy Programs, will share preliminary 2024 end of year results and preview the 2024 annual report

Presenter: Natalie Hathaway, Assistant Director of Energy Programs

1:50 Building Performance Standard Rulemaking Update (*inform*)

The Oregon Legislature passed [House Bill 3409](#) in 2023, which established an Energy Performance Policy for certain commercial buildings and in December of 2024 Rules were adopted. Hannah Cruz, Energy Trust's Government and Stakeholder Relations Manager and Kathleen Belkhat, a Commercial Program Manager, will cover the rules and what Energy Trust is working on to support customers with compliance.

Presenter: Kathleen Belkhat, Program Manager - Commercial; Hannah Cruz, Government and Stakeholder Relations Lead

2:10 2025 Legislative Session Update (*inform*)

Staff will provide an update about the 2025 Legislative Session, including energy-related bills. CAC members are invited to share information about any of their priorities during the session.

Presenters: Hannah Cruz, Government and Stakeholder Relations Lead; Chris Lyons, Sr. Stakeholder Relations and Policy Manager; Natalia Ojeda, Policy and Outreach Specialist

2:30 Break (10 Minutes)

2:40 Portfolio-Level Cost Effectiveness Update (*inform, discuss*)

OPUC and Energy Trust staff will present current thinking about portfolio-Level cost-effectiveness as it may apply to implementation for Energy Trust's Multiyear Plan.

Presenters: Peter Kernan, Senior Utility Analyst – Oregon Public Utility Commission; Spencer Moersfelder, Director of Planning & Evaluation

3:50 CAC Member Announcements

3:55 Public Comment

4:00 Adjourn

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

Next CAC meeting is Wednesday, June 11, 2025.



Conservation Advisory Council's Community Agreements

Why We Use Community Agreements

- At Energy Trust, we are improving how we listen to, serve and provide incentives and benefits to customers we have not centered in the past, including
 - People who identify as Black, Indigenous and People of Color
 - People with low and moderate incomes
 - People living and working in rural areas
- We will be adding more customer and community perspectives to CAC that can elevate the experiences of these customers. With more cross-cultural differences, there is more room for miscommunication, disagreement and even harm

Purpose

- Community agreements
 - Are created collectively
 - Describe how members of a group will act, behave and work together
 - Are an accountability framework to support members, especially groups with diverse and varying perspectives, lived experiences and professional backgrounds
 - **At their core – *they set the tone for the experience of being on the CAC, including communicating and participating in meetings***
 - **They are also a tool for the facilitator and members to use to address misunderstandings and harm when it occurs**

Our 2023 Community Agreements

We will

- Stay engaged
- Share the stage / step up, step back
- Listen to each other to learn and understand
- Assume best intent and attend to impact
- Address actions that marginalize or harm another person or group of people

These Community Agreements Will Help Us in Forming A Council Where There Is

Trust

Healthy conflict

Respect for a variety of experiences and backgrounds

Engagement

Support for one another

Participation, in different ways, inside/outside meeting

We Will:

- Use the community agreements in each CAC gathering
- Hold each other accountable when the agreements are not followed
- Revisit the community agreements annually or more often/as needed



2024 Annual Results
Conservation Advisory Council
April 9, 2025





2024 annual results

- Saved 59.6 aMW—**124%** of electric savings goal
- Saved 6.95 MMTh—**107%** of gas savings goal
- Generated 5.45 aMW—**118%** of renewable goal
- Exceeded goal for PGE, Pacific Power, Cascade Natural Gas, Avista
- Met goal for NW Natural (Oregon)
- Fell short of goal for NW Natural (Washington)

Efficiency results by utility

	Savings	Goal	% Goal Achieved	IRP Target	% IRP Achieved
PGE	37.8 aMW	28.6 aMW	132%	30.0 aMW	126%
Pacific Power	21.8 aMW	19.3 aMW	113%	22.0 aMW	99%
NW Natural	5.7 MMTh	5.5 MMTh	104%	6.4 MMTh	89%
Cascade Natural Gas	0.65 MMTh	0.60 MMTh	109%	0.77 MMTh	85%
Avista	0.60 MMTh	0.47 MMTh	129%	0.54 MMTh	110%



Efficiency results by sector

	Electric Savings	% Achieved	Gas Savings	% Achieved
Commercial sector	25.4 aMW	119%	2.90 MMTh	99%
Industry and agriculture sector	24.3 aMW	142%	1.86 MMTh	115%
Residential sector	10.0 aMW	105%	2.19 MMTh	111%
Total	59.6 aMW	124%	6.95 MMTh	107%



Generation results by utility

	Generation	Goal	% Achieved
PGE	3.44 aMW	2.53 aMW	136%
Pacific Power	2.01 aMW	2.07 aMW	97%
Total	5.45 aMW	4.60 aMW	118%





Thank you

Final OPUC Annual Report
available **April 15, 2025** at
energytrust.org/reports



Oregon's Commercial Building Performance Standards (BPS)

Energy Trust of Oregon

April 9, 2025

Commercial Building Performance Standards

Signed into law by the Governor on July 27, 2023

82nd OREGON LEGISLATIVE ASSEMBLY--2023 Regular Session

House Bill 3409

Sponsored by Representative RAYFIELD

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Department of Environmental Quality to study climate. Directs department to submit findings to interim committees of Legislative Assembly related to environment not later than September 15, 2024.

A BILL FOR AN ACT

1
2 Relating to climate.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** The Department of Environmental Quality shall study the climate. The de-
5 partment shall submit a report in the manner provided by ORS 192.245, and may include
6 recommendations for legislation, to the interim committees of the Legislative Assembly re-
7 lated to the environment no later than September 15, 2024.

8 **SECTION 2.** Section 1 of this 2023 Act is repealed on January 2, 2025.
9

Based on Washington's Clean Buildings Act, which was adopted in 2021, but different in several ways

Oregon Department of Energy established **commercial building energy benchmarking and performance standards** to reduce greenhouse gas emissions and energy use through:

- ✓ energy management planning
- ✓ operations and maintenance plans
- ✓ energy audits

Status

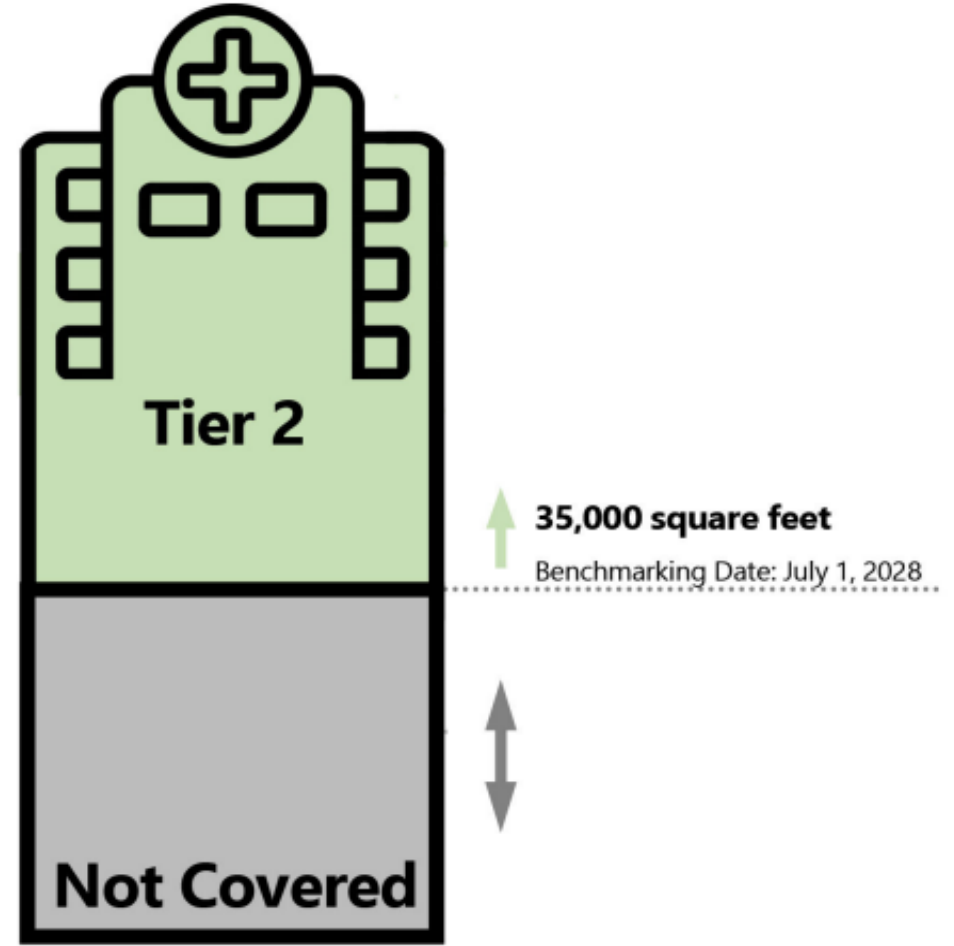
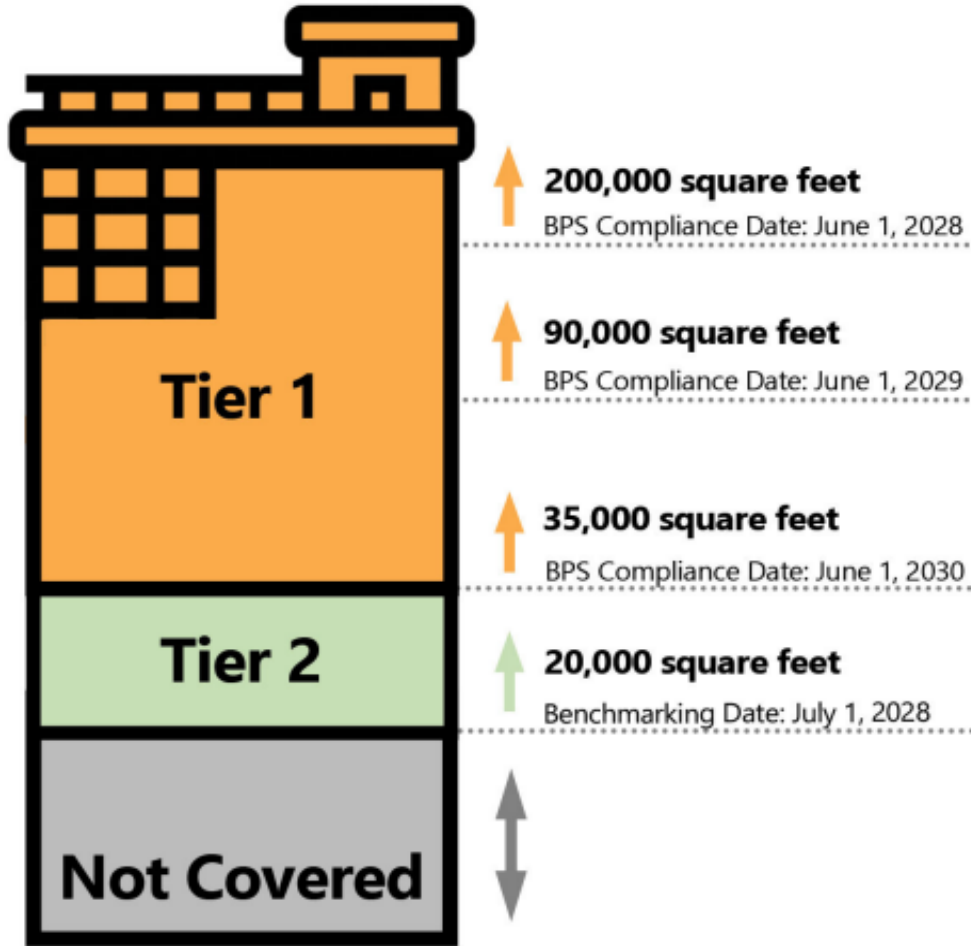
- Rulemaking finalized on Dec. 31, 2024
 - At the Oregon Department of Energy
 - Energy Trust participated on the Rulemaking Advisory Committee and participating on the Tier 2 Advisory Committee
- Up ahead
 - ODOE notification to building owners by July 1, 2025
 - Program design to support building owners
 - ODOE will develop an early adoption incentive program for
 - Tier 1 buildings complying earlier than required (85 cents/sq ft)
 - Tier 2 buildings reporting energy data earlier than required (35 cents/sq ft)
 - Tier 2 multifamily residential buildings that agree to not displace tenants (incentive TBD)

NON-RESIDENTIAL, HOTELS, AND MOTELS

MULTIFAMILY RESIDENTIAL, HOSPITALS, SCHOOLS, DORMITORIES, AND UNIVERSITIES BUILDINGS

*Tier 1:
Building
Performance
Standard
requirements*

*Tier 2:
Energy use
disclosure
requirements*



Tier 1 Buildings Defined

- A *building* in which the sum of *gross floor area* for hotel, motel, and nonresidential use \geq 35,000 sq ft, excluding any parking garage.
- Compliance deadlines are staggered depending on building size:
 - June 1, 2028 – buildings 200,000 square feet or bigger
 - June 1, 2029 – buildings 90,000 - 200,000 square feet
 - June 1, 2030 – buildings 35,000 - 90,000 square feet

Tier 1 Buildings—Energy Performance Standard Requirements

- Tier 1 compliance will generally require meeting one of these:
 - Meeting energy use intensity targets
 - conditional compliance requirements that Oregon Department of Energy (ODOE) establishes (such as energy audits, energy investments and energy management plans)
 - exemption qualifications

Tier 2 Buildings—Defined

A building with gross floor area, excluding any parking garage, **$\geq 35,000$ sq ft** and that is used as a **multifamily residential building, a hospital, a school, a dormitory or university building**; or

A building in which the sum of gross floor area for hotel, **motel and nonresidential use $> 20,000$ sq ft but $< 35,000$ sq ft**, excluding any parking garage.

- Compliance deadline: July 1, 2028, and then every 5 years

Tier 2 Buildings—Requirements

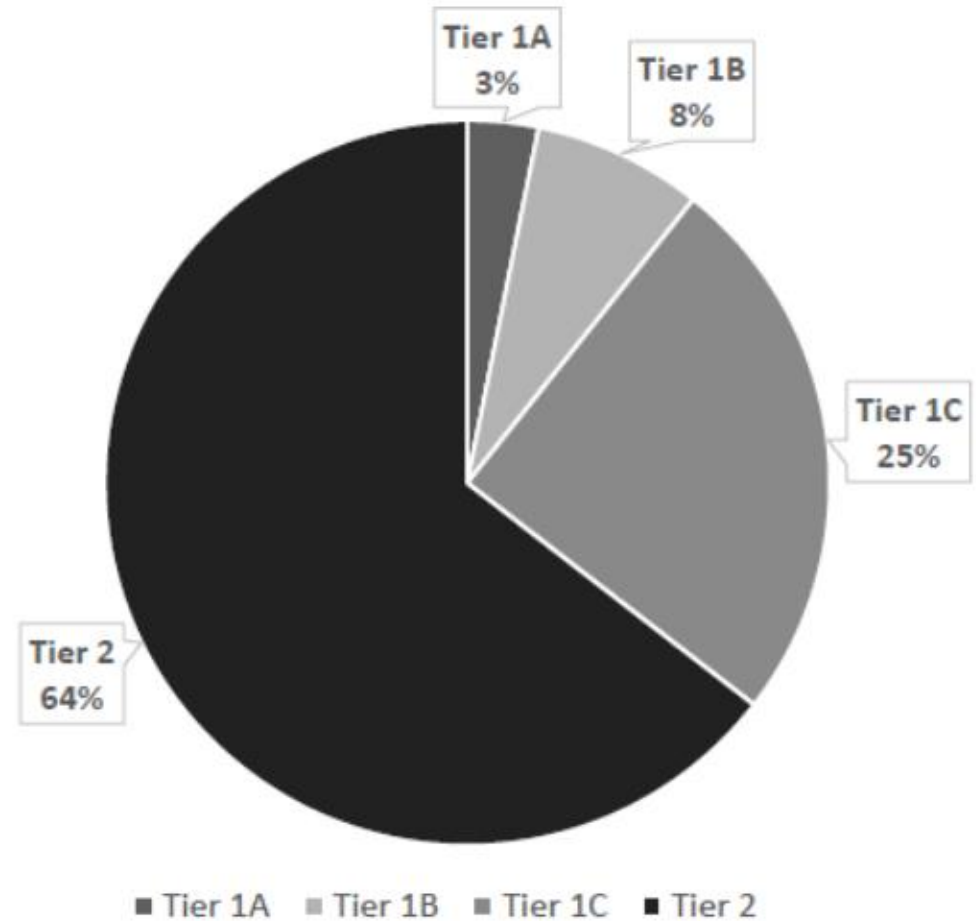
- Benchmark building energy use
- Identify EUI
- Establish and EUIt
- Report to ODOE
- Additionally, ODOE will explore establishing an energy performance standard for Tier 2 buildings
 - Advisory group formed and will begin work in early 2025
 - Tier 2 building data evaluated by July 2029
 - Report to the legislature on recommendations for an energy performance standard for Tier 2 buildings by October 2030

Context: site volume & distribution

Total Estimate Breakdown by Tiers

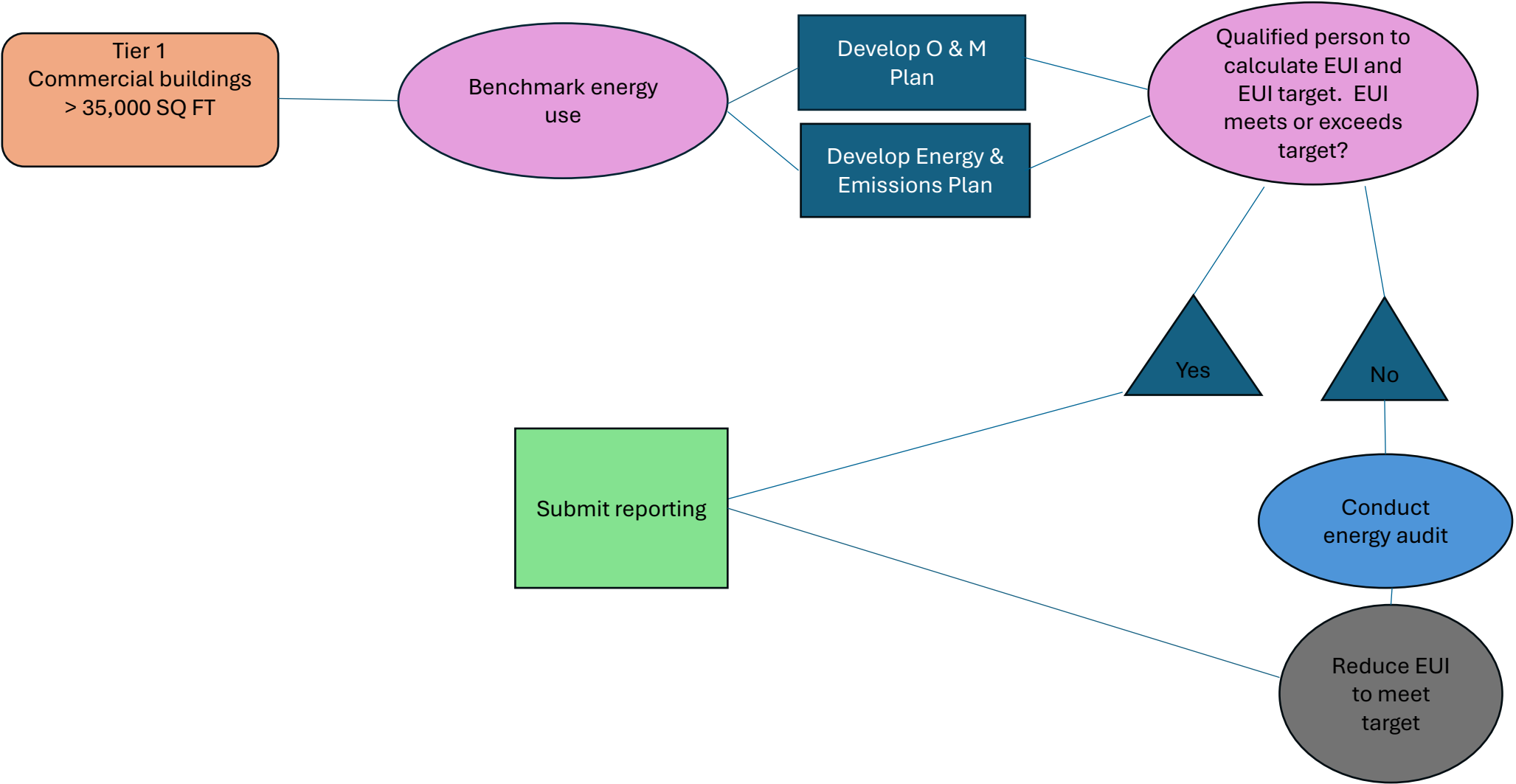
The majority of buildings mandated by BPS will be Tier 2 buildings. These buildings **will** be responsible for benchmarking their energy but **will not** be responsible for hitting BPS specific EUI targets. Compliance for Tier 2 is July 2028.

Tier A-C will be responsible for **both** benchmarking and hitting EUI targets. Tier A's compliance starts June 2028, B in 2029, and C in 2030.

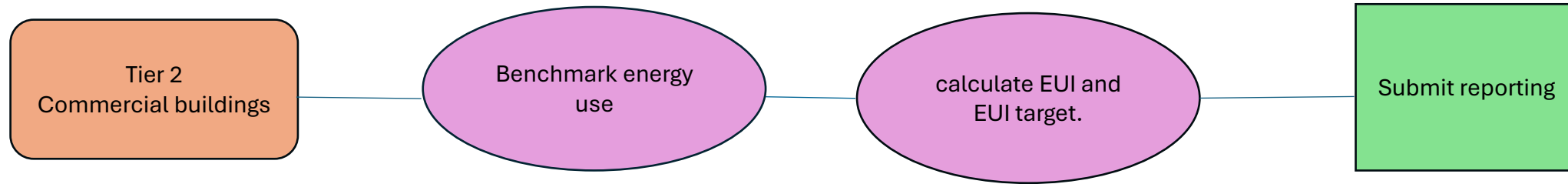


Process

Flow Chart: Tier 1

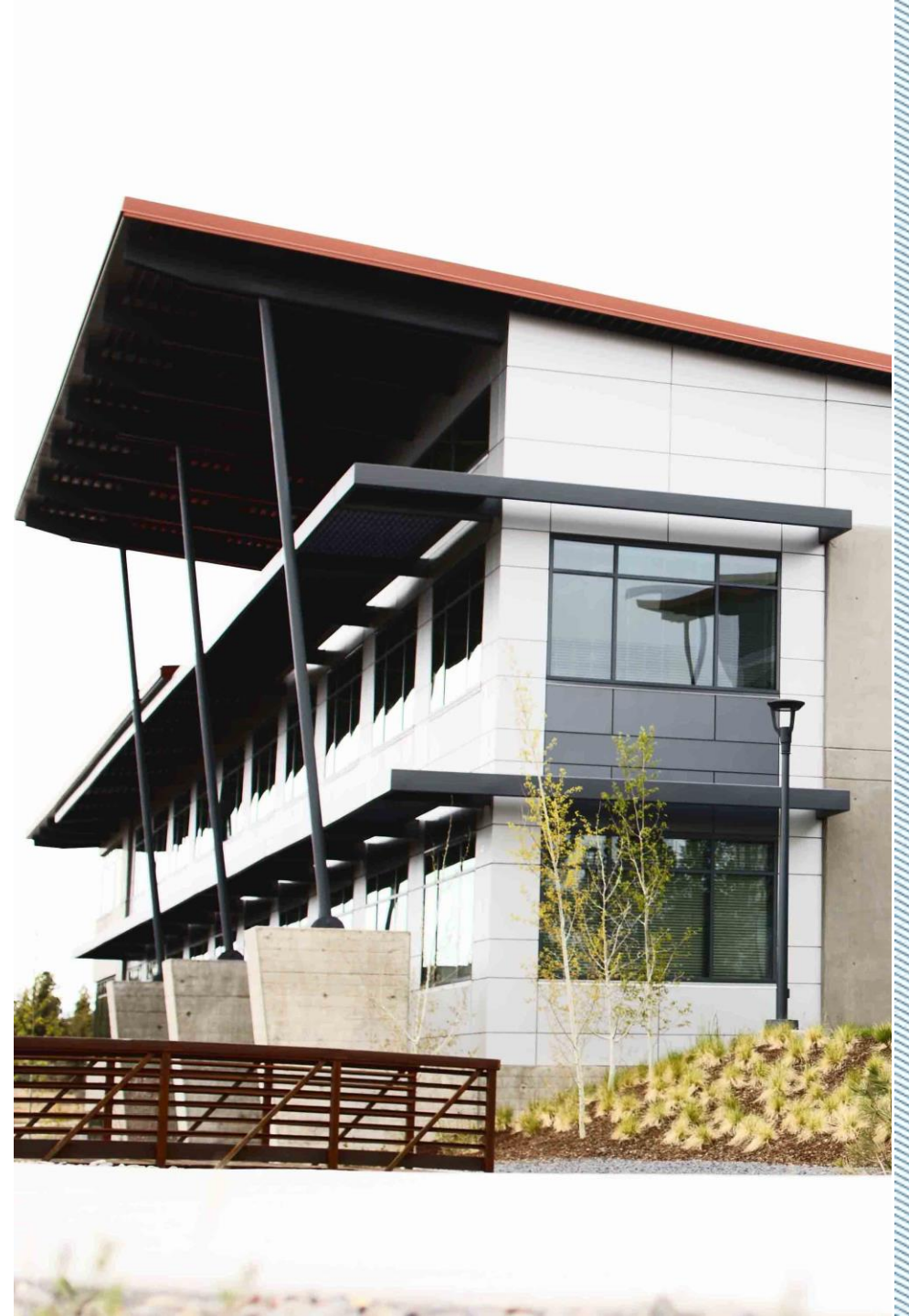


Flow Chart: Tier 2



Energy Trust support for customers

- Continue promoting energy efficiency and renewable energy projects through regular program channels
- Promote BOC Level 2 (incentives available) with customers to have qualified person on staff
- Encourage SEM enrollment for light compliance support and O&M reduction identification
- Design for smaller building compliance support is in the works (SEM-lite)





Workforce development efforts

- Internship for building assessment/auditing career path
 - Designing career path with existing trainings and hands on Energy Trust program learning
- Trainings for staff supporting building compliance.
 - 3 levels:
 - Qualified energy manager (Tier 2 reporting)
 - WA Department of Commerce Training- adapt for Oregon
 - Qualified person (Tier 1 or Tier 2 reporting)
 - BOC Level 2 (incentives for training)
 - Lane CC Energy Management Program (pending status of program)- scholarships available
 - Qualified auditor (audits for Tier 1)
 - CEA or CEM- no plans yet for incentives



Thank you

Kathleen Belkhayat

Commercial Program Manager - Energy
Performance Management

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Portfolio Cost- Effectiveness

**Energy Trust Conservation
Advisory Council Meeting**

**Peter Kernan
Senior Utility Analyst
April 9, 2025**



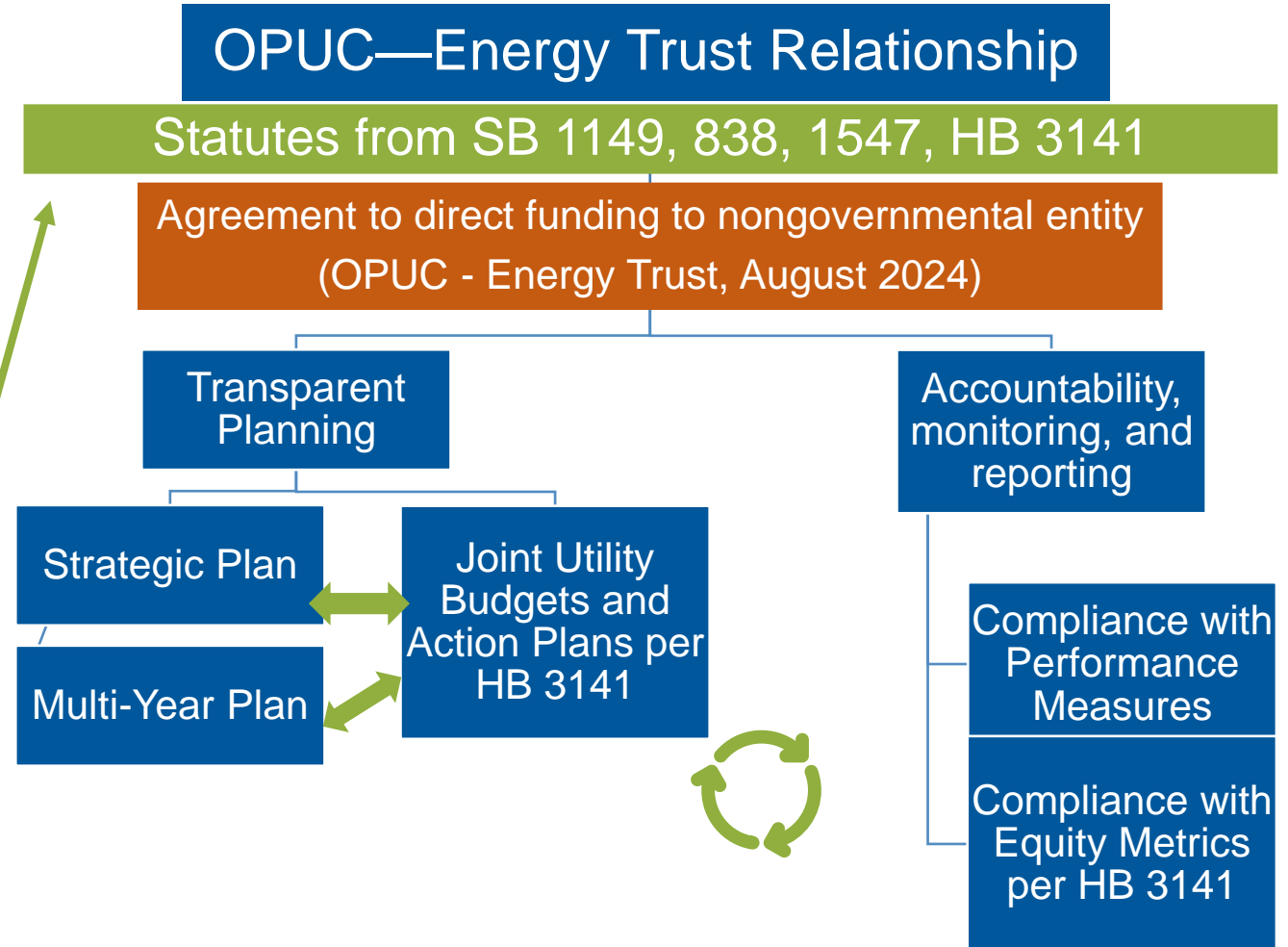
Statutory Basis for Energy Efficiency in Oregon

- **ORS 757.054(3)**

- Electric utility companies must “plan for and pursue all available energy efficiency resources that are cost effective, reliable, and feasible”

- **ORS 757.054(4)**

- Grants PUC discretion to require that all funds necessary be collected in an electric company’s rates may be paid to a nongovernmental entity for purposes of ORS 757.054(3)



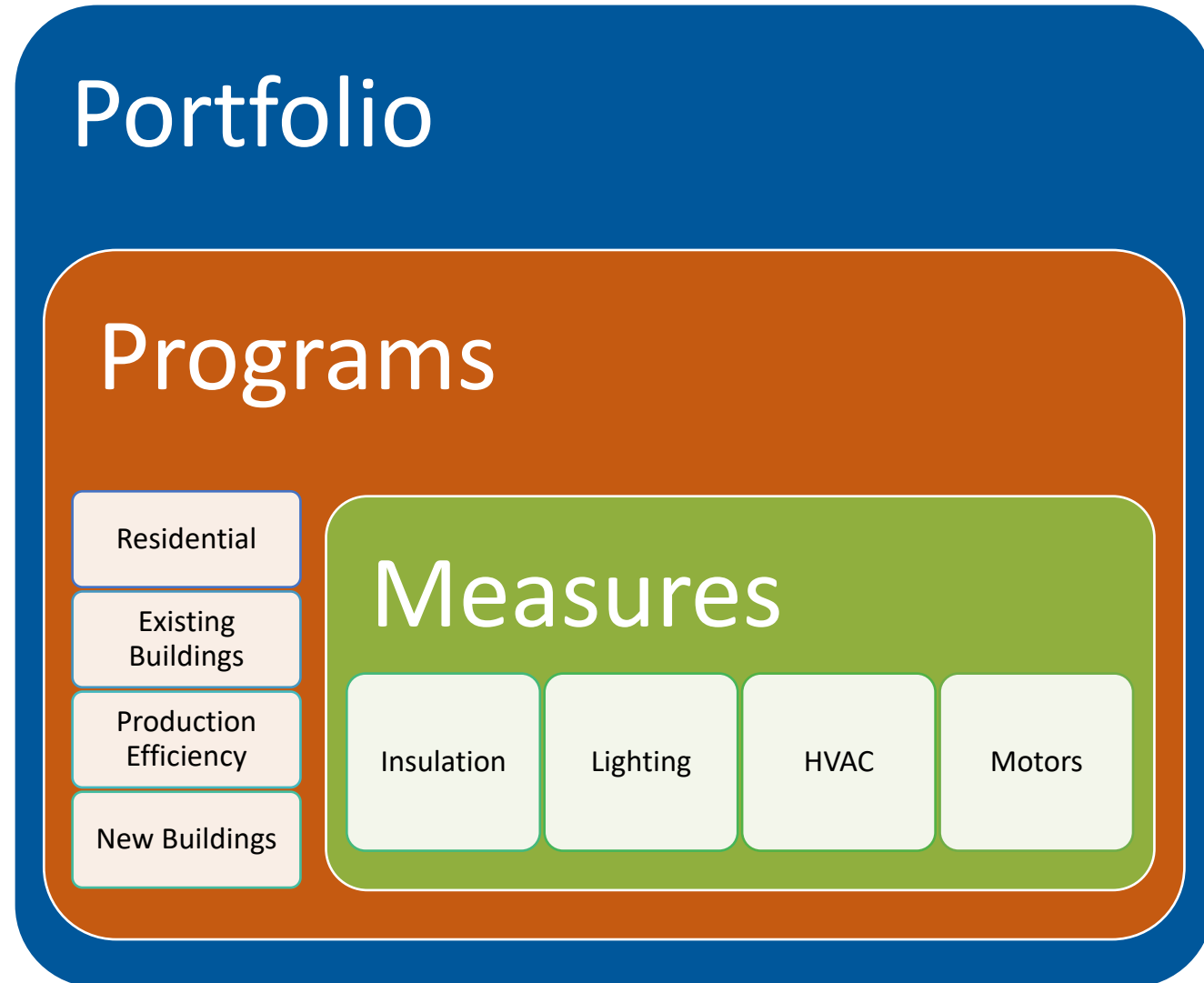
Portfolio Cost-Effectiveness within the
Agreement to Direct Funding to Nongovernmental Entity
Between Energy Trust and OPUC

“Energy Trust may apply the Total Resource Cost (TRC) test, Utility Cost Test (UCT) or another test approved by the PUC to demonstrate cost effectiveness by measure, by building, by program, **or by portfolio** except as otherwise required by order or administrative rule of the PUC or as required by Applicable Law.”

Portfolio Perspective in Practice

- **2025 Budget Memo Staff's Recommendation #3**
 - **Increase cumulative savings while maintaining positive portfolio level cost-effectiveness**

[Staff Memo Link](#)



Peter Kernan

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Thank You!



Portfolio-Level Cost-effectiveness Implementation Proposal

April 9, 2025

Agenda

- Process overview
- Cost-effectiveness background
- Portfolio-level cost-effectiveness – Proposal for implementation
- Questions

Process overview

Process overview

Portfolio-Level Cost Effectiveness is being considered within the context of Energy Trust's Multiyear Plan. Steps include:

- Discuss portfolio-level cost effectiveness proposal today
- Determine whether another CAC session to discuss this is needed
- Discuss portfolio-level cost effectiveness proposal at May 13 DAC meeting
- Energy Trust will move forward based on guidance from the OPUC that emerges from stakeholder feedback on Energy Trust's Draft Multiyear Plan

Cost-effectiveness background

Background on cost-effectiveness: current state

- Cost-effectiveness is central to how Energy Trust plans and delivers energy efficiency programs
- Measure and program-level cost effectiveness is applied to ensure that Energy Trust is making investments where benefits for ratepayers exceed costs
- If measures are not cost-effective, then an exception is required from the OPUC for Energy Trust to offer the measure
- Aligns with utility long-term integrated resource planning (IRP). Efficiency is a resource used to meet demand on par with supply resources. Cost-effectiveness tests are a simple way to evaluate investments in efficiency and compare with other resources.

Two cost-effectiveness tests for measures

Total Resource Cost Test (TRC):

- Main test; intended to reflect the perspective of participant and utility
- Includes all benefits and all costs to utility system and to participants
- Program and administrative costs are not included for measure analysis

$$\text{TRC}_{\text{measure}} = \frac{\sum \text{NPV}(\text{Avoided Costs} \times \text{energy savings} + \text{Non-energy Benefits})}{\sum \text{NPV}(\text{Incremental Measure Costs} - \text{Complementary Funding})}$$

Utility Cost Test (UCT):

- Benefits to the utility system and costs to the program administrator
- Defines our maximum incentive, how much we could pay
- Program and administrative costs are not included for measure analysis

$$\text{UCT}_{\text{measure}} = \frac{\sum \text{NPV}(\text{Avoided Costs} \times \text{energy savings})}{\sum \text{NPV}(\text{Incentives})}$$

Program-level cost effectiveness

Program-level Total Resource Cost Test benefit-cost ratio calculation

$$\text{TRC}_{\text{program}} = \frac{\sum \text{NPV}(\text{Avoided Costs} \times \text{energy savings} + \text{Non-energy Benefits})}{\sum \text{NPV}(\text{Incremental Measure Costs} + \text{All Energy Trust Costs} - \text{Complementary Funding})}$$

Program-level Utility Cost Test benefit-cost ratio calculation

$$\text{UCT}_{\text{program}} = \frac{\sum \text{NPV}(\text{Avoided Costs} \times \text{energy savings})}{\sum \text{NPV}(\text{Incentives} + \text{All Energy Trust Costs})}$$

- **Notes:**

- We do not calculate a program-level TRC BCR for New Buildings programs due to code, which makes it difficult to quantify savings and costs for efficiency measures
- We have not historically calculated UCT or TRC BCRs for NEEA programs because a one-year view on cost-effectiveness for a market transformation program doesn't make sense

Path to portfolio-level cost-effectiveness

- New OPUC/Energy Trust Agreement to Direct Funds

“Energy Trust may apply the Total Resource Cost (TRC) test, Utility Cost Test (UCT) or another test approved by the PUC to demonstrate cost effectiveness by measure, by building, by program, **or by portfolio** except as otherwise required by order or administrative rule of the PUC or as required by Applicable Law.”

- OPUC Comments on Energy Trust 2025 Budget

“Increase cumulative savings while maintaining positive portfolio level cost-effectiveness...”

Portfolio-level cost effectiveness: Proposal for implementation

Portfolio-level cost-effectiveness – components

Proposal: Individual program UCT and TRC BCRs may be <1.0 if the BCRs for the portfolio of combined programs exceeds 1.0 for each utility.

- A. Program-level BCR calculations will roll up to the portfolio level
- B. Measure level cost-effectiveness will still be required, with exceptions approved by the OPUC for specified conditions
- C. This will allow Energy Trust to provide more expensive measures and more measures under exception to reach priority customers to align with Strategic Plan and Multiyear Plan
- D. Energy Trust will manage programs across the portfolio to ensure that the portfolio is cost-effective for each utility
- E. Energy Trust anticipates expanding reporting for measures that are not cost-effective
- F. Energy Trust will implement processes to track and forecast portfolio-level cost effectiveness
- G. We will continue to exclude New Buildings from TRC calculation per Order No. 23-442

Draft 5-year Utility Cost Test results

Program	PGE	Pacific Power	NW Natural	Cascade	Avista	Total	Electric	Gas
Residential	1.1	1.1	2.3	1.5	1.7	1.4	1.1	2.1
New Buildings	4.2	3.5	2.6	2.7	2.6	3.7	3.9	2.6
Existing Buildings including multifamily	1.2	1.1	2.6	2.3	2.0	1.4	1.2	2.6
Production Efficiency	1.8	1.8	2.4	1.8	1.8	1.8	1.8	2.4
Total Portfolio	1.6	1.5	2.4	1.8	1.8	1.7	1.5	2.3

A Portfolio Level UCT result of 1.5 means that benefits to utility customers are estimated to be 1.5x total costs invested

Draft 5-year Utility Cost Test details

Program	Total Expenditures (\$M)	Avoided Costs (\$M)	UCT	Net Benefits (\$M)
Residential	\$628	\$902	1.44	\$274
New Buildings	\$168	\$629	3.74	\$461
Existing Buildings	\$860	\$1,174	1.37	\$314
Industrial	\$552	\$1,017	1.84	\$465
NEEA	\$67	\$646	9.69	\$580
Gas and Electric Total	\$2,275	\$4,368	1.92	\$2,093
<i>Gas and Electric Total excluding NEEA</i>	<i>\$2,208</i>	<i>\$3,722</i>	<i>1.69</i>	<i>\$1,514</i>

Significant net benefits for customers

Draft 5-year Total Resource Cost Test results

Program	PGE	Pacific Power	NW Natural	Cascade	Avista	Total	Electric	Gas
Residential	0.95	0.98	2.3	1.7	1.7	1.3	0.96	2.1
New Buildings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Existing Buildings including multifamily	1.0	1.0	1.5	1.4	1.4	1.1	1.0	1.5
Production Efficiency	2.1	2.2	3.0	2.3	2.6	2.2	2.1	2.9
Total Portfolio	1.3	1.3	2.0	1.6	1.6	1.4	1.3	1.9

Questions for CAC consideration

1. What are the implications of moving to portfolio level cost-effectiveness?
2. Should there be a minimum BCR threshold for programs (e.g. 0.5)? If so, how should the minimum be set?
3. Should portfolio-level cost effectiveness be assessed at the end of the multiyear plan period in 2030?
 - Assumes that Energy Trust will be tracking and forecasting across the portfolio to ensure a cost-effective result
4. Are certain cost-effectiveness levels (measure/program/portfolio) more important than others in your opinion and why?
 - What would be needed to ensure measures are good value for customers?
5. Should we include NEEA in portfolio-level cost-effectiveness calculations?
6. Would stakeholders like additional information at a future CAC meeting?

Questions



Thank you

Spencer Moersfelder

Director of Planning and Evaluation

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Supplementary Slides

Criteria for Cost-effectiveness Exceptions

- A. The measure produces significant non-quantifiable non-energy benefits.
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure.
- C. The measure is included for consistency with other demand side management programs in the region.
- D. Inclusion of the measure helps to increase participation in a cost-effective program.
- E. The package of measures cannot be changed frequently and the measure will be cost effective during the period the program is offered.
- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers.
- G. The measure is required by law or is consistent with Commission policy and/or direction.
- H. Inclusion of the measure mitigates energy burden.

2025 Measure Cost-effectiveness Exceptions Memo

[Pdf page 42/160: https://www.energytrust.org/wp-content/uploads/2024/12/2025-Final-Proposed-Budget.pdf](https://www.energytrust.org/wp-content/uploads/2024/12/2025-Final-Proposed-Budget.pdf)