

Conservation Advisory Council Meeting Notes

November 13, 2024

Attending from the council:

Laney Ralph, NW Natural
Noemi Ortiz, Cascade Natural Gas
Lisa McGarity, Avista
Jonathon Belmont, Bonneville Power
Administration
Mark Rehley (for Becky Walker), Northwest
Energy Efficiency Alliance

Kari Greer, Pacific Power
Peter Kernan, OPUC
Andy Cameron, Oregon Department of
Energy
Jake Wise, Portland General Electric

Attending from Energy Trust:

Elizabeth Fox
Jeni Hall
Tom Beverly
Elaine Dado
Laura Schaefer
Kathleen Belkhatay
Alex Novie
Julie McMorine
Amber Cole
Matt Getchell
Andi Nix
Jen Shafer
Michael Hoch
Thad Roth
Cory Hertog
Jake Kennedy
Mana Haeri
Tracy Scott
Alicia Li
Joy Turtola
Marshall Johnson
Spencer Moersfelder
Ernie Guerrero

Natalia Ojeda
Greg Stokes
Caryn Appler
Isaiah Kamrar
Maddy Otto
Cody Kleinsmith
Abby Spegman
Jane Hammaker
Angela Clayton-Schmidt
Gemma DiMatteo
Sue Fletcher
Ryan Crews
Patrick Urain
Megan Greenauer
Kate Wellington
Melanie Bissonnette
Andrew Shepard
Amanda Zuniga
Jackie Goss
Julianne Thacher
Abi Sloan
Akanksha Rawal
Leila Shokat

Others attending:

Billie McWinn, Idaho Power
Jenny Sorich, CLEARResult
John Molnar, Rogers Machinery
Samantha Taylor, CLEARResult
Joe Marcotte, TRC Companies
Brooke Landon, CLEARResult

Rebeca Enriquez, NW Natural
Beth Baxter, TRC Companies
Dan Groshans, CLEARResult
Connor Grossman, CLEARResult
Erich Koch, CLEARResult
Diane Henkels, Action Net

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-November-2024.pdf>. Alex led introductions and shared the council community agreements.

2. Energy programs updates

Topic summary

Tracy Scott, director of energy programs, provided an update on year-end results. Energy Trust expects to reach 126% of its electric savings goal, 101% of its natural gas savings goal and 129% of its energy generation goal. Downstream lighting incentives are paused and lighting saw a very high volume of projects in 2024.

Discussion

None.

Next steps

None.

3. 2025-2030 Strategic Plan development

Topic summary

Staff provided an update on the 2025-2030 Strategic Plan development as a follow-up to feedback from the council on the draft plan. Details are included in the [CAC meeting documentation](#). The final draft will include some adjustments based on stakeholder feedback, including the need for more support and information to help customers and communities navigate more choices to manage their energy use and costs. This perspective also surfaced during the council's discussion of the draft plan in September.

Staff's perspective is that Energy Trust specializes in the technical and market development aspects of motivating customer adoption of proven technologies. However, enhanced customer support, education and navigation are areas of development for Energy Trust in an era where customers face more choices related to managing energy. Energy Trust needs to start by learning more about what information, resources and supports will help customers feel more confident in taking action in a more complicated energy landscape with more programs to navigate. Improving access to information and providing more customer resources through Energy Trust's web site and outreach and other customer communication channels will be important. Finally, collaboration with agencies like Oregon Department of Energy, utilities and community organizations to help customers navigate will be critical.

Discussion

The council indicated this thinking resonates and stated it aligns with the state's one-stop-shop philosophy (Andy Cameron). It also supports Energy Trust's intention to start by asking customers what they need, rather than telling them what they should do (Jonathan Belmont). The council pointed out Oregon Department of Energy and Energy Trust are still often confused for one another, but customers most often identify with Energy Trust as the energy efficiency body, adding the brand and reputation go far in the market (Andy Cameron).

The council also pointed out that Energy Trust has strong brand recognition and credibility from its long track record of success, which will be an asset in this work. It emphasized it's important to maintain and leverage the strong market and stakeholder relationships in doing this work (Laney Ralph). The council liked seeing this emphasis on Energy Trust showing up in the market with partners, especially utility partners. Energy Trust has the statewide presence, history, expertise and infrastructure to be a strong source of customer support working with partners. There is an opportunity to rethink education and awareness around fuel-switching, meaning Energy Trust will need to consider its role in providing information to customers faced with hard choices (Jake Wise).

Next steps

This feedback will go to the strategic planning committee for further discussion. The board strategic planning committee will complete plan revisions and prepare a final proposed strategic plan for full board consideration and adoption in December.

4. Multiyear planning update

Topic summary

Staff provided an update on Energy Trust's transition to multiyear planning. The shift will provide a longer horizon to implement strategies that span multiple years. It will give Energy Trust flexibility and allow staff to spend more time implementing programs instead of planning. See the [CAC meeting packet](#) for additional details.

Energy Trust will spend all of 2025 developing the elements of the multiyear plan. A draft plan will be finished by July, which will be brought to advisory councils and then released for public comment in August. A revised plan will be presented to the board for adoption in December 2025. There will be three main engagement points with advisory councils: January council meetings, workshops in mid-February to mid-March, and a presentation of the draft plan on August 7, 2025.

Discussion

None.

Next steps

See meeting packet.

5. Residential and multifamily ductless heat pump program design

Topic summary

Staff presented changes to Energy Trust's ductless heat pump (DHP) offers for residential and multifamily customers. Full details are included in the [CAC meeting packet](#).

Over the past several years, Energy Trust has provided incentives for DHP measure applications that typically vary based on climate zones and existing heating source (e.g., zonal or central electric resistance heat, supplemental fuels like oil, propane, and wood). Some of these measure applications (e.g., DHPs for certain climate zones; DHPs displacing supplemental fuels) have been under measure cost-effectiveness exception from the Oregon Public Utility Commission. Energy Trust has explored ways to increase savings and reduce costs with different equipment and by tightening installation requirements. A field test of lower cost, DIY wall mounted heat pumps was explored, as well as a pilot offer for smart DHP controls. Efforts also included exploring ways to further assist customers experiencing low and moderate incomes and customers historically underserved by Energy Trust.

Energy Trust will continue supporting ductless heat pump technologies in the market.

Discussion

The council asked what program adjustments Energy Trust plans to make and how proposed adjustments will improve savings realization rates (Jake Wise). Staff explained Energy Trust will adjust to the federal rebate income levels for those offers for customers experiencing low and moderate incomes and collect additional data about the locations of secondary head units installed as part of their DHP upgrade projects. Energy Trust requires the primary head unit be installed in the primary living area of the home but didn't previously collect info about the presence of secondary heads. Staff acknowledged even with program adjustments, the electricity savings from DHPs are likely to continue to align with the average seen so far in single-family homes and in manufactured homes from the recent impact evaluation using the Residential Energy Billing Analysis (REBA) on DHP installs in single-family and manufactured homes from 2020-2022. There may be other savings and benefits that can be identified through an ongoing evaluation of no-cost offers. There are many other benefits being realized in homes and Energy Trust plans to further identify and attempt to incorporate these benefits in offer and measure design. The council indicated it appears to be an acknowledgement that installer and program requirements can't be changed enough to drive significantly higher per unit savings (Jake Wise). Staff added that tool analysis didn't look at other benefits or other types of fuel being utilized.

There have been several billing analyses around DHPs to this point that have substantiated the new, reduced savings values.

The council asked about any changes in heat pump equipment choice as technology has evolved over time, since there seems to be a wide range of heat pump performance. It also asked if there has been an assessment of the type of equipment going out in Energy Trust's service areas (Peter Kernan). Staff said Energy Trust is interested in learning more from NEEA about these factors that might influence overall heat pump savings performance, including low-load equivalent heat pumps that might be optimal for west of the Cascades. For DHPs, Energy Trust doesn't have as much knowledge of the distinctions across equipment types and wasn't able to pull that out of REBA impact analyses. Staff also added the evaluation tool allows Energy Trust to segment analyses by certain factors, but the numbers are too small to be statistically significant. Energy Trust could investigate by manufacturer in the future, but we haven't before.

Staff noted the cost of DHPs has increased by 30%, while savings have been reduced by more than half with the most recent REBA impact evaluation. From a cost-effectiveness perspective, it's hard to quantify the value benefits of DHP upgrades beyond electric savings. REBA analysis was from 2020 to 2022. The no-cost volume was very low during that time compared to overall activity.

Next steps

None.

6. Residential and multifamily no-cost delivery pilots

Topic summary

Staff gave an overview of findings from the evaluation of no-cost delivery pilots for households experiencing lower incomes (earning 60% or less of Oregon median income). Energy Trust is working with community-based organizations (CBOs) that understand and can reach their communities more readily. CBOs use Energy Trust forms to collect data. Everything is self-certified by the customers.

CBOs have varying degrees of familiarity with this type of data collection. Energy Trust received complete data for about 60% of pilot participants. Income data is sometimes missing, but is often gathered through other means, like participation in income-qualified housing or SNAP programs. We will be able to supplement energy cost data with meter information and usage data later in this evaluation process.

Results indicate about 80% of participants report a high or severe energy burden. Some stated they are frequently unable to keep up with their energy bills. The majority of customers report curtailing system use to save money. Of participants, 91% of those who curtailed cooling and 92% of those who curtailed heating reported being uncomfortable as a result. CBOs report participating customers experienced lower electric bills, access to more reliable heating, less reliance on non-utility fuels, new or more reliable access to cooling, improved safety, and improved health or health benefits. CBOs are not experiencing many callbacks. People do ask about education on operating their systems and how to save energy.

CBOs also report they were unable to serve everyone they wanted to through the pilot offers. Serving homes with existing gas heat was an issue throughout pilot implementation. CBOs did report growth in their operations as a result of participating in pilots. This allowed them to get out into the community, see more homes and more deeply understand people's needs. Pilot activity led to CBOs adding staff capacity. Most plan to keep staff on board after the pilot implementation is concluded.

Discussion

The council asked if manufactured homes have heating in all spaces after replacing furnaces with ductless heat pumps (Lisa McGarity). It also asked if existing equipment is decommissioned after new

systems are installed (Jake Wise). It expressed concerns about curtailment potentially skewing analysis and if that is accounted for (Lisa McGarity). Staff responded the maximum is two heads for ductless heat pumps under our offers, but in general, when an electric furnace is replaced with a DHP, it can serve the whole home. Staff explained existing equipment isn't decommissioned, but customers are instructed to turn down thermostats on existing equipment and depend on the DHPs, adding that Energy Trust doesn't yet know what the realization rates will be, but we don't expect them to be very different from the residential energy billing analysis (REBA). Staff acknowledged customer curtailment may skew the energy savings impact analysis if customers are not using electric resistance heat in pre-retrofit; this is challenging to parse from billing analysis but is something Energy Trust staff see as important to continue to monitor.

Staff explained that one of the challenges is encountering a site where a customer can benefit from a DHP but can't meet the previous program requirements intended to maximize energy savings. There's a tradeoff between hard and fast rules and looking at other benefits aside from just energy savings. A lot of people who heat with zonal electric resistance heaters have installed other heat sources to reduce costs. That makes it challenging for a DHP to achieve the previous, much higher savings values. In the REBA analysis, even when we isolated the so-called ideal case, the savings results weren't much better than the average. Either something is going on that we aren't yet aware of, or the technology just doesn't save as much electricity as we originally expected.

Next steps

Additional components of the no-cost pilot evaluation will continue in 2025. There will be participant data analysis, surveys and billing analysis coming in 2026. A preliminary findings memo will be available in coming weeks.

7. Measure exceptions for ductless heat pumps and no-cost offers in 2025

Topic summary

Staff discussed Oregon Public Utility Commission (OPUC) measure cost-effectiveness exception requests, the measure exception criteria in Energy Trust's agreement with OPUC and planned exception requests. Details on exception request criteria and planned requests are included as part of the [presentation in the CAC packet](#).

Discussion

The council asked about the financial impacts if proposed no-cost exceptions for heat pumps and heat pump water heaters and ductless heat pump exception requests are approved (Jake Wise). Staff responded that the total financial impact will be about \$12 million in incentives for 2025, including approximately \$6 million in incentives for no-cost offers (heat pumps and heat pump water heaters) and approximately \$6 million in standard incentives for DHPs serving market-rate customers and enhanced incentives (not no-cost) for customers experiencing low- and moderate incomes.

Next steps

None.

8. Adjournment

The meeting adjourned at 3:55 p.m. The next meeting will be held January 2, 2025, at 1:30 p.m.