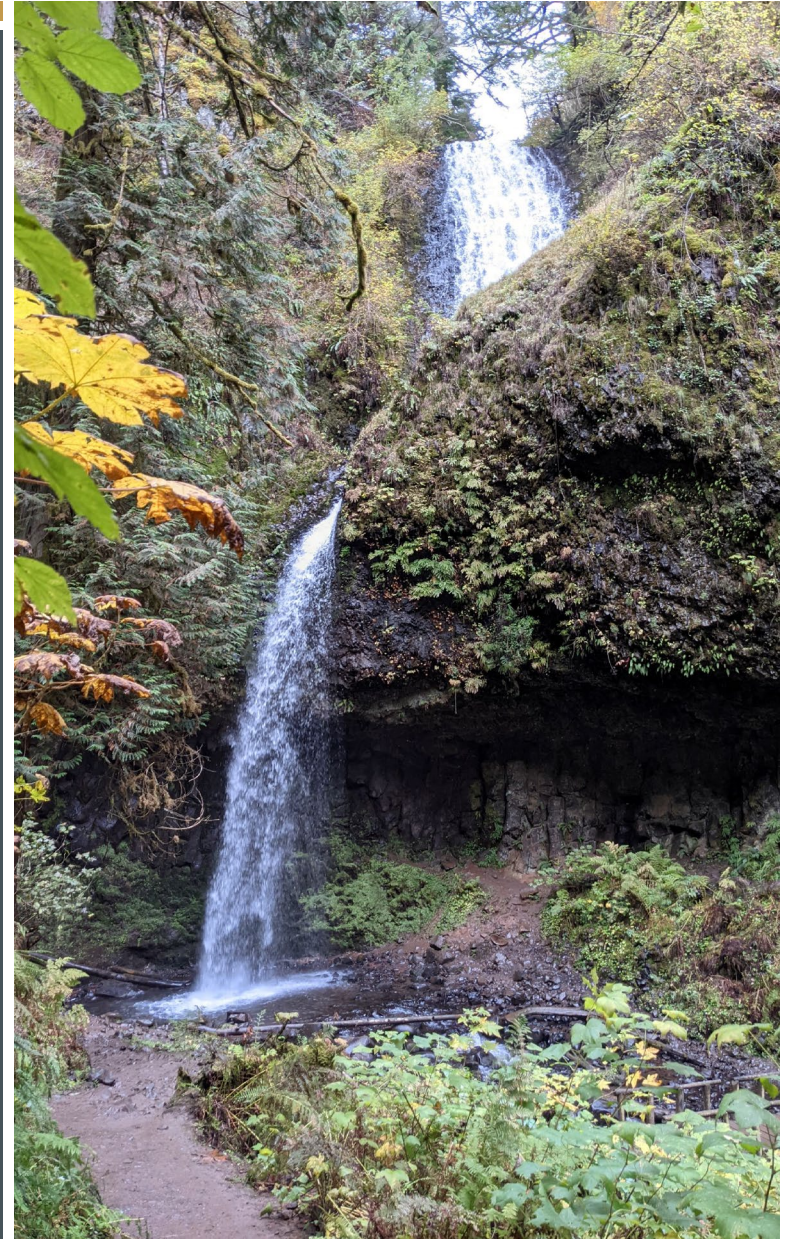


# **ENERGY TRUST OF OREGON**

## **EXISTING BUILDINGS PROCESS EVALUATION**

**MARCH 18, 2025**

**ADM ASSOCIATES, INC.  
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# RESEARCH TEAM

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## BACKGROUND

- Existing Buildings (EB) Program offers audits, technical studies, and financial incentives through Custom, Standard, and Direct Install tracks.
  - Also offers Energy Performance Management services, not included in this evaluation.
- Implemented by Program Management Contractor (PMC) and its subcontractors, with oversight by Energy Trust program management and marketing staff.
- Delivered through a network of trade allies and Allied Technical Assistance Contractors (ATACs).
- Collaborates with funding utilities, certain state agencies, and community-based organizations (CBOs).



## RESEARCH OBJECTIVES

1. Assess effects of the transition to a new PMC in 2021.
2. Assess effects of the removal of lighting measures from the Program for inclusion in a separate Business Lighting Program in 2021.
3. Assess effects of the incorporation of Existing Multifamily into the Program in 2021.
4. Assess program operations, especially the effectiveness of PMC management of its subcontractors; support for Diversity, Equity, and Inclusion (DEI); support for referrals to and customer participation in other Energy Trust programs.
5. Assess experience of customers, market actors, and collaborators.
6. Assess future opportunities for energy savings.



## METHODS/DATA SOURCES

1. Reviewed program documents and data.
2. Interviewed 25 program and implementer staff members.
3. Interviewed 9 staff of Energy Trust funding utilities, collaborating state agencies, and CBOs.
4. Interviewed 10 ATACs.
5. Interviewed 48 contractors:
  1. 25 Existing Buildings trade allies.
  2. 5 trade allies from other Energy Trust programs.
  3. 18 non-trade-ally contractors.
6. Interviewed 67 participants from a stratified random sample of recent projects.



## KEY FINDINGS

- PMC transition challenges relating to service bottlenecks and subcontractor management, most of which were resolved, leaving staff largely satisfied with the new PMC.
- Management challenges from the Program changes relating to lighting and multifamily services. These challenges were mitigated through staff efforts and additional program changes.
- Feedback from multiple sources point to success with efforts to reach priority populations.
- CBOs and collaborating agencies reported effective relationships with the Program.
- ATACs, contractors, and participants generally were satisfied with the Program.
- The Program supports referrals to other Energy Trust programs reasonably well.
- Key Program challenges related to the use of Community-Based Liaisons (CBLs) to help reach targeted groups and to the development cost-effective measures for small businesses.

# PMC TRANSITION

Challenges relating to initial service bottlenecks and to the PMC's management of subcontracts were largely invisible to the actors outside the Program and most were resolved.

- A project backlog from the previous PMC and challenges with the new PMC's contract slowed program implementation.
- The PMC engaged 17 subcontractors to satisfy the Supplier Diversity Requirement, creating some logistical challenges, contract delays, confusion (for some) about the reporting structure, a cumbersome annual contract amendment process, and some performance issues.
- Program staff indicated the PMC largely resolved the above issues and reported general satisfaction with the PMC.
- Most interviewed ATACs and contractors either reported a smooth transition process or were not aware of the change in PMC.



# REMOVAL OF LIGHTING

The removal of lighting from the Program appeared to have created some management challenges for staff; feedback from ATACs and contractors identified few or no downsides to the change.

- Program and TRC staff reported that the need to coordinate with Business Lighting staff to offer lighting measures made it harder to use lighting as a “gateway measure” to engage with new customers. This resulted in missed opportunities for comprehensive projects.
- ATACs were not directly involved with lighting projects, but those who discussed referrals involving lighting gave no indication this process was affected by the creation of the Business Lighting Program.
- This evaluation did not include interviews with lighting contractors. The interviewed nonlighting contractors reported no effect of creating a separate Business Lighting Program, on either their business or their customers.



# INCORPORATION OF MULTIFAMILY

The addition of the Multifamily sector to the Program appeared to have created some challenges for staff, but feedback from ATACs and contractors identified few or no downsides to the change.

- Staff did not at first fully appreciate that the outreach approach used with Program's traditional populations was not ideally suited to Multifamily customers, creating challenges serving that sector.
- Staff efforts since late 2023, including working with the residential program on outreach efforts, appear to have decreased the challenges relating to the multifamily component of the Program.
- Feedback from the interviewed ATACs and contractors identified few downsides to the incorporation of multifamily projects into the Program.

# REACHING PRIORITY POPULATIONS

Feedback from program and implementer staff, CBOs, collaborating agencies, and customers all point to success with efforts to reach priority populations.

- Reported efforts to reach priority populations included producing marketing collateral in multiple languages; developing campaigns to connect with Spanish-speaking communities; hiring Spanish-speaking energy advisors; and establishing relationships within the affordable housing community.
- The Direct Install track, which targets small customers, has been effective at driving first-time participation.
- ATACs, trade allies, and non-trade-ally contractors provided relatively little feedback about Program efforts to reach priority populations, although two ATACs indicated that priority communities received a heightened priority from the Program.

# COLLABORATION WITH UTILITIES, STATE AGENCIES, AND CBOS

CBOs and collaborating agencies characterized their relationship with Energy Trust and the Existing Buildings program positively.

- Contacts from all groups reported good communication with Energy Trust and effective engagement of priority populations.
- CBO contacts: Energy Trust allowed CBOs to take the lead in customer engagement because of their strong relationships with community members and position as a trusted source of information and services.
- State agency contacts: The formal partnerships with Energy Trust has created greater clarity about available services for customers, a streamlined application process, and increased benefits to the communities served. However, Energy Trust funding cycles sometimes cause incentive amounts to change mid-project.
- Utilities: Provide utilities more information about, and more input into, programmatic changes.

# MARKET ACTOR AND CUSTOMER SATISFACTION

ATACs, contractors, and participants generally were satisfied with the Program, despite some ATAC and contractor concerns.

- Participating customers indicated generally positive experiences, and nearly all those with plans for additional energy upgrades said they would work with Energy Trust.
- ATACs largely reported positive experiences with the current PMC and largely reported that their customers were satisfied with the technical studies.
- Five of 10 interviewed ATACs noted various concerns with the PMC, relating to the consistency of the staff's skill level, a perceived change in how studies were assigned, and long project review times.
- Contractors generally reported positive experiences with the Program, some highlighting that Program staff were helpful or responsive to questions. Shell contractors were least satisfied.

# SUPPORT FOR REFERRALS TO OTHER ENERGY TRUST PROGRAMS

The Program supports referrals to other Energy Trust programs reasonably well, although opportunities for improvement exist.

- Program staff were largely positive about cross-program collaboration and referrals, in particular referrals to the Business Lighting Program. Most ATACs reported positive experiences with the referral process.
- Contractors provided no evidence of referring customers to other Energy Trust programs or contractor types, but that appeared to reflect a tendency to stick within their trade.
- About one in seven participants reported speaking with a program representative about the lighting program (mainly) or renewable energy. This was most common among Custom and multifamily participants and those from large organizations.

# KEY CHALLENGES

Key ongoing Program challenges related to the Program's use of CBLs and to challenges in developing measures for small businesses.

- The Program hired a group of community-based liaisons (CBLs) to provide guidance on how to drive targeted groups to the Program, but the CBLs instead provided organizational-level critiques of how Energy Trust had failed to reach specific groups historically. Ultimately, the CBL network was paused in 2024.
- Program staff commented on the lack of a clear strategy for developing measures for small businesses. PMC staff reported that the cost-effectiveness tests applied to developing Program measures make it especially difficult to identify measures for small business customers.
- A no-cost pilot program for commercial heat pumps in rural areas has been partially successful but would require a co-funding arrangement with other agencies to be cost effective, which may be difficult to achieve.

# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #1:** The Program has made achievements towards addressing Energy Trust's DEI goals. However, some efforts taken did not go as smoothly as hoped, such as the use of CBLs and some interactions with tribal communities.

- **Recommendation #1a:** Assess whether it may still be valuable to use the CBL network to help develop cultural appropriate outreach material versus examining alternative approaches; if the CBL network is still valuable, ensure that the scope of work and expected deliverables are clearly understood.
- **Recommendation #1b:** Assess the training needs of field staff in how to work with tribal communities and identify the most appropriate training sources, including whether the CBLs may be among those sources.



# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #2:** The addition of multifamily measures and exclusion of lighting measures resulted in many challenges for program staff, possibly exacerbated by the simultaneous change in PMC. Recent staff efforts appear to have decreased the challenges relating to the multifamily component of the Program since the latter half of 2023.

- **Recommendation #2:** Energy Trust should consider limiting the number of program changes that are implemented at any given time. Program staff should prioritize planned changes and roll them out over a period of time. If feasible, it may be advisable to engage a change management consultant.

# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #3:** Incorporating multifamily measures and properties into Existing Buildings has mostly worked well. The Program is addressing initial challenges, such as a lack of marketing resources directed at multifamily, and is working on identifying measures and services that work for multifamily, including the SEM, and continuing to work with state agencies to find co-funding opportunities for measures.

- **Recommendation #3:** Continue to look for co-funding opportunities and processes that will support adoption of efficiency measures in multifamily properties, addressing differences in funding cycles between the state agencies and Energy Trust.

# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #4:** Contractors and ATACs are generally satisfied with their participation with Energy Trust, but Energy Trust may be able to improve contractors' program experience. However, a subset of contractors (both trade allies and non-trade allies) offered some suggestions for improvement, the most common of which were to increase incentives (especially for windows), improve communication with Energy Trust, and improve the application process in various ways (e.g., offering online applications and improving explanations of what qualifies).

- **Recommendation #4a:** With the understanding that Energy Trust and TRC attempt to establish incentive levels that are high enough to induce the adoption of energy efficient technologies in a cost-effective manner, we encourage Energy Trust and TRC to review incentives for windows and possibly other shell measures.

# CONCLUSIONS AND RECOMMEND- ATIONS

- **Recommendation #4b:** Review outreach to non-trade allies to identify opportunities for improvement. In particular, the program may consider sending periodic e-blasts to *all* known non-trade ally contractors (at least, those that have done any Energy Trust projects) with program information. The e-blasts should include an option to unsubscribe.
- **Recommendation #4c:** Energy Trust and TRC should review the information included on outreach materials (e.g., *The Insider* e-newsletter) sent to trade allies to ensure that they identify all key program contacts for various project types, if they do not already do so.
- **Recommendation #4d:** Energy Trust and TRC should continue to review the application forms and processes to ensure they are clear and as easy to complete as possible. This may help with obtaining more applications through non-trade ally contractors.
- **Recommendation #4e:** Energy Trust and TRC should consider the feasibility and benefits of creating an online portal to allow contractors to check the status of submitted applications.

# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #5:** Non-HVAC contractors, especially building shell contractors, are not as likely to complete incentive applications for customers, which almost all HVAC contractors do.

- **Recommendation #5:** Energy Trust may want to investigate reasons why non-HVAC contractors are less likely to help complete incentive applications. Learning this may help Energy Trust and the PMC devise approaches to incent such contractors to assist with applications, increasing customer satisfaction and possibly increasing the number of projects completed.

# CONCLUSIONS AND RECOMMEND- ATIONS

**Conclusion #6:** To satisfy the requirement to use at least 20% of its contract award with diverse suppliers, TRC engaged 17 firms, many which had not worked with Energy Trust before and may not have had a full understanding of Energy Trust and their programs. Progress has been made in improving some of the challenges with subcontractors for the current contract, but the potential remains for similar challenges to arise in future contracts.

- **Recommendation #6:** Energy Trust should require that proposals to provide implementation services include plans to provide adequate orientation, training, and support to subcontractors that may be unfamiliar with Energy Trust programs and requirements. The proposal should further demonstrate that the primary contractor and any proposed subcontractors have the capacity to provide the required orientation, training, and support.



**QUESTIONS?**