

Minutes
Governor's Energy Efficiency Work Group
13-Jun-08

Attendance

Members: Bill Edmonds, co-chair (NW Natural), Clark Brockman, co-chair (SERA Architects), Dave Vanthof (Governor's office), Jim Edelson (Interfaith Power & Light), David Cohan, (NW Energy Efficiency Alliance), Gina Franzosa (Cascadia Green Building Council), Tom Konicke (McKinstry & Co.), Markus Stoffel (Novafutura), Myron Burr (Siltronic), Phil Ermer (Hewlett Packard), Charlie Stephens (sustainability consultant), Glenn Montgomery (Earth Advantage), Tom O'Connor (Oregon Municipal Electric Utilities Association, for Dick Wandersheid), Bob Simonton (Oregon University System), Jeff Bumgarner (Pacifcorp), Jeremiah Bauman (Environment Oregon), Susan Steward (BOMA), Jim Abrahamson (alternate for Jim Slusher), Michael Armstrong, Glenn Montgomery (Earth Advantage), Tom Payne, Jon Chandler (Oregon Home Builders Association), Jeremiah Bauman (Environment Oregon), Lauren Shepton (for Joe Barra, PGE), Jim Slusher (Mid-Columbia Community Action Council), Mike Weedall (Bonneville Power Administration), Scott Stewart (Intel), Lisa Adatto (Oregon Business Alliance), Michael Early (Industrial Customers of Northwest Utilities), Scott Winkels (League of Oregon Cities), Debbie Menashe (Energy Trust of Oregon), Jim Abrahamson, Susan Steward (BOMA)

State agency liaisons: Cameron Smith (Governor's Office), John Kaufmann and Jenifer Wetherbee (Oregon Dept. of Energy), Lee Sparling (OPUC), Mark Long and Andrea Simmons (Building Codes Division), Elin Shepard (Dept. Administrative Services), Andrea Simmons (Building Codes Division), Dan Elliott (Dept. of Housing and Community Services), Richard Matthews (Housing and Community Development),

Other: Steve Bicker (NW Natural), Andrea Simmons (Building Codes Div.), Angus Duncan (Global Warming Commission). Mark Stemberg, Frank Wall (Oregon Plumbers Assoc.), Larry Harvey (Bldg Trades Council), Bruce Dobbs (NW Natural)

Angus Duncan, Chair of Global Warming Commission. Set up in 2007. Responsibility is anything to do with greenhouse gases, but no budget, authority or staff. Must rely upon other processes. GWC has 6 committees, with several subcommittees. Want emissions heading downward by 2010. Can't make 2020 goals of 10% below 1990 levels without redoubling energy efficiency. Want to follow groups like EEWG to ensure consistency, coordination. Will want to give feedback and support our proposals at Legislature next year. Will ultimately vote on supporting the recommendations. Will invite someone to represent EEWG when that happens.

Bill presented format/agenda for future meetings (handout).

Lisa asked where outreach would be handled. Clark suggested it happen outside this group, like water. Gina seconded the concern. Nothing is set up yet for that outside group to happen.

Coordination of on-site solar with REWG—who tees it up.

Mike Weedall said we need the businesses/people out there to deliver this stuff. Not just workforce training, but whole infrastructure. Dave Vanthof said workforce training shifted over to OECD agenda. Clark – we shouldn't hold off on recommendations because of lack of infrastructure. We need to build demand for the infrastructure to develop, as well as coordinate with Workforce Training group. David Cohan agrees. Tom said we should funnel stuff to the Workforce Training work group. Jon Chandler is concerned we'll set up new programs but not have the infrastructure to deliver it. Clark, there is a limit to what this group can do. Agrees it is an issue, but our recommendations should drive it. Doesn't want to self-censor our ideas.

** Clark/Bill said we should identify training/infrastructure needs in our breakout groups and as we write up the concepts.

Jeff Bumgarner said we should go beyond that. State needs to show commitment (money, staffing), then infrastructure may follow. If it looks like something is a fad, the infrastructure doesn't follow. Timelines need to be realistic based on infrastructure gaps.

Jim – get State Treasurer to help identify bonding needs?

Distributed generation

Clark—this topic has been left out. He asks about district-scale systems. What opportunities does it offer us. Tom – even within a building by building basis there is a connection (i.e., co-gen, microturbine). Clark – are there any incentives we could offer to drive these? Bill – is there a barrier that is preventing this from happening.

Bruce Dobbs – Requires a shift in thinking. KOIN Tower is spewing heat, while Keller Auditorium across the street needs heat. A lot of times it gets passed over. Michael Armstrong. City looking at feasibility if district heating in North Pearl. Knows there are issues regarding use of right-of-way.

Bob Simonton – universities have district heating. Looking at converting them to renewables (solar, biomass). OIT looking at 100% geothermal. OSU – combined heat and power, designed to burn biodiesel. Hindrance is financial.

Clark – universities control the campus. The question is how do you do this where one entity does not control the buildings.

Lee – ORS 757.005-ORS 757.009..

Charlie – not a given that it will work in all circumstances. Once loads are small, a lot of the equations aren't applicable any more. Pumping energy can be more than the savings, and you may need to heat/cool buildings individually.

Debbie – speaking to financial complexity. How to streamline some of the existing incentives.

Gina – industrial applications, esp. in urban areas – any way to focus on them?

Jim Edelson – AB 2791 in California – on-bill financing for CHP. Was pilot for non-profits, now expanding it to government facilities.

Affordable Housing

Jim Slusher. One-in-four or 1-in-5 people in Oregon are low-income. They need to be included. Went back to National Community Action Foundation and National Consumer Law Center.

Fair climate change policy. Ensure that all consumers can afford to meet basic needs. Rising costs of food, heating, medicines are overstressing people. They don't have the resources but we can't leave them behind. When people come in for low-income weatherization, they go on a list, could wait for ten years. Most already have disconnect notices. Investor-owned public purpose charge – 18% for low-income. Some oil overcharge money helps out, but those are drying up. Most oil companies won't deliver less than 100 gallons, but low-income may not be able to afford the minimum.

Bill – where is the barrier? Is it just about federal dollars or SB 1149. What else should we be thinking about in terms of low-income weatherization?

Dan Elliott – biggest issue is 1149 set-aside. Had ramp up period to develop businesses to deliver services, now have to ramp back down 22% because of dollars. Need is there, infrastructure is there. Jim – mostly a dollar matter.

Jeff Bumgarner – does Oregon have restrictions on the money - - u.e., Wyoming can't buy necessary trucks with their dollars. Also, SB 838 give PUC/utilities ability to increase public purpose charge.

Jim Abrahamson – discussed limitations regarding cost-effectiveness.

Clark – Oregon definition for cost-effectiveness is a barrier.

Jon Chandler – use low-income for test case such as on-bill financing.

Phil Ermer – what's average cost & savings per house, and total value of program in the state.

Jim Slusher – sometimes funds combined to come up to \$5,000 or so.

Dan Elliott – \$18 million/year. Average savings are \$312/year. Health is #1 priority, durability is #2. Energy is #3 priority. Can't go back to a house for 10 years, so they do as much as possible.

Clark – need to solve bridge financing issue.

Steve Bicker – NW Natural has relaxed cost-effectiveness, with PUC permission. But it still makes sure you get the best measures first.

Dan Elliott – current evaluation shows larger savings now. Affordable housing means affordable to live in as well as affordable to build. 65% of units last year were mobile homes.

Tom O'Connor – BPA program dollars have to meet cost-effectiveness test. They're ratepayer dollars, not federal dollars. (Dan—must have Savings-Investment Ratio (SIR) of 1 or greater.)

Clark – need to get energy efficiency into affordable housing, not exempt them from it.

Jim Abrahamson – develop companion programs to low-income aren't left behind in cap-and-trade because of cost-effectiveness.

Jim S. – seniors and disabled may be owners rather than renters, as opposed to landlords.

Phil – set minimum standards for landlords.

Glenn – Energy Performance Certificate may serve as value enhancer for landlords.

BREAK

Water conservation working mostly outside the legislative process. BCD/Plumbing Board looking at construction standards relating to graywater.

Industrial

Myron – (1) BETC, (2) self-direct renewable adjustment clause (established under SB 838), (3) self-direct renewable portion of public purpose charge, (4) remove limits on recycling

Bill – industrials aren't part of 1149 industrial self-direct program.

Joe Barra – include energy efficiency as part of RPS? (cross-over with REWG)

Increase BETC

Myron – last session BETC increased to 50% for renewables. Easy to change for energy efficiency. Will see more private capital if you sweeten the pot.

Bill–what’s the problem? Phil– management doesn’t want to fund projects with more than 2-3 year payback. JK – so BETC improvement will be marginal, draft in projects with 4 year payback perhaps.

** Consider lowering 10% savings threshold. If concern about fiscal impacts, lower cap on costs.

Monetize and sell tax liability?

Opponents? Cascade Policy Institute, other anti-tax groups.

Self-direct renewable portion of public purpose charge

Gives industrials ability to put money where it can have the largest impact. Wiser way to deal with reducing emissions.

Impact on ETO’s renewable pool. Industrials use renewables portion now to buy green tags.

Legislature wanted to promote renewables, even at expense of cost-effectiveness.

Cross-over issue with REWG.

Debbie – it puts more burden on RPS.

** Needs to be vetted with REWG. ODOE - review data on impact on renewables pot.

On-site Recycling BETC

Allow ETO to fund gas-electric projects?

Industry preference is to do it on their own. Prefer to keep the capital

Phil – have to make proposal to ETO now.

Resistance from customers if you make this mandatory.

Bill - - sounds like it should go through regulatory process first. Not hearing much excitement from industrials.

Self-direct renewable adjustment clause

Phil, Lee will come up with something.

Co-gen?

Regulatory issues concerning interconnect are perceived as a barrier.

Bob S. – Money comes after the project is done. Can't match bonds until end of the project. Needs to get up-front financing.

Myron – how to assign benefits of carbon reductions back to customer rather than utility. This is a crossover issue with Global Warming Commission.

State should have program for entities that do good. (Legislative??)