

Minutes
Governor's Energy Efficiency Work Group
27-JUN-08

Attendance

Members: Clark Brockman, co-chair (SERA Architects), Dave Vanthof (Governor's office), Jim Edelson (Interfaith Power & Light), David Cohan, (NW Energy Efficiency Alliance), Phil Ermer (Hewlett Packard), Charlie Stephens (sustainability consultant), Fred Gordon (Energy Trust of Oregon), Sean Penrith (Earth Advantage), Tom O'Connor (Oregon Municipal Electric Utilities Association), Jeremiah Bauman (Environment Oregon), Jim Abrahamson, Tom Payne (Oregon Home Builders Association), Joe Barra (PGE), Jim Slusher (Mid-Columbia Community Action Council), Jason Eisdorfer (Citizens Utility Board), Bob Shiprack (Oregon Building and Trades Council), Steve Stewart (Intel), Fred Gordon (Energy Trust), Rob Bennett (Clinton Foundation), Sean Penrith (Earth Advantage), Michael Early (ICNU)

State agency liaisons: John Kaufmann, (Oregon Dept. of Energy), Lee Sparling (OPUC), Mark Long (Building Codes Division), Cameron Smith (Governor's Office), Andrea Simmons (Building Codes Division), Dan Elliott (Dept. of Housing and Community Services), Brady Peeks (Oregon Dept. of Energy), Lori Koho (Public Utility Commission), Andrea Simmons (Building Codes Div.), Gabrielle Schiffman (Building Codes Div.)

Other: Steve Bicker (NW Natural), Chuck Johnson (Columbia River Keepers), Scott Barry (Oregon Home Builders Assoc.), Barbara Byrd, Jeremy Rogers (Oregon Business Council), Steve Snyder

Water Re-use/conservation. Plumbing Board approved non-potable water/rainwater re-use standard. Should have BCD ruling by July 4. Will eliminate local discretion – must be accepted statewide. Also got authorization to recognize all products related to rainwater use that are approved by ANSI. Second, approved wastewater conservation system – re-use of wastewater for flushing toilet. Now looking at commercial graywater use and exterior use of graywater. Will be posted on EEWG web page.

Green building policy for state buildings? There's a state Forestry Board meeting in July that could affect outcome.

Also subgroup on Education/Outreach – Gina Franzosa has been on vacation.

Phil Ermer and Lee Sparling talked briefly about Renewable Adjustment Clause. Dave Vanthof gave update on Governor's address. Highlighted a few of the things the group has been talking about EPC, 2030 concept, and energy awareness campaign, but not to be limited to those ideas. Cap-and-trade will include transportation fuels, although perhaps in a second phase. Draft design for regional cap-and-trade will come out in mid-July. Renewable Energy Group (REWG) identifying top priorities. Discussed potential

overlaps, recommend subgroup of EEWG/REWG to go through a few issues. Also, CARB issued Draft Scoping Plan for AB32 that they will play with WCI.

Energy Performance Certificates

Sean teed up Energy Performance Certificates. Rating system for homes. Through ETO, Earth Advantage is doing a pilot now for best approach and whether it is scalable. Provide a mpg indicator on energy and carbon footprints. Look at score, not brand. Tool for homebuilders to reflect their trade and profession. Educational tool for consumers. Link mortgages and insurance to it. MLS looking at listing report and recommended measures. Clark suggested that discussion should also look at commercial buildings.

Jason how advanced is the art or science so that you could mandate it, so that lending institutions are relying on it. Or are there liabilities associated with it. Sean Pilot project, kicking the tires. DOE trying an E-Scale for all homes in US. Difference here is adding the carbon footprint. USDOE looking at this.

Clark – EEWG needs to look at whether there is a legislative concept here. Michael Early who funds it, who does it? How good is the information? Is there a liability issue? Clark green building movement struggling with buildings not performing as designed some better, some worse, average is as predicted. EPC in general is sound, but mileage may vary. Tom O'Connor is it for new construction or existing homes up for resale? Sean what's need for EPC if there's a brand out there that was created by a utility? Response want to get to place where score is independent of brand, not that a brand becomes the yardstick.

Charlie – no doubt Sean will come up with something at least as good as home inspection, so liability issue doesn't trouble him. But we need something that is in everyday use that other programs in marketplace can make use of. Upbeat about possibility and that we can do it well.

Brady Peeks – there is infrastructure in new homes, Energy Star or Oregon High Performance Home Tax Credit.

Rob Bennett – what is there that could be legislative in nature.

Sean– use it as basis for incentive.

Scott Barry – third party rating is important for homebuilders so they don't absorb liability.

Fred – Pull out plug loads and exotic measures, and correlation seems to work reasonably well.

Jim Edelson – New Buildings Institute has tool to measure it.

David Cohan – massive missing piece, which is to figure out how to get legislature to get PUC to direct utilities to make billing data available. For example, the ETO cannot use billing data to target which homes need the most work. Does not allow optimal targeting. If we're talking about large scale deployment, we're shooting in the dark.

Sean – need large scale finance to make this work. If Berkeley model is feasible, then EPC before and after may be required.

David – financing is the more important piece, because EPC ineffective unless financing is available to drive it.

Charlie – both important, but financing can go ahead without EPC, whereas EPC cannot go ahead without financing.

Charlie – would like to hear thoughts about getting energy data. Could state mandate that data made available.

Rob – in infrastructure gets put in place, lenders may make products available. State financing or tax credits is the issue here. Focus on infrastructure and disclosure of data first, then look at financing.

Dan – Is EPC going to be mandatory or voluntary. Clark – if voluntary, where's the legislative barrier. Thinks discussion is about mandatory.

Lee – doesn't see the problem about buyer getting billing data when they get in. David – may want to base decision on it.

Tom Payne – we can keep state out of the data business. Require billing data for certain number of previous months. Should stay between buyer and seller.

Charlie – combination of a decent rating and billing data, can yield good idea of how much of energy use is the building and how much is the user. Second, this shouldn't be done only at time of sale. Should be able to get rating/financing at any time. So you may need billing data at any time, not just at time of sale.

Tom O'Connor – tremendous amount of info for new homes. Thinking of requirement either at point of sale or time of finance or improvement (remodel)

Rob Bennett – adds idea of dollar threshold to cause need for EPC

Sean Penrith – points out value of BETC like tool to help influence action

Michael Early – legislative role for voluntary EPC? Yes if state is involved in maintaining metric, financing, or tax incentives.

Phil Emer – concurs with call for billing data availability. Is there any kind of commissioning or retro-commissioning that is a part of this. i.e., in a commercial building, it could be heating and cooling simultaneously.

Sean – pursuit of excellence should not get in the way of the good.

Brady – someone in existing home today can call ETO or utility for audit, which can then be used to generate an EPC. Home inspector also provides an inspection who issues a report, perhaps you could require that report to include information needed for an EPC. Home inspectors are licensed, may need legislative or regulatory change.

Dan – 1. Need to target buildings needing help. Can we get governmental access to utility data. 2. Once we've found them, how do we get them to the table – incentive or mandates. 3. Then EPC to tag 'em and bag' em.

Fred – problems with obtaining billing data. People may live in NJ, for example. Would it be used for push marketing? (1) If someone has a building and wants to know how they use energy, they should be able to get that. (2) Let's create streamlined database system so someone can access it. (3) And, balance privacy with public need to get this done. May be able to do this administratively rather than legislatively.

Bob Shiprack – Much of this is already being done today. Doesn't think we should do this mandatorily. For low income, they don't have the means to do this anyway.

Joe Barra – will take legislative concepts sheet and put something on the table.

David Cohan – not open season on billing data. Should be funneled through an organization like the Trust. Also, would like to not limit discussion to time of sale.

Steve Bicker – utility billing is very powerful. Privacy is not a random obstacle in this quest. It is a material issue. There may be some cultural or legal changes that must be addressed. Fundamental American rights may have to change a little. Proposal – EPC should be mandatory, and need some give on privacy.

Sean – if you mandate it, you don't need utility data. If you incent it, you don't need it. When an EPC client signs up,

Rob – EPC is powerful tool, but won't make much progress if it's not mandatory that people upgrade. That creates the push toward EPC. Ties it to financing and prescriptive measures. Otherwise we'll just be making incremental progress. I.e., first step, prescriptive, Second step, meet specified EPC score.

Clark – reminder why we're here. At end of day, it's to come up with legislative ideas to give to the Governor. Not even to agree on the ideas, just thoughtful and positive. So please structure ideas around legislative concepts.

Charlie – mandate is a very encompassing word. Mandating a rating at time of sale is different than saying everyone must have one by time certain. You can easily overrun your infrastructure.

Rob – if mandate in five years that all buildings meet certain standards in five years, would that overrun the infrastructure? Yes.

Clark – is there a concrete proposal on EPC?

** Charlie – mandatory EPC at time of sale, to buyers before they close, using credible third party certification.

Dan agreed. Also require disclosure release of utility data, to be provided to state entities that are providing incentives.

** Lee – government role in bringing people together so you don't have individual groups coming up with methods. Make sure it can work on voluntary basis before moving to mandatory basis.

Rob – further clarity on prescriptive measures? What do with EPC data.

Dan – also EPC at time of state incentive. (Fred – it would kill several programs).

(JK – authorize RETC for weatherization if EPC provided and all cost-effective measures installed).

Financing

Rob – Berkeley model. Free up ability for individual municipalities to do voluntary utility districts. Would be repaid by tax assessment.

Jeremiah – state could also issue bonds and use some other vehicle for repayment.

Joe – do bonding at state level. Then let locals distribute it and put it on their tax rolls. Should look cost neutral to the customer. Offer option of a RETC instead of a loan.

** Charlie – tax increment financing. Taxation districts. ORS 523 would need to be amended. Adjust those regulations to allow it to happen. Bond the money, lend to customers, set bar high so no lost opportunities, paid back in assessment.

David – two fundamental pieces – cost neutral or better to the customer, and tied to the building not the owner.

David – would also like to bring back option of utility providing financing and tacking repayment to the meter to survive ownership changes. Joe thinks it's already enabled, although it might need a funding source.

David – if it's on the books but isn't being used, why not.

Bob Shiprack – what about owner who wants to fix their house. What about expanding the Energy Trust to all utilities. Also, cautions about using property taxes for repayment.

Chuck Johnson – one other idea – have utility provide the financing, SMUD, decouple rates for earnings, let them get a benefit from it.

Phil Ermer – focus should be on energy efficiency, not renewables.

Clark – next step – proposal, combines EPC with financing, integrate climate change, etc.

Fred – could make this work without EPC. Not interdependent.

Tom Payne – is there something we could do to incent someone to weatherize sooner rather than later? Outreach?

Lee – can we categorize proposals? Clark – yes, that's the intent. Would like to get it down to a few big ideas.

Jim Edelson – carbon metric. When looking at allocating RETC/BETC dollars, ODOE should look at carbon savings

Fred Gordon – notes that measures with quicker payback might need less incentive than those with longer payback terms

Phil Ermer – speaks to differences between attaching value of improvement to building and using utility savings as measure of repayment term.

Clark – summary – we need positive, concrete legislative ideas put on the table.