

**Minutes**  
**Governor's Energy Efficiency Work Group**  
**11-JUL-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), Al Dorgan (Oregon Steelworks), Tom O'Connor (Oregon Municipal Electric Utilities Association), Jeremiah Bauman (Environment Oregon), Susan Steward (BOMA), Jim Abrahamson, Tom Payne, Jim Slusher (Mid-Columbia Community Action Council), Jason Eisdorfer (Citizens Utility Board), Bob Shiprack (Oregon Building and Trades Council), Steve Stewart (Intel), Margie Harris (Energy Trust), Rob Bennett (Clinton Foundation), Gina Franzosa (Cascadia Green Building Council), Scott Winkels (League of Oregon Cities), Mike Weedall (Bonneville Power Administration), Glenn Montgomery (Earth Advantage), Michael Early (Industrial Customers of Northwest Utilities), Jon Chandler (Oregon Home Builders Association), Lauren Shapton (PGE), Jeff Bumgarner (PacifiCorp)

**State agency liaisons:** John Kaufmann, (Oregon Dept. of Energy), Lee Sparling (OPUC), Cameron Smith (Governor's Office), Andrea Simmons (Building Codes Div.), Gabrielle Schiffman (Building Codes Div.), Dan Elliott (Dept. of Housing and Community Services), Richard Matthews (HCS)

**Other:** Steve Bicker (NW Natural), Scott Barry (Oregon Home Builders Assoc.), Lee Peterson (Dept. Revenue), Chuck Johnson (Columbia River Keepers), Jason Heuser (Eugene Water and Electric)

**Intro**

Legislative concepts should have a simple title, one sentence descriptor, and several bullets of key points of what the bill should do or accomplish.

Seven key concepts have been vetted with the Governor's office. Must be completed by August 14. Governor's office has four placeholder bills for energy efficiency and two for renewables.

**Affordable Housing**

Bob Gillespie, Housing Agency Administrator. Annually \$150-200 million for new housing, rehab. Do group homes, migrant housing, low-income housing, etc. Currently fund only 40-60% of requests. Support green, sustainable building. Have not had prescriptive requirements.

It takes more money to do green buildings. Everyone must work together from the outset. Looking at 4% add-on, \$8,000-10,000. Difficulty is finding a standard that everyone must

meet. If the meet the standards (by August), we must find the resources. Looking primarily at lump sum payments.

A few years ago they started building rural housing. Must be careful that rural standards are not the same as urban standards. Siting is easier, transportation is harder. Re-hab of existing low-income housing is key issue. Low-income don't have the tax income to benefit from incentives. A lot of rural areas may have small electric co-ops or use propane, so are not eligible for some (ETO) incentives. Need resources to upgrade units and to educate builders, developers, users. Green experts are scarcer in rural areas, so it costs more.

Bill – Is there a legislative need for standards? Is there a financing concept that housing folks are leaning toward?

Answer – After August, there shouldn't be a need for standards. California uses a checklist of about 80 items. They can also do a performance approach.

Clark – Source neutral financing is the biggest problem.

Also, conservation must be cost-effective. May need legislative concept of providing lump sum funding if standard is met.

Jeremiah – note that it's Housing's Advisory Board that has the cost-effectiveness restriction.

O develop proposal for funding, it is a monster application. Green adds a piece. Windows are a good example.

\$/kWh can be addressed within HCS's OARs. But would want energy efficiency to be consistent with metrics used by others. Windows don't count benefits of less condensation, reduced mold and rot. Shouldn't do a re-hab and not do the windows!

Tom O'Connor – greater freedom with money from consumer owned utilities for low-income. Most pay 100% rather than a graduated amount for low-income.

SB1149 weatherization pots, also some money from settlements (Williams, although its gone now) that are more flexible. Each funding source has different restrictions. **Need steady, continual source of money to be used anywhere in the state irrespective of fuel source.**

Jim A. – **Legislature and governor should commission a study to look at this issue.**

Jon Chandler – real issue ought to be retrofit money.

Bill – two financial hurdles (1) repair dollars; how does it get paid for? (2) \$/kWh. Repair dollars is the bigger issue.

Not uncommon to have several different funding sources, often with strings attached. Needs to be simplified. Lump sum; fewer measurements (use prescriptive lists).

HCS does about \$200 million/year in financing for first time owners.

Charlie – two types of issues.

**\*\* Take financing concept and wed it to affordable housing issue.**

Jim Slusher – rate discount programs? i.e. inverted rates (cheaper rates if you use less).

David Cohan – grant money or financing?

Gillespie – Put enough in upfront to lower rents and ongoing subsidies (fuel payments). But must be simple, flexible, statewide, fuel neutral.

??? thinks energy education is critical.

Have had to reduce allocation of weatherization funds to CACs by 22%. Have to pull back.

Rob Bennett – has anyone looked at federal block grant funding? (Energy/Environment Block Grant). Is there a concept to take that into consideration, so it could be added?

Loan guarantees?

Wrap up – **Dan Elliott on point – one LC focusing on Charlie's financing, plus other spokes of the wheel.**

### Utility Programs

Jim Edelson – cost effectiveness. Met with Charlie Grist & Tom Eckman, the at PUC. To see if barrier to how much energy efficiency could be delivered. Thinks there are words in current statutes (market transformation option) so ETO could go beyond what they're doing now. Feel it could be addressed under current statutes.

But new programs or experimental is a different issue.

Lee – Public purpose funds – conservation and market transformation. Cost-effective doesn't apply in same manner to market transformation.

Margie – it's the rules that define cost-effectiveness for conservation, not statute. ETO does market transformation (pilot-oriented activity) beyond what they give to NEEA. Some bandwidth to capture more market transformation activities.

Clark – not look for expansion of statutes. ETO/PUC will look at doing something administratively.

Expand Public Purpose charge statewide – (Commitment to Community program, Wisconsin) – make it a minimum requirement statewide (on all utilities).

Tom O'Connor – Utility can self-direct, or opt-in to ETO. Give credit for BPA programs and other programs that they do. If mandate to join the ETO, there would probably be a legislative fight. Doesn't want reporting requirements to ODOE, BPA, PUC, etc., Fourth, decisions on how to spend the dollars are left to the local boards. Doesn't want to get caught between cost-effectiveness arguments with ODOE, BPA, NPPC.

Scott Winkels – reserves judgment. (Represents customers, not just the utilities).

Margie – they can contract with the ETO now.

Jeremiah – Jim's idea demonstrates statewide commitment to utility, although leave discretion on how to do it with the utility.

Tom – problem would be with making all utility programs conform to ETO standards.

Margie – this needs to also deal with low-income weatherization and low-income housing as well.

\*\* Bill – should propane and oil be included in this? Heard from low-income that propane has nowhere to go now.

## **BREAK**

Clark – summary of seven concepts.

Carbon neutral by 2030. Should have near term goals, plus long-term net zero goal.

David Cohan – add bullet clarifying relationship between building code and existing buildings (when is the trigger to upgrade the whole building?).

Jon Chandler – HBA doesn't like this proposal. Thinks this is a bad idea. Thinks it is counterproductive. Need to define carbon neutral, or net-zero. Can't defer to a national group that's working on something. Terrified of Oregon doing something on its own. (Oregon is so far ahead of other states, it puts us at a competitive disadvantage).

Bill – we'll capture comments and what gets forwarded will indicate concerns.

Jeremiah – shouldn't defer to national committee. We should do what makes sense for us. Thinks it should be energy neutral rather than carbon neutral.

Rob – what’s needed to make this happen. Oversight commission? Need nod to local enforcement.

Charlie – best framework is West Coast Climate Initiative (WCI), rather than national or going our own way.

David Cohan – would like to see something that addresses education/training needs, someone needs to put forward the money.

Jon Chandler – if something is required, you don’t get credit for it (toward cap-and-trade). i.e., how would the state get credit for those carbon savings.

Jeremiah – Jon has it backwards. We would have to spend less money to comply with the cap-and-trade. Credit is given at the utility level, not the builder level.

Glenn – doesn’t buy the economic development argument. Thinks we can seize it as an opportunity.

Rob – will there be a way to analyze?

John – I don’t have the bandwidth.

Margie – ETO may be able to do a high level estimate for the next meeting? Will talk with David/NEEA.

### **Work Assignments**

Codes – Charlie S, Andrea.

2030 – David Cohan, Fred Gordon, Bill Edmonds, Jim Edelson, Jon Chandler, Dan Elliott, Scott Stewart Dan Elliott, Gina Franzosa, Tom O-Connor, Clark Brockman, Scott Winkels, Andrea Simmons

EPC – Sean in lead, plus Fred, Rob Bennett, Dan E., Scott W., Jon Chandler, Michael Armstrong.

Financing – Charlie, Lee Peterson, Dan Elliott (and HCS)

Utility – ETO ee expansion to consumer owned utilities, Idaho, oil and propane – Jim Edelson

On-bill (utility) financing – Joe Barra, Lauren Stepton, Lee Sparling, Jon Chandler, (current legislation applies only to utility financing, not recovery of other financing, i.e. municipal loans). Michael Armstrong, Rob Bennett, Margie Harris.

Affordable Housing – Dan Elliott, Jim Slusher, Jim Abrahamson, Steve Bicker.

District Energy Systems – Tom Osdoba, Rob Bennett, Bill Edmonds, Margie Harris, Tom O’Connor, Tom Konicke, Tom Payne.

Industrial EE – Myron Burr

Education/Outreach/Workforce Training – Gina Franzosa (should be bundled into every leg concept). Andrea Simmons, David Cohan, Dan Elliott, Lauren Stepton, Glenn Montgomery, Margie Harris.

SELP financing piece – Chuck Johnson.