



Equity Metrics for Energy Trust of Oregon UM 1158 Docket Announcement

Request for Public Comment

February 3, 2023

This document describes the Oregon Public Utility Commission (OPUC) Staff's draft recommendations for additional definitions and targets for equity metrics for the Energy Trust of Oregon (Energy Trust). Staff requests feedback on the proposed definitions, baselines, and targets as described in this document. In Part 1 of this document Staff provides relevant background, and in Part 2 provides some questions that can be used to guide your response or fill out our survey found here:

https://umich.qualtrics.com/jfe/form/SV_1LidMlweXVm27xl

Staff requests written comments on this draft recommendation by February 16, 2023. Please email comments to puc.filingcenter@puc.oregon.gov.

If your organization is interested in meeting with Staff directly to discuss this draft or opportunities for future engagement, please contact Anna at anna.kim@puc.oregon.gov.

Part 1 – Background

Implementation Schedule

December 13, 2022 – Commission approves initial equity metrics

January 30, 2023 – Workshop 4 previewing definitions and baseline data, and discussion on targets

February 3, 2023 – Draft targets posted and public comment period opens

February 16, 2023 – Public comment period closes

March 2, 2023 – Memo with final recommendations posted

March 7, 2023 – Memo presented at Public Meeting

What This Is

Energy Trust provides programs to promote energy efficiency for the customers of Portland General Electric, Pacific Power, Avista Utilities, Cascade Natural Gas, and Northwest Natural. Energy Trust provides programs and incentive dollars to help customers reduce their energy usage. Energy Trust also supports solar and storage installations. These programs are funded with ratepayer dollars through a grant from the OPUC. We are working to address equity in these programs so that they are accessible to all eligible utility customers.

Oregon House Bill 3141 (2021) requires the OPUC to establish equity metrics to assess and create accountability for “environmental justice” (EJ) in the expenditure of energy conservation funds by the OPUC’s grantee, Energy Trust. These metrics must reflect feedback through a public process that includes, at a minimum, environmental justice communities. In December 2022, the OPUC approved four new equity metrics for Energy Trust in compliance with this law.

Metric 1: Access to Support for Communities

Increased support to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities. Increased support can be incentives, training and funding for energy efficiency upgrades, solar, or solar-with-storage projects.

Metric 2: Access to Information

Increased funding to support targeted outreach to environmental justice communities, including funding for community ambassadors, education, and workshops.

Metric 3: Energy Burden Reduction

New and expanded low-cost and no-cost offers to reduce energy burden created and launched.

Metric 4: Community Resilience

Solar and solar-with-storage system projects supported for low and moderate-income residents in areas with limited infrastructure or high energy burden.

Why Your Comments Matter

Staff requests feedback to improve the quality and impact of implementing Energy Trust’s environmental justice equity metrics. Energy Trust has an annual budget of nearly \$200 million in ratepayer funds which is used to promote energy efficiency, small-scale renewables and grid-connected technologies. These metrics will impact how these funds are used, the design of programs developed by Energy Trust, and who is served. Your feedback helps the Public Utility Commission understand the priorities of your community.

Metric Maturity for Target Setting

The four equity metrics approved last year were designed to reflect long-term priorities and also have results in 2023. The metrics are new for Energy Trust and the amount of process and infrastructure available for support and implementation varies from metric to metric. In some cases, we may need to build up to a robust, measurable outcome. Metric #4 on resilience is a particularly new area of work for Energy Trust, which is very exciting and may take more time to develop. There will be positive change in 2023 on all these metrics. And it will be necessary to do some baseline work this year, which we can build upon for the next year and so on. We are working to make the annual targets more accurate indicators of what we ultimately want to accomplish.

To that end, Staff proposes some clarifications to promote transparency and communication on these metrics through draft definitions and baseline data from 2022. Staff also proposes setting specific

targets for 2023. These targets represent the minimum expectations for Energy Trust’s performance in 2023.

Part 2 – Definitions, Targets, and Baseline Data for Metrics

Below, by metric, are the proposed definitions supporting the metric and data from 2022 that Staff proposes to use to calculate the metric baselines. Staff also proposes specific targets for 2023.

Staff briefly describes baseline data in this section. Please see the attachment for additional details on baseline activities and calculations.

Metric 1: Access to Support for Communities:

Increased support to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities. Increased support can be incentives, training and funding for energy efficiency upgrades, solar, or solar-with-storage projects.

Staff proposes defining “support” as financial support from Energy Trust in the form of incentives or contracts to nonprofits.

Staff proposes this metric focus on funds provided to nonprofits.

During Workshop #4, stakeholders expressed interest in seeing more detailed qualitative information about how these funds were spent, particularly across different environmental justice communities. Stakeholders also expressed interest in supporting the capacity of CBOs and exploring how Energy Trust can support capacity-building.

2022 baseline spending: \$1.6 million

Proposed 2023 target spending: \$1.8 million—15% increase

Energy Trust will also report on how this money was spent in different environmental justice communities. Staff recommends that Energy Trust meet with nonprofits in Q3 2023 to discuss opportunities and priorities for 2024.

Baseline spending includes dollars directed to support nonprofits with an environmental justice focus and/or serving environmental justice communities.

Key Energy Trust activities used to determine baseline spending for 2022 are as follows:

1. Working Together Grants: Small grants to help nonprofit CBOs serve environmental justice communities working with Energy Trust
2. Contracts with community-based organizations (CBOs) including CBO-led workshops, sponsorships, and workforce development
3. Community Partner Funding incentives: Program incentives dollars flowing to nonprofits that support environmental justice communities to realize projects in their homes

Metric 2: Access to Information:

Increased funding to support targeted outreach to environmental justice communities, including funding for community ambassadors, education, and workshops.

Staff proposes defining “ambassadors” as community members that are not Energy Trust staff or program delivery contractors, but who are community members contracted to provide outreach to environmental justice communities through an Energy Trust program or working group.

Staff proposes tracking direct outreach by Energy Trust and its contractors in this metric in addition to the number of ambassadors.

During Workshop #4, stakeholders expressed interest in seeing this metric develop towards measuring changes in participation. Stakeholders were also interested in ensuring there is coverage across a wider range of environmental justice communities.

2022 baseline: 16.5 Energy Trust and contractor FTE and 12 community ambassadors

Proposed 2023 target: 10 additional combined FTEs or community ambassadors focused on this effort—roughly 35% increase in people

Staff proposes that Energy Trust report on the coverage of environmental justice communities across these outreach staff and ambassadors.

Baseline count includes: Energy Trust and program contractor FTE and community ambassadors involved in Solar Ambassadors and Community Working Groups such as the Tribal Working Group and CBO Cohort.

Key Energy Trust activities included in baseline spending for 2022 are as follows:

1. Energy Trust outreach in environmental justice communities: FTE estimates for Energy Trust and contractor staff with dedicated outreach support to rural, BIPOC and communities experiencing lower incomes
2. Solar Ambassadors: Energy Trust partnered with and convened a working group of six community-specific organizations and Solar Oregon to develop a pilot program to reach underserved communities
3. Community working groups including a tribal working group and CBO cohort

Metric 3: Energy Burden Reduction:

New and expanded low-cost and no-cost offers to reduce energy burden created and launched.

Staff proposes defining “expanded” as significant programmatic changes to an offer to make it more available.

Staff proposes defining “low-cost offers” as participant paying no more than 20 percent of project and product costs and no more than \$500 total.

During Workshop #4, stakeholders expressed an interest in more information about increased participation from this metric and how much energy was saved.

2022 baseline: 8 total offers

Proposed 2023: 10 total offers—25% increase

Energy Trust will also provide information on the energy savings associated with no-cost and low-cost measures.

Key Energy Trust activities for 2022 are as follows:

1. No-Cost Ductless Heat Pump (DHP) Pilot
2. Additional no- and low-cost home energy efficiency offers
 - i. Manufactured home duct sealing (no-cost)
 - ii. In-home Home Energy Assessments (all housing types; no cost) – incentives paid to CBOs and contractors
 - iii. Online Home Energy Assessment (all housing types; no cost) – no incentives associated with this
 - iv. Low-cost smart thermostats. Energy Trust is exploring making this a no-cost offer for 2023
 - v. Direct install home ceiling insulation – contractor-driven and CPF (low-cost). Energy Trust is exploring making this a no-cost offer in 2023
3. Strategic Energy Management for Affordable Multifamily Housing orgs (no-cost).
4. Cooling workshops for multifamily tenants (no-cost).

Metric 4: Community Resilience:

Solar and solar-with-storage system projects supported for low and moderate-income residents in areas with limited infrastructure or high energy burden.

Staff proposes that projects must provide some services during an outage.

Staff proposes defining “supported” as providing financial support to study, scope, or build projects.

Staff proposes defining “low and moderate income residents” as 120 percent of state median income adjusted for household size, as is consistent with Energy Trust’s renewables spending requirement on low and moderate income customers.

Staff proposes that Energy Trust work with its Renewable Advisory Council (RAC) and interested stakeholders in 2023 to identify and test indices for limited infrastructure areas in addition to rural and high energy burden to develop maps.

- Staff proposes defining “limited infrastructure” to currently include but not be limited to rural areas. Staff is further exploring additional indicator of social vulnerability for this definition.
- Staff is considering options for indicators of “high energy burden” such as some indicators of social vulnerability.

Energy Trust is working on developing a solar plus storage offer to complement this metric to be launched mid-year. With that timeline, there will be no expected increase in spending from the program anticipated during 2023. Staff instead proposes a **target based on the engagement of community-based organizations in creating this solar plus storage offer.**

Stakeholders expressed interest in seeing more details with mapping limited infrastructure and high energy burden. They also suggested that renters could be considered limited infrastructure. There was also interest in the kWh saved through this metric.

2022 baseline spending: \$140k

Proposed 2023 target: at least 5 CBOs engaged in creating and evolving the solar plus storage offer

Staff proposes that Energy Trust report on kWh generated going forward.

Baseline spending includes low and moderate income customers that installed solar plus storage in 2022. While this is not the same as activities Staff proposes to target and measure in 2023, it is illustrative background.

Defining projects and project activity:

- a. In 2022, Energy Trust supported customer projects where solar + storage systems were installed, but installation incentives were only based on the solar portion (e.g., the PV array).
- b. In 2023, Energy Trust is developing a program offer specifically for battery storage to further drive the adoption of solar + storage for customers experiencing low and moderate incomes.

Questions to Guide Your Response

Staff requests feedback on definitions, baselines, and targets. Below are some suggested questions for consideration. Alternatively, you can fill out our survey here:

https://umich.qualtrics.com/jfe/form/SV_1LidMlweXVm27xl

We are interested in the RELATIVE priority you would give to each of the four metrics. How would you describe their importance in relation to each other?

1. Staff proposes defining “low-cost offers” as participant paying no more than 20 percent of project and product costs and no more than \$500 total. Are we approaching the price barrier in the right way within this target?
2. Are Staff’s targets for each metric appropriate for Energy Trust?
3. Do you have any questions or other feedback to share about the proposed metrics OR targets?
4. Staff is also open to suggestions for new data sources you think are relevant.

Staff requests written comments on this draft recommendation by February 16, 2023. Please email comments to puc.filingcenter@puc.oregon.gov.

Staff Contacts

If you have questions or comments please contact OPUC Staff Anna Kim, anna.kim@puc.oregon.gov (971) 239-2887.

Equity Metrics Summary

| Theme | Metrics Proposed | Barrier Addressed | Target |
|---|--|--|--|
| 1. Access to support for communities | Increased support to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities. Increased support can be incentives, training and funding for energy efficiency upgrades, solar, or solar-with-storage projects. | Lack of capital to participate in traditional programs | Dollars spent 2022: \$1.6mil 2023: \$1.8mil |
| 2. Access to information | Increased funding to support targeted outreach to environmental justice communities, including funding for community ambassadors, education and workshops. | Connecting to trusted and relatable energy information | People involved 2022: 16.5 FTE, 12 ambassadors 2023: +10 more people |
| 3. Energy burden reduction | New and expanded low-cost and no-cost offers to reduce energy burden created and launched. | Lack of capital to participate in traditional programs | Number of offers 2022: 8 2023: 10 |
| 4. Community resilience | Solar and solar-with-storage system projects supported for low and moderate income residents in areas with limited infrastructure or high energy burden. | Limited resources and increased costs for projects in some areas | Number of community partners supporting program creation 2022: 0 2023: 5 |

Further Background on the HB 3141

On July 27, 2021, Oregon House Bill 3141 was signed into law. HB 3141 makes numerous changes to laws governing the collection and use of the Public Purpose Charge (PPC). HB 3141 extends collection of the PPC to 2036 and reduces the amount from 3% to 1.5% by shifting all energy conservation funding for energy efficiency out of the PPC and into utility rates. The remaining 1.5% supports low income weatherization, low income housing, school energy efficiency, and small-scale renewables

HB 3141 obligates the PUC to establish equity metrics to assess and create accountability for environmental justice in the expenditure of energy conservation funds. These metrics must reflect feedback through a public process that includes, at a minimum, environmental justice communities. The nongovernmental entity receiving energy conservation funding (Energy Trust) is required to report on progress toward equity metrics. The PUC is required to update these metrics every four years.

“Environmental Justice” is defined to mean the equal treatment, protection from environmental and health hazards, and meaningful involvement of environmental justice communities in the development, implementation and enforcement of regulations and policies that affect the environment in which people live, work, learn, practice spiritually and play. The PUC must develop equity metrics by December 31, 2022.

More information can be found here: <https://www.oregon.gov/puc/Documents/HB3141-Summary.pdf>

OPUC Equity Metrics for Energy Trust Investments: Definitions and Current Activities



February 2, 2023

New equity metrics were adopted by Oregon Public Utility Commissioners on December 13, 2022, with an understanding that OPUC staff would work with stakeholders and Energy Trust to define terms and identify targets for commission review in early 2023.

To support further stakeholder discussion, below we document definitions proposed by OPUC staff and relevant baseline activities for 2022 activities that Energy Trust is able to quantify at this time.

This document includes the following detail for each metric:

- Metric language, as defined and adopted by the OPUC

- Proposed operational definition of metric, proposed by OPUC staff

- Baseline information on Energy Trust activities in 2022 that are relevant for each metric

Equity Metric #1: Support for Environmental Justice Nonprofits and Nonprofits Serving Environmental Justice Communities

Metric Language

Increased support to nonprofit organizations with a purpose to serve environmental justice communities or to support nonprofit-led initiatives serving environmental justice communities. Increased support can be incentives, training and funding for energy efficiency upgrades, solar, or solar-with-storage projects.

Operational Definition

OPUC staff has proposed defining “support” as financial support through incentives or contracts and that the metric focus on funds provided to nonprofits.

Baseline Information and Key Activities

Table 1: Metric #1 Baseline

| Information to be reported (proposed) | 2022 Total |
|--|------------|
| Budget spend to EJ nonprofits to support capacity building | \$1.6m |

Key activities associated with Metric #1 that can be quantified at this time are:

- a. Working Together Grants: These are capacity-building grants to help nonprofits identify opportunities for deeper collaboration with Energy Trust
- b. Contracts with community-based organizations (CBOs): These include workshops led by community-based organizations (CBOs) and sponsorships of CBOs to help reach environmental justice (EJ) communities. Also included are investments in nonprofits for workforce development benefitting EJ communities.
- c. Community Partner Funding incentives: Program incentives dollars for home improvement projects in EJ communities delivered through qualifying nonprofits.

Equity Metric #2: Outreach to Environmental Justice Communities

Metric Language

Increased funding to support targeted outreach to environmental justice communities, including funding for community ambassadors, education and workshops.

Operational Definition

OPUC staff is proposing defining “ambassadors” as community members who are not Energy Trust staff or program delivery contractors, but who are community members contracted to provide outreach to environmental justice communities through an Energy Trust program or working group. Staff proposes tracking direct outreach by Energy Trust and its contractors in this metric, in addition to ambassadors.

Baseline Information and Key Activities

Table 2: Metric #2 Baseline

| Information to be reported (proposed) | 2022 Total |
|---|-----------------------|
| Number of FTE involved in outreach to EJ communities | 16.5 FTE |
| Number of community and ambassador work group members | 12 individual members |

Key activities associated with Metric #2 that can be quantified at this time are:

- a. Energy Trust outreach to EJ communities
 - i. Energy Trust and contracted staff with dedicated outreach support to rural communities, communities of color, and communities experiencing lower incomes
 - ii. Full- time equivalent staff position (FTE) estimates are based on staff allocation to outreach activities and include
 - i. Three (3) FTEs that were Energy Trust staff in 2022
 - ii. Contracted staff with at least a portion of their focus on outreach to EJ communities (in 2022 this was more than 35 contracted staff)

- iii. Support for a portion of time that four (4) Resource Assistance for Rural Environment (RARE) members spent promoting or learning about Energy Trust offers in 2022
- b. Solar Ambassadors
 - i. Throughout 2022 and supported by National Renewable Energy Lab (NREL) funding, Energy Trust has partnered with and convened a working group of six community-based organizations and Solar Oregon in the development of a pilot program to reach underserved communities with solar programming through collaboration with community-specific ambassadors
- c. Community working groups
 - i. Energy Trust launched a Tribal working group in 2022 to advise on Tribal outreach that involved 5 Tribal members
 - ii. A racially and ethnically diverse workgroup of professionals representing business customers that we have historically underserved advises outreach and program approaches within Energy Trust’s Existing Buildings program

Equity Metric #3: No- and Low-Cost Offers to Reduce Energy Burden

Metric Language

New and expanded low-cost and no-cost offers to reduce energy burden created and launched.

Operational Definition

OPUC staff proposes defining “expanded” as significant programmatic changes to an offer to make it more available. Staff proposes defining “low-cost offers” as participant paying no more than 20 percent of project and product costs and no more than \$500 total.

Baseline Information and Key Activities

Table 3: Metric #3 Baseline

| Information to be reported (proposed) | 2022 Total |
|---|------------|
| Count of no- and low-cost offers available in Energy Trust’s energy efficiency programs for residents | 8 |

Key activities associated with Metric #3 that can be quantified at this time are listed below. Energy Trust had several existing no- and low-cost offers already in the market in 2022. For the purposes of the 2022 baseline count of offers, we have grouped these into eight (8) no- and low-cost offers detailed below.

Currently, in alignment with guidance from OPUC staff, Energy Trust has a working definition of “low-cost” as a customer paying \$500 or less with the incentives covering at least 80% of project cost.

1. No-Cost Ductless Heat Pump (DHP) Pilot
 - i. This pilot explores installing ductless heat pumps in single-family, multifamily and manufactured homes at no cost for customers experiencing energy burdens and/or low- or moderate-incomes
 - ii. This pilot is primarily delivered through CBO partners in collaboration with Community Action Partnership (CAP) agencies and uses the Community Partner Funding program delivery model.
 - iii. Launched in 2022, this pilot reached approximately 45 single-family, multifamily and manufactured homes in 2022 and delivered about \$650,000 in incentives
 - iv. Energy Trust will expand this pilot in 2023 to serve an additional 120 single-family, multifamily and manufactured homes with a total incentive spend of approximately \$1.2 million. The actual number of homes served may fluctuate based on costs to install equipment.
2. Additional no- and low-cost home energy-efficiency offers (5 distinct offers)
 - i. Several energy-efficiency offers focus on customers experiencing low incomes and others are no- and low-cost offers for all customers:
 - i. Manufactured home duct sealing (no-cost)
 - ii. In-home Home Energy Assessments (all housing types; no cost) – incentives paid to CBOs and contractors
 - iii. Online Home Energy Assessment (all housing types; no cost) – no incentives associated with this
 - iv. Direct install home ceiling insulation – installed by contractors and partnering community organizations (low-cost). Energy Trust is exploring making this a no-cost offer in 2023.
3. Strategic Energy Management for affordable multifamily housing providers (no-cost)
 - i. Energy Trust provides energy management services, tools and coaching for affordable housing organizations and residents
 - ii. Volume of offer:
 - i. *2022 baseline activity*: 3 housing organizations served across 12 sites with approximately 1,000 tenants total
4. Cooling workshops for multifamily tenants (no-cost)
 - i. Energy Trust sponsors Community Energy Project to deliver workshops focusing on do-it-yourself cooling strategies for renters in single-family and multifamily homes.

In addition to the existing offers, Energy Trust will explore creating additional no- and low-cost offers for residential and multifamily customers in 2023, including the following ideas:

1. No-cost ducted heat pump offer for single family and small multifamily homes
2. Low-cost or no-cost home insulation (adding floor and/wall) for single family, small multifamily, and manufactured homes
3. Free promotional kits (e.g., giveaways through community organizations and events)
4. Additional Do-It-Yourself trainings for home energy efficiency strategies (no- or low-cost)
5. Affordable multifamily offers for existing multifamily buildings and new construction (no- or low-cost)

These ideas are provided as examples for OPUC and stakeholders and not intended to represent formal commitments.

Equity Metric #4: Solar + Storage for Limited Infrastructure and Energy Burden Areas

Metric Language

Solar and solar + storage system projects supported for low- and moderate-income residents in areas with limited infrastructure or high energy burden.

Operational Definition

OPUC staff proposes that projects must provide some services during an outage and proposes defining “supported” as providing financial support to study, scope or build projects.

OPUC staff proposes defining “low- and moderate-income residents” as 120 percent of state median income, adjusted for household size, as is consistent with Energy Trust’s renewables spending requirement on customers experiencing low and moderate incomes .

OPUC staff proposes Energy Trust work with the Renewable Advisory Council (RAC) and interested stakeholders in 2023 to identify and discuss appropriate indices for limited infrastructure areas in addition to rural and high energy burden to develop maps and spatial analysis.

- OPUC staff proposes defining “limited infrastructure” to currently include but not be limited to rural areas. Staff is further exploring additional indicator of social vulnerability for this definition.
- OPUC staff is considering options for indicators of “high energy burden” such as some indicators of social vulnerability.

Baseline Information and Key Activities

Table 4: Metric #4 Baseline

| Information to be reported (proposed) | 2022 Total |
|---|------------|
| Budget spend for solar + storage offers for residents experiencing low and moderate incomes | \$140k |

Defining projects and project activity

- a. Metric #4 focuses on projects with solar and battery storage installations for customers experiencing low and moderate incomes
- b. In 2022, Energy Trust supported customer projects where solar + storage systems were installed, but installation incentives were only based on the solar portion (e.g., the PV array); Energy Trust program infrastructure and upfront solar incentives did, however, help drive the addition of storage in these projects in 2022.

In 2023, Energy Trust is developing a program offer specifically for battery storage to further drive the adoption of solar + storage for customers experiencing low and moderate incomes.

Appendix A: Summary of All Equity Metrics with 2022 Baselines

Table 5: All OPUC Equity Metric Baselines

| Metric # | Information to be reported (proposed) | 2022 Total |
|----------|--|-----------------------|
| 1 | Budget spend to EJ nonprofits to support capacity building | \$1.6m |
| 2 | Number of FTE involved in outreach to EJ communities | 16.5 FTE |
| 2 | Number of community and ambassador work group members | 12 individual members |
| 3 | Count of no- and low-cost offers available in Energy Trust's EE Programs | 8 |
| 4 | Budget spend for solar + storage offers for residents experiencing low- and moderate incomes | \$140k |