



Equity Metrics for Energy Trust of Oregon UM 1158 Docket Announcement

Request for Public Comment

November 14, 2022

This document describes the Oregon Public Utility Commission (OPUC) Staff's draft recommendations for equity metrics for the Energy Trust of Oregon (Energy Trust) to assess, address, and create accountability environmental justice. Staff requests written comments on this draft recommendation by November 28, 2022. Please email comments to puc.filingcenter@puc.oregon.gov.

Schedule

November 14, 2022 – Draft recommendation posted for public comment

November 28, 2022 – Written public comment due

December 1, 2022 – Staff email summarizing comments

December 8, 2022 – Revised recommendation posted to Docket No. UM 1158

December 13, 2022 – Commission decision 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.

Why Your Comments Matter

Staff requests feedback to improve the quality and impact of the 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.

Implementation Process

The OPUC establishes a range of performance metrics for Energy Trust every year, as required under the grant agreement between OPUC and Energy Trust. Metrics addressing equity are one category of accountability within the range of annual metrics. Each year, there will be an opportunity to assess and update these metrics to best suit the needs of the Commission.

To comply with House Bill (HB) 3141, Staff will present new equity metrics for Energy Trust at an OPUC public meeting this year. Energy Trust will be accountable for meeting these metrics and will be required to provide progress updates quarterly. Staff plans to meet with Energy Trust mid-year to ensure the organization is on track to meet annual goals in 2023 and then work with all stakeholders annually to revise and update these metrics as appropriate.

Community Engagement Process

In 2022, OPUC Staff sought feedback from stakeholder groups from environmental justice communities. The OPUC contracted with F.C. Hurdle, an equity consultant, to facilitate some engagements with communities. Together, we collected feedback from the following activities:

- Online small-group discussion at an August 4 Staff Workshop
- In-person small-group discussion in Cave Junction, OR with local business leaders
- In-person recruitment for an online survey of guests at the Conéctate event in Ontario, OR
- Online survey of the general public in Cave Junction
- Follow-up meeting with Illinois Valley Community Development Organization which hosted the Cave Junction event

Additional engagements and follow-ups are scheduled with community-based organizations including Community Energy Project and Verde.

These events provided perspectives primarily from rural Oregon, including some low-income and minority community representation, primarily Hispanic, as well as community outreach representatives from several of the utilities. Staff acknowledges that these events did not represent urban, coastal, and other BIPOC communities. Staff is committed to expanding outreach specifically to these groups in future, particularly to inform the development of equity metrics for 2024.

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

Draft Metrics for Comment

In the draft recommendations below, we present themes that have emerged from these community engagements and other conversations around equity accountability. We describe how we learned about these themes and propose possible metrics to address the theme.

We describe the theme, propose a metric (the outcome we want to measure) and describe the rationale for the choice with suggested tactics for how Energy Trust will achieve those outcomes.

Staff requests feedback about how well the metric relates to the theme. If the metric does not address the community feedback, please share with us your suggestions to better address the feedback.

Theme 1: Access to information

A major theme that emerged across all engagements was the desire to improve awareness and education in order to gain access to more information. When asked what could be done to help support energy needs, the most common suggestions across surveys addressed awareness, information, and education. This theme was raised in all events and has been acknowledged by Energy Trust in the past.

Quotes from Cave Junction:

“Resources and education all this stuff to upgrade okay but how do we do that...it can be overwhelming. In rural areas, many feel they don’t qualify or understand those programs.”

“There needs to be an improvement in communicating new or existing opportunities with local contractors. Local contractors do not have enough information about energy-related opportunities”

“There needs to be a level of trust with the community in order not to perceive free information or energy benefits as something that has strings attached to it. Communicating in ways people understand, easier to get the info, in-person info seems easier to digest, and town hall meetings

Responses from Conéctate on how groups could better support their energy needs:

“Informing the community, getting out and educating families.”

“Education on how to save energy and lower utility bills.”

From feedback gathered through OPUC Docket UM 2114 (investigation into COVID-19 impacts), feedback included the recommendation to ask impacted communities directly what would be most beneficial.

To address this feedback, Staff proposes this metric:

Increased funding to support community ambassador outreach to environmental justice communities

Staff proposes this metric because community ambassadors have been an effective means to build trust and connect with community members who have been historically harder for Energy Trust to reach. Staff envisions that there will be an emphasis on selecting ambassadors that are trusted in these communities or have shared lived experiences relevant to these communities.

Energy Trust has some of these relationships now through relationships with a few community-based organizations. Providing support through funding will strengthen relationships and increase trust with the community and with community members. Staff is particularly interested in seeing increased outreach to groups that the individual communities identify as a priority through these ambassadors, such as seniors with limited access to transportation in Cave Junction.

Staff would work with Energy Trust in the upcoming weeks to set an appropriate funding target for the first year.

Theme 2: Energy burden

Community members at all events have expressed concerns about energy burden. At the Cave Junction in-person event, participants were particularly concerned about neighbors with limited access to transportation while on fixed incomes. This is also a major component of past stakeholder discussions at the OPUC in UM 2114 (COVID impacts) and UM 2211 (implementing HB 2475-2021).

Quote from Cave Junction:

“Elderly, fixed-income, non-mobile residents probably need the most assistance”

“When the deceased tree was taken down, we gave wood to families for winter, heating for a lot of the seniors that need assistance to heat their homes”

From feedback gathered through UM 2114 (investigation into COVID-19 impacts), feedback included recommendations to identify energy efficiency measures that could help reduce poverty and measures that can benefit renters, such as portable measures.

To address this feedback, Staff proposes this metric:

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

Staff proposes this metric because it has become apparent that in the past Energy Trust programs have been inaccessible to many customers who do not have the capital to participate, which exacerbates energy burden among these customers. The number of offers that fits this definition is unclear at this time because of ambiguity about how an offer is defined and because Energy Trust has a variety of lower cost offers so work will need to be done to define “low cost”.

Now is a good time to develop new offers because of the many opportunities that are emerging between the potential for HB 2475 programs and federal spending through the Inflation Reduction Act. Staff hopes that these offers will particularly benefit members of different environmental justice communities including people with lower incomes. As these offers are meant to reduce energy burden, many offers will likely have some form of income qualification.

Staff would work with Energy Trust in the upcoming weeks to set an appropriate target for the number of offers for the first year.

Theme 3: Community benefits—reliability and resilience

Participants at the Cave Junction expressed interest in increasing resilience from outages.

Quotes from Cave Junction:

“Reliable energy is needed because we [the restaurant] close for half the day when we lose power randomly”

“Cave Junction does pretty well, but my rural house loses power 3-4 days every winter”

To address this feedback, Staff proposes this metric:

Installation of solar with storage systems for low and moderate income residents supported in areas with limited infrastructure

Staff proposes this metric because areas with less investment in infrastructure may see greater hardships during outages because there are fewer local resources to draw upon during these events. When Energy Trust pivots to target customers living in these areas, there will be opportunities to learn more about the unique challenges of serving these areas.

Staff would work with Energy Trust in the upcoming weeks to set an appropriate target for the number of projects to support for the first year.

Theme 4: Community benefits—access to support

Stakeholders have expressed interest in seeing benefits flow to communities rather than funding flow out of communities. This can also help communities become more resilient economically.

Quote from Cave Junction:

“[I think of] Senior center: what they need and their requirements, food pantries and communities I serve through food pantries”

From feedback gathered through UM 2114, Staff concluded that while there are opportunities at the energy efficiency measure level, there is strong interest to have the Commission look beyond the measure level and consider solutions that are broader in scope. These ideas include reducing administrative burdens for partnering organizations

To address this feedback, Staff proposes this metric:

Increased support for nonprofits with a mission that supports environmental justice communities through incentives, training and funding for energy efficiency upgrades or solar with storage projects

Staff proposes this metric because there have been many barriers to serving nonprofits in the past. Nonprofits do not usually have access to tax write-offs and may not have the capital to support investments. By serving nonprofits, Energy Trust would not only benefit communities through this support but also could significantly increase trust in the communities these nonprofits serve, particularly with environmental justice communities that Energy Trust has traditionally had difficulty reaching.

Staff would work with Energy Trust in the upcoming weeks to set an appropriate target for the number of projects to support for the first year.

Other concepts to explore

Below are ideas for further discussion in 2023 for Energy Trust’s 2024 activities. Are these the right ones to spend our time on?

- Scorecard of active engagement of community groups developed
- Marketing plans with community feedback
- New program offers for renters
- How to identify areas of higher risk of climate catastrophe
- Securely leveraged utility relationships, programs, and data to direct Energy Trust resources to those customers receiving energy assistance, in arrears, or facing disconnection

Staff maintains a list of suggestions and will continue to engage stakeholders on which concepts to develop further for future consideration.

Closing

Staff requests written comments on this draft recommendation by November 28, 2022. 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	Equity Dimension	Feedback Source
Access to information	Increased funding to support community ambassador outreach to environmental justice communities.	Procedural Distributive	Cave Junction Conéctate UM 2114
Energy burden	New and expanded low-cost and no-cost offers to reduce energy burden created and launched	Structural Distributive	Cave Junction UM 2114
Community benefits—reliability and resilience	Installation of solar with storage systems for low and moderate income residents supported in areas with limited infrastructure	Distributive	Cave Junction
Community benefits—access to support	Increased support for nonprofits with a mission that supports environmental justice communities through incentives, training and funding for energy efficiency upgrades or solar with storage projects	Structural Distributive	Cave Junction UM 2114

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>

Definitions

Environmental justice: “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 spirituality and play.”

Environmental justice communities: Includes “communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities.”