



July 21, 2014

Oregon Public Utility Commission
3930 Fairview Industrial Dr. SE
PO Box 1088
Salem, OR 97308

Re: Comments on UMC 1622

Dear Commissioners,

The Northwest Energy Efficiency Council (NEEC) offers the following preliminary comments on the issues associated with UMC 1622 in advance of the July 29th workshop on cost effectiveness. Thank you for this opportunity and for advancing this important discussion in the State of Oregon.

It is undoubtedly true that projections of low natural gas prices have placed new challenges on cost effectiveness (CE) determinations for many measures (mostly residential) that have historically passed CE tests and provided both cost savings for customers and a host of additional difficult to quantify non-energy benefits. Common sense practices of reducing home air leakage, sealing gaps in home heating duct work, and the provision of sufficient insulation in the elements of the building envelope have been encouraged for all home dwellers irrespective of their heat source since the very beginning of the region's energy efficiency program efforts in the early 1980's. Current energy economics are challenging the cost effectiveness of some of these measures, while at the same time not contravening the common sense practicality of conserving energy and increasing comfort through air leakage control and good insulation.

In fact, the now decades old messaging of the wisdom of taking these steps in any home has created a market expectation that energy efficiency programs will provide some help and assistance for homeowners to implement these measures. Not unlike other basic services that energy utilities provide to their customers on issues related to safety, stewardship, billing, and security – really a whole host of core activities that customers expect from their serving utility – the help and assistance with basic home weatherization has been raised to a similar level of expectation.

With that in mind, it seems reasonable for natural gas utilities to meet this customer expectation with some reasoned and reasonable assistance, even if that assistance should be outside the economic

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boundaries of traditional cost effectiveness tests. Some type of core program services in this area seem justified despite current challenges to CE tests.

Some may argue that the continuation of program and incentive services for residential natural gas measures creates unacceptable cross subsidies and/or potentially establishes skewed distributions of beneficiaries between customers with different home heating fuels. It is important to note, however, that we live in an increasingly mobile population. Someone living in a house heated by one fuel type has a strong possibility of re-locating within a few short years to another home with a different source of home heating. A good quality home weatherization and insulation practice across the entire building stock is the best way to ensure that a mobile population enjoys the benefits of lower energy costs and good occupant comfort.

NEEC realizes the complexity of this issue now before the Oregon Public Utilities Commission. We offer these initial comments in hopes that this conversation will continue to evolve toward an approach that best serves the global interests of the citizens of Oregon. We look forward to participating in that discourse.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stan Price', with a stylized, cursive script.

Stan Price, Executive Director