



COMMENTS OREGON UM1622

July 22, 2014

Oregon Public Utility Commission
3930 Fairview Industrial Dr SE
Salem, OR 97302-1166

PO Box 1088
Salem, OR 97308-1088

RE: First Round Comments –UM1622 Gas Cost Effectiveness Measures

Clean Energy Works (CEW) appreciates the opportunity to submit comments on UM 1622 Gas Cost Effectiveness Measures as follows:

Non-Energy Benefits:

There is significant national discussion on the topic of the non-energy benefits (NEBs) resulting from efficiency measures in whole home programs. The discussion is presented in part, in the “Energy Trust Report – Cost Effectiveness Review for Specific Gas Measures and Programs” - Appendix A. Additional findings and recommendations are well represented in the “Resource Value Framework”¹, a recent paper sponsored by the National Home Performance Council and “Recognizing the Full Value of Energy Efficiency Benefits”² prepared by the Regulatory Assistance Project.

In Oregon, more than 5,000 homeowners have invested in whole home energy retrofits in recent years for benefits well beyond energy efficiency alone. This evidence would support the application of an exception to whole house energy retrofits under the provision of UM551 condition ‘A’ citing “significant non-quantifiable non-energy benefits”.

Basic Utility Service:

The Energy Trust Report proposes development of a set of measures as a Basic Utility Service. We believe this concept has merit and deserves additional study. While this proposal is focused on

¹ National Home Performance Council “Resource Value Framework”, March 28, 2014
<http://www.synapse-energy.com/Downloads/SynapseReport.2014-03.0.Resource-Value-Framework.14-027.pdf>

² Regulatory Assistance Project “Recognizing the Full Value of Energy Efficiency”
[file:///Users/scottdavidson/Downloads/RAP_LazarColburn_LayerCakePaper_2013_Sept_9%20\(2\).pdf](file:///Users/scottdavidson/Downloads/RAP_LazarColburn_LayerCakePaper_2013_Sept_9%20(2).pdf)

measures most challenged for cost effectiveness, we would alternatively propose it focus on minimum home performance standards. In this case, the service design is based on outcomes, not necessarily the targeted measures. This is more likely to be a blend of cost effective and non cost-effective discrete measures.

This approach may be well supported by utilities. In an October 2011 Technical Brief by the State and Local Energy Efficiency Action Network³, evidence is presented that utility customers view their utility more favorably if they offer efficiency programs whether they participate or not.

Clean Energy Works believes this concept has merit and deserves further study.

Measure and Fuel Type Aggregation:

The trend toward highly discrete measures, each held to an individual standard of cost effectiveness may not be serving ratepayers and homeowners effectively when applied to comprehensive home energy retrofits. In terms of HVAC, homes function as systems and weatherization measures work together to achieve a level of home performance that is both efficient and safe. While individual measures should be part of the landscape, whole home programs should be viewed more as single interventions. A recent decision to combine rim joist insulation with wall insulation under UM1696 is an example of this thinking. We propose weatherization measures be lifted to a higher level of aggregation. This approach may be further appropriate when considering weatherization as a basic utility service.

As part of this conversation we are uncertain of the benefits to segregate measures by fuel type for home weatherization. In practical terms, homeowners have limited choice in fuel type. Additionally weatherization measures outlive average remaining occupancy by some four times. Any residential ratepayer may or may not enjoy the future benefits of avoided costs by fuel type.

Workforce Standards:

The quality of measure installations and resulted energy savings is hinged on the quality of the workforce and contractor base. The California Public Utility Commission recently commissioned a study released May 2014 that specifically looking at workforce issues in energy efficiency, which found that: " By establishing and enforcing criteria for contractor and worker eligibility in the incentive programs, the IOUs can support quality work, thus increasing energy savings and more effectively utilizing ratepayer subsidies. The IOUs can also drive demand for higher performance standards in energy efficiency construction and over time contribute to the development of a high-performing EE industry that inspires consumer confidence after incentives are no longer offered."

³ State and Local Energy Efficiency Action Network, "Impacts of Energy Efficiency Programs on Customer Satisfaction," Technical Brief, October 2011,
http://www1.eere.energy.gov/seeaction/pdfs/ratepayer_efficiency_customersatisfaction.pdf

Workforce standards include skills certification, contractor selection criteria, and compensation standards. They are common in other industries, including healthcare, architecture, engineering, and other construction fields and are effective in establishing a high bar for performance in a particular field. CEW asks OPUC to consider how the energy efficiency industry, utility ratepayers, and Oregon communities could benefit from more rigorous training, wage, and utilization standards for activities where ratepayer funds are invested.

It is our observation that there are important and significant linkages among the four considerations presented in this submittal. We recommend careful consideration of intelligent combinations that can lead to improved results for ratepayers, utilities and all Oregon residents.

Respectfully submitted

/electronically submitted/

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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused Comments of Clean Energy Works regarding OPUC Docket No. UM 1622 to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class Mail, postage prepaid and properly addressed, to those parties on the service list who have not waived paper service.

DATED this 24th day of July, 2014.

A handwritten signature in black ink, appearing to read 'Scot Davidson', with a long horizontal flourish extending to the right.

Scot Davidson
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