

Chad Ruhoff
Vice President of Energy Services
Neil Kelly Company

September 15, 2014

RE: Comments regarding OPUC docket UM1622

OPUC Commissioners and Staff,

I am writing today to comment on OPUC docket UM1622 and the recommendation by staff to eliminate incentives for wall, floor and duct insulation as well as air sealing. It is my opinion that it would be a mistake to eliminate these incentives for multiple reasons including lost connection of the ETO to the market drivers and installers of said measures, the cross fuel benefits of these incentives, and that these measures are in the best interest of the rate payers/public.

When there are multiple incentives for the rate payers/clients of this work, it drives the number of the measures completed up on each job. The administrative time it takes to do the paperwork on the incentives is amortized over multiple measures and bigger job sizes, making it worth the investment. If the only incentive available is ceiling insulation incentive, it is likely that the time it takes to complete the paperwork will not be worth the investment. Also, the time it takes to keep up to date with the ETO incentives and procedures, going to Trade Ally Round Tables, reading the ETO Insider, and other connections will likely be dropped and the connection that the ETO has with the market will diminish over time impacting the value of the hard work the ETO has done to build the market.

The Utility Cost Test is the test that really should be looked at. If a measure passes the UCT, it is good for the utility system and in the end, good for rate payers. Rate payers in this region do not want additional power plants built, we want investments in clean resources. The cleanest resource is the resource of consuming less. All of these incentives pass the UCT and are therefore good for the system. Eliminating these programs will increase the utility's costs and its rates. Even with the temporary low cost of gas, efficiency is still the least-cost resource.

The success of Clean Energy Works has proven that homeowners want an easy, affordable path to energy efficiency. Both the Energy Trust and their partner program, Clean Energy Works, provide such a path. By eliminating these measures you will be making that path much harder for the rate payer. According to Bob Jenks from CUB, these programs are cheaper to the utility than purchasing gas to serve its customers. Making the path to energy efficiency harder for the rate payer while increasing the cost for the utility is the exact opposite of what the OPUC is supposed to do in my eyes. Protect the rate payer, keep these incentives in place.

Every house I have been in that heat with gas has also been an electric customer. The savings from these measures in a gas heated home are almost more dramatic on electric savings as from gas savings. In my own home, when I installed wall insulation, attic insulation and air sealing 4 years ago, my electric

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bill went down my just as much as my gas bill. My furnace was not running as much and I didn't have to use the electric, plug in heater in my kid's bedrooms anymore! The Cross Fuel Benefits are well worth the support of the incentives.

The Non-Energy Benefits of insulation and air sealing are just now being studied; but it is widely understood and accepted that insulation and air sealing bring a host of Non-Energy Benefits when installed. Benefits such as comfort and noise reduction; but the one that is in the best interest of the public is indoor air quality. Poor indoor air quality can have a huge impact on respiratory health. In 2009, Warm Up New Zealand did a study with some surprising results. Warm Up New Zealand was primarily aimed at saving energy funded by tax payers and rate payers, that studied the health improvements that come along with the insulation and air sealing improvements. The study showed results such as days off from school dropped by 23%, admissions to hospitals for respiratory conditions dropped by 43%, and days off work dropped by 39%. While I agree that further studies need to be done, the results from this study are staggering. This is clearly in the public's best interest, and the OPUC should approve keeping these measures intact.

As a rate payer, a voter, a consumer and manager of a weatherization company, it is important to me that the OPUC votes in favor of maintaining these incentives. The Oregon public wants clean air, clean energy, and to be a leader in driving a clean economy. For all these reasons, please maintain the incentives for wall, floor, and duct insulation as well as air sealing.

Sincerely,

/S/

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