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COMPANY NAME: NW Natural

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Report is required by: OAR
 Statute
 Order

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Other Schedule 320 of NW Natural's Tariff
(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case? No Yes, docket number: RG 13

List Key Words for this report. We use these to improve search results.

NW Natural, Oregon Low-Income Energy Efficiency Annual Report, OLIEE,

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Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



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Portland, OR 97204

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December 22, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

**RE: RG 13—Oregon Low-Income Energy Efficiency Program (OLIEE)
Annual Report (2020-2021 Program Year)**

Northwest Natural Gas Company, dba NW Natural (NW Natural or the Company), hereby submits its Oregon Low-Income Energy Efficiency Program (OLIEE) Annual Report for the 2020-2021 Program Year in accordance with the Company's Tariff P.U.C. Or. 25, Schedule 320.

Please address correspondence on this matter to me at (503) 610-7326 with copies to the following:

eFiling
Rates & Regulatory Affairs
NW Natural
250 SW Taylor Street
Portland, Oregon 97204
Telephone: (503) 610-7330
Fax: (503) 220-2579
eFiling@nwnatural.com

Sincerely,

/s/ Rebecca T. Brown

Rebecca T. Brown
Regulatory Compliance

Enclosure

NW Natural

Oregon Low Income Energy Efficiency Program Annual Report to the Public Utility Commission of Oregon Program Year: October 2020 - September 2021

I. Summary

The programs supported by the Oregon Low Income Energy Efficiency Program (OLIEE) tariff managed to continue in light of the many challenges in the 2020-21 program year. Collectively, our partner agencies weatherized 341 dwellings and engaged several hundred additional NW Natural customers through energy education workshops, energy saver kits and/or received air sealing services.

II. OLIEE Overview

Since October 2002, NW Natural (NWN) has collected public purpose funding for its Oregon Low-Income Energy Efficiency program (OLIEE). That rate started at one quarter of one percent (0.25%). During the 2017-18 program year the collection increased to one fifty-fifth of one percent (0.55%) total energy use billed from Oregon's residential and commercial customers. Due to a recognized need, and increase in project potential, project costs, and measures, collection was adjusted again in the 2019-20 program year and to equal to one eighty-fifth of one percent (0.85%) starting on January 1, 2020.

The OLIEE program assists NWN's low income customers by reducing their natural gas needs through the installation of high-efficient gas equipment and weatherization. The program also empowers customers through energy literacy in conjunction with weatherization as well as a stand-alone services. The program is applicable to dwellings occupied by customers who meet income guidelines as established in Oregon's annual Low-Income Home Energy Assistance Program (LIHEAP) State Plan¹. On average, the OLIEE program reduces participating customers' gas usage by approximately 20%² annually.

III. OLIEE Community Action Program (CAP) Program

OLIEE partners with CAP Agencies in each county to administer the OLIEE program. These agencies utilize matching funds derived from the Office of Community Services' Low-Income Home Energy Assistance Program (LIHEAP) and the US Department of Energy's Weatherization Assistance Program (WAP). NWN contributes to each eligible gas home's weatherization and energy efficiency efforts as follows:

Expense category	CAP 1/1/20
Max per dwelling	\$15,000
Weatherization Only	<i>\$10,000</i>
Heating Equipment Only	<i>\$5,000</i>
Max administration per dwelling	\$1,600
Max average Health, Safety and Repairs per dwelling	\$1,000
Reimbursement per dwelling	\$17,600

¹ <https://www.oregon.gov/ohcs/pages/low-income-energy-assistance-oregon.aspx>

² According to 2011 Impact Evaluation performed by Forefront Economics.

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IV. Current year weatherization results

In 2020-21 the funds supported over 726 measures installed.

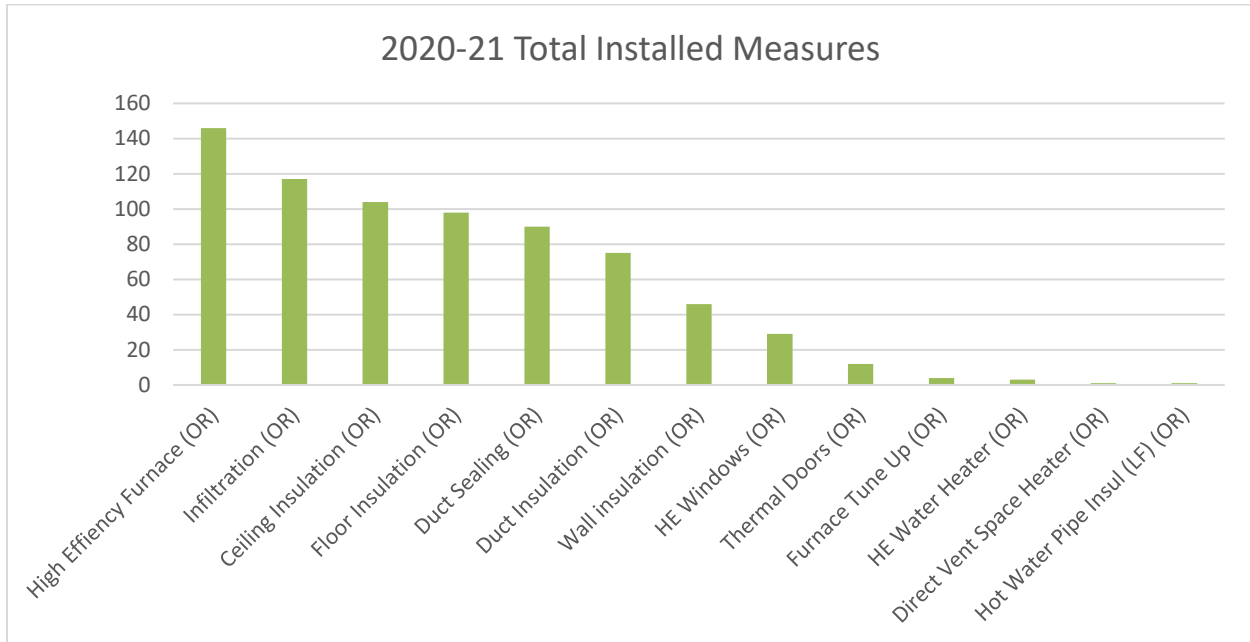


Table 1 – Prior three program years' CAP results

	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
Weatherized Dwellings (Target)	545	306	300	320
Dwellings weatherized (Actual)	341	248	260	299
Projects	192	NA	NA	NA
Reimbursed Measure Costs	\$1,561,476	\$1,595,651	\$1,567,192	\$1,935,009
Reimbursed HSR	\$156,805	\$185,938	\$242,617	\$289,364
Est. therms	60,394	68,320	73,441	103,708
Est. therms saved per dwelling ³	316	277	283	347

³ Estimated therms saved as calculated by the Oregon Department of Energy (ODOE) -approved modeling software, RemRate, Energy Trust of Oregon and/or Regional Technical Forum.

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Oregon Low Income Energy Efficiency Program
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Targets: Prior to COVID-19, agency feedback was positive towards an increase production in conjunction with additional outreach efforts. 2020 and 2021 production continued to be impacted. Work has increased in complexity in response to COVID. For the 2020-21 program year the Agencies and NW Natural set targets to encourage additional uptake. The program continues to focus on serving more dwellings, including Multifamily.

Table 2: Dwelling targets for 2020-2021

CAP Agency	Counties Served	Targeted Dwellings	Actual Completions
Clackamas County CA	Clackamas	24	8
Community Action Organization	Washington	157	45
Community Action Team, Inc.	Columbia and Clatsop	12	2
Community Services Consortium	Benton, Linn and Lincoln	58	31
Homes for Good	Lane	74	163
Mid-Columbia Community Action Council	Hood River and Wasco	0	0
Mid-Willamette Valley CA	Polk and Marion	61	21
Multnomah County Weatherization & Energy Services	Multnomah	149	70
Yamhill Co CA Partnership	Yamhill	10	1
Oregon Coast Comm Action	Coos	0	0
All Agencies		545	341

These results were discussed with the agencies and the OLIEE Advisory Committee. Several of the largest agencies continued to see significant impacts to operations which resulted in the sustained drop in production due to COVID. Those agencies have reliably met their quotas in previous years and without COVID, it is likely the OLIEE program would have come even closer to the 2020-21 target.

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V. Customer Counts

In addition to 2020-21 targets, Table 3 provides customer counts by Agency service territory.

Table 3: Targets and Customer Counts

CAP Agency	Residential Meter Count	% of customers	2020-21 % of completions
Clackamas County CA	90,092	14.4%	4.2%
Community Action Organization	137,034	21.8%	23.4%
Community Action Team, Inc.	20,440	3.3%	1.0%
Community Services Consortium	50,846	8.1%	16.1%
Homes for Good Housing Agency of Lane Co	38,332	6.1%	7.3%
Mid-Columbia Community Action Council	5,294	0.8%	0%
Mid-Willamette Valley CA	78,307	12.5%	10.9%
Multnomah County Weatherization & Energy Services	193,099	30.8%	36.5%
Yamhill Co CA Partnership	12,025	1.9%	0.5%
Oregon Coast Comm Action	1,729	0.3%	0%
All Agencies	627,198		

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VI. Program Funding⁴

Including the 2020 tariff changes, which increased the per dwelling total, average project cost still dropped \$25 to approximately \$8,453 during the 2019-20 program year (inclusive of administrative, audit and inspection costs). This is likely due to the project timeline; existing projects did not adjust to a mid-year change. Additionally, fewer whole home retrofits were completed due to COVID restriction, and there was an increase in the number of equipment only projects in response to 2020 conditions.

Funding is based on October 1 – September 30 Program Year, which is the same time period projects completions are counted. Funding is billed and recorded (below) but not collected or deposited until the start of the following month. Interest is also paid the month following when it was earned.

Project completions are by date of agency completion, not by date of receipt or processing by NW Natural. Expenses are tracked on a cash basis. The one month offset in the chart below is a result of these factors.

Table 4 – 2020-2021 OLIEE Program Year Funding (12 months revenue)

Program Revenue (10/20-9/21):			
Public Purpose Funding	\$	4,800,356	
Interest and Investment Income	\$	306	
Total PY 2019-20 Program Revenue			\$ 4,800,663
Expenses (11/12-10/21):			
			Actual Cap
Total Agency Cost ⁵	\$	(1,990,188)	
Open Solicitation Program (OSP)	\$	(0)	
NWN Administration	\$	(79,327)	1.7% 5%
Energy Education	\$	(112,500)	2.3% 10%
Total PY 2020-21 Expense			\$ (2,182,016)
PY 2020-21 Carryover			\$ 2,618,341

⁴ Projects are typically paid within a month after being submitted and every attempt is made to paid in the program year they are counted. This section reflects actual expenditures.

⁵ Agency costs include measure reimbursement, health, safety and repair allowance as well as administrative costs.

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VII. Energy Education

The current tariff allows 10% of program collections to be used for client energy education each program year, but the program distributed under 5% to keep in line with weatherization. The Company's goal is to create synergies in the delivery and funding of traditional low-income services - weatherization and bill assistance – while better serving this customer group. By targeting customers on the weatherization wait lists (OLIEE) and previous recipients of bill assistance (OLGA)⁶, NWN specifically hopes to:

- Provide more immediate attention and services to customers on weatherization wait lists.
- Provide education and direct install measures to customers whose homes do not qualify for OLIEE.
- Show OLGA customers how to use less gas and decrease their dependency on bill payment assistance.
- Encourage eligible households to sign up for weatherization services.

Based on Agency and OLIEE Audit Committee (OAC) feedback, NW Natural will continue to support the utilization of Energy Education to find ways to support outreach efforts, streamline enrollment, and enhance waitlist management. A few agency-specific charts are included in Appendix 1.

NW Natural is pleased with the agency efforts and seeks to foster inter-agency collaboration to help create an even stronger education program.

⁶ Oregon Low Income Gas Assistance

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VIII. OLIEE: Open Solicitation Program (OSP) Overview

The OLIEE Tariff seeks to serve all low-income households and allows the Company to partner with organizations serving a similar demographic as the CAP to identify projects that meet the same program intent while providing some diversification of housing stock and, hence, tenant profiles. These projects all fall within the scope of the Open Solicitation Program of the OLIEE tariff.

There were no active OSP projects in 2020-21. No OSP projects were awarded in the 2020-21 Program Year.

NW Natural plans to develop OSP guidelines and hopes to open for proposals to ensure carryover funding is utilized in a timely manner. The OAC will be provided updates on progress in the 2021-2022 Program Year.

IX. Program Oversight

The OLIEE Advisory Committee (OAC) meets semi-annually to provide deliberation and counsel to NWN. Members include agency representatives (2), the Citizens Utility Board (CUB), the Public Utility Commission (PUC) and the Community Action Partnership of Oregon (CAPO). Northwest Energy Coalition attended OAC meetings during the 2020-21 program year. The intent of this body is to provide feedback and recommendations for program changes and performance.

In 2021 the OAC meet and discussed COVID, staffing, equipment shortages, contractor availability, federal program impacts, program changes and the impacts all those issues had on spending and the budget.

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X. Program Accountability

NWN solicited feedback from program partners through an anonymous 10 question survey. Results on the OLIEE program averaged 1.1 out of 1 to 5 scale where 1 was “extremely satisfied” and 5 was “not at all satisfied.” Results are anonymous and respondents vary from year to year. All responses are optional, and scores are based on total responses of which due to COVID and timing can also vary. There were 12 in 2021.

NWN OLIEE program staff will be looking into continual improvements and focus on “Timeliness” which had improved but slipped in 2020 with one “3” vote. NWN has been tracking the payment turn-around time starting during the 2017-18 year and has been focused on reducing processing times.

OLIEE	2016-17	2017-18	2018-19	2019-20	2020-21
Professionalism	1.25	1.18	1.0	1.14	1.1
Timeliness	1.5	1.27	1.1	1.57	1.0
Courtesy	1.25	1.18	1.0	1.29	1.0
Helpfulness	1.33	1.27	1.0	1.14	1.0
Knowledgeable	1.33	1.27	1.0	1.14	1.2

Agencies typically have fewer interactions with other departments at NW Natural but a question was asked to allow feedback. Other NW Natural departments had overall results that averaged 1.3, an improvement from last year on a 1 (extremely satisfied) to 5 (not at all satisfied) scale.

Other NWN Dept	2016-17	2017-18	2018-19	2019-20	2020-21
Accounting / Payment Processing	1.78	1.5	1.0	1.4	1.2
Call Center	2.0	1.33	1.25	1.5	1.3
Service Technicians	1.5	1.5	1.4	1.67	1.3
Utility Billing / Data Request	2.0	2.33	1.4	1.33	1.5

Some recommendations/comments from the survey:

“There is a tremendous need to increase the cap on health and safety.”

"You guys are great! Just keep on being you"

“Cover 100% of the wx measures installed on customer homes”

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Appendix 1: Energy Education Details

Outreach in high-volume areas such as Washington and Multnomah Counties continues to be an important element of the Energy Education funding. Those two agencies regularly maintain single digit waitlists.

The remaining counties had waitlists that vary largely based on the presence of customers with an average of 61 gas customers per agencies. Energy Education continues to provide tips and kits to assist these customers until they can be served. Funding is also utilized to reach, enroll, and process these customers more quickly.

Due to COVID, all agencies were providing in-home and/or virtual energy education to clients. A selection of materials is attached as reference.

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FILTERS, FILTERS, FILTERS

There are filters in many of your home's appliances. They help prolong the life of the appliance, help it run more efficiently, protect indoor air quality and may even reduce health and fire hazards. Some of these filters are described below. Check your owner's manuals for more specific information.



Furnace Filters. A furnace filter is designed to keep dust and dirt out of your furnace. Check filters at least every three months. If there's a layer of dust on the filter and you can't see through when held up to the light, it needs to be changed or cleaned.

Disposable filters have MERV ratings that show the size of particles they catch. High MERV ratings are often promoted as having health benefits, but they restrict air flow and makes the furnace work harder. They also are more expensive and need to be changed more often. A furnace filter is there to protect the furnace, not to improve indoor air quality. Look for a filter with a MERV rating of 8 or less.

Some furnaces have a filter you can wash and re-use, such as a hog hair filter or an electrostatic filter. Make sure you know what type of filter you have and check it and clean it at least every three months.

Filters are not always easy to find. Start by turning thermostat down to keep furnace from coming on. Some filters simply lay flat on top of the air intake. In other cases, you may need to remove a metal cover to find the filter. Filter may be in a vertical slot at the side of the furnace or there may be two filters in an inverted "V" above the air intake. Sometime filters aren't in the furnace at all, they are installed behind the return grill located on the wall or ceiling.

Do **NOT** install a filter both behind the return grill and the furnace. Do **NOT** put filters in heating vents. This reduces air flow, causes higher utility bills, may damage ducts or even the furnace. Do **NOT** close more than 1-2 heating vents during heating season.



Ductless Heat Pump (DHP). The indoor unit has filters to capture dirt and dust. They need to be checked and cleaned at least every three months. Open the front of DHP and carefully remove filters. Use a clean, dry cloth to gently wipe the filters clear of dirt and dust. Then put filters back in DHP and close cover.

Window Air Conditioner. A window air conditioner has a filter that needs to be cleaned. For many models, you just need to turn off the unit and open or remove the front cover. Remove the filter and shake off any dust. You may want to soak filter in soapy water, then rinse it off and let it air dry. When completely dry, put filter back in unit and close cover.



Range Hood. If you have a range hood above your oven, look inside. If you see a metal filter, it needs to be cleaned or replaced regularly. Some filters can go in the dishwasher. Some can be cleaned by soaking in hot water with dishwashing or dishwasher detergent. Or soak in hot water with 3 tablespoons of vinegar and 2 teaspoons of baking soda. It will fizz! Let the filter air dry and then reinstall. If water used to soak filter is greasy, pour it

through coffee filter or paper towel to remove grease so it doesn't damage plumbing. Charcoal filters for recirculating hoods simply need to be replaced.

Dryer. Excess lint in the dryer trap makes the dryer to be less efficient. If lint collects in the dryer duct, it can become a fire hazard. Remove lint from the filter after every load. Check behind dryer to make sure duct is attached, short, straight and vented to outside. Check outside vent to make sure it is clean, that any dampers or flaps are free to move, and that air comes out when dryer is running.



Energy Conservation

503.906.6550

weatherization@caowash.org

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Home Ventilation and ASHRAE 62.2

A Homeowner's Guide to the New Ventilation Requirements

Mid-Willette Valley
COMMUNITY ACTION
Weatherization

MOLD & MOISTURE- Tips for Mold, Moisture and Improving Air Quality in your home

Mold

- Nasal Irritation
- Throat Irritation
- Coughing
- Wheezing

ENERGY EFFICIENT
Priority: Water
Water leaks need to be gone - mold grows

Home Tips for Mold Prevention

- Use exhaust fans
- Repair roof leaks
- Check for air leaks
- Repair water leaks
- Clean mold

• See EPA booklet for more information

Health & Safety

Lead

- Found in pre-1970 homes
- Peeling paint & lead can be hazardous

Asbestos

- No amount of asbestos exposure is safe
- It is important to avoid disturbing products that contain asbestos

Radon

- Radon (a gas found in soil) with water
- Radon levels in Marion & Polk are low to moderate

Lead & Tap Water

- Found in homes built in 1980s-1990s or so
- Having insulation near any lead & Tap water is a fire risk and safety hazard

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Natural Gas Saving Ideas

Home Heating

- Turn off gas furnace pilot light in summer. Consult a heating expert if you are unsure as to how to do this. You will need to light it again in the autumn.
- Check furnace filter *monthly* during the heating season, and change it when dirty.
- Keep house thermostat at 68°F when home, and 62°F, or as low as comfortable at night. Wear warmer clothing if possible.
- Consider purchasing a *programmable* thermostat. This saves energy by lowering the house temperature automatically at night.
- Keep fireplace dampers closed when not using fireplace.
- Do not cover registers with furniture. Keep furniture a minimum of one foot or more away from registers.
- Repair leaky ducts, and disconnected boots. Use mastic (available at hardware stores), or foil tape. DO NOT use duct tape!
- Replace damaged or flattened registers.
- Clean debris, including Legos®, and green army men from ducts.
- Keep windows closed in winter, except when ventilating.
- Open south and west drapes on sunny winter days. Close drapes to slow heat loss at night.
- Install storm window kits on single-pane windows.
- Caulk around leaky door and window frames.
- Replace leaky door sweeps and weatherstripping on doors and windows. Inspect the most frequently used doors and windows first.
- Seal plumbing, electrical, and satellite cable connections with expanding foam or caulking as needed.
- Learn how to read your gas meter to see consumption and savings – see end of this article.