

ORDER NO. 25-384

ENTERED Oct 02 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1696

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Energy Trust of Oregon Request for
Cost-effectiveness Exceptions for Multiple
Heat Pump Measures.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 30, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 30, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ October 1, 2025

DATE: September 22, 2025

TO: Public Utility Commission

FROM: Kiran Ayub

THROUGH: Sarah Hall **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1696)
Energy Trust request for major cost-effectiveness exceptions for heat pump, window and insulation measures and schedule for public comments.

STAFF RECOMMENDATION:

Adopt Staff's proposed schedule for submission of public comments and for Staff's final recommendation to grant exceptions to cost effectiveness of energy efficiency measures for Heat Pumps in Small Commercial and Stacked Multifamily and Residential Windows through December 31, 2028, and No-Cost Offers for Residential Insulation and Windows through March 31, 2030, as requested by Energy Trust of Oregon.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (OPUC, PUC or Commission) should adopt the schedule for public comment and Staff's presentation of its final recommendation on exceptions to cost effectiveness for energy efficiency measures for heat pump, windows and insulation measures.

Applicable Law

ORS 469.760(2) sets a state goal of installing and using 500,000 new heat pumps by 2030. The state is to provide programs and support for accelerating heat pump adoption. The programs and support should prioritize environmental justice

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communities and individuals who reside in houses and structures that do not have a functioning, adequate, or affordable heating or cooling system. ORS 469.760(2).

In addition, under ORS 757.695(1), the PUC may address the mitigation of energy burdens on customers as described in ORS 757.230(1) through various measures, including demand response and weatherization programs.

On August 19, 2024, the PUC and Energy Trust of Oregon (Energy Trust) entered into an Agreement to Direct Funding to Nongovernmental Entity (Agreement). Exhibit A of the Agreement provides that energy efficiency programs “generally must use measures and incentive levels that are cost-effective. Energy Trust may apply the Total Resource Cost (TRC) test, Utility Cost Test (UCT) or another test approved by the PUC to demonstrate cost-effectiveness. . .”¹ Exhibit A also authorizes Energy Trust to request and receive an exception from the Commission from the use of a cost effectiveness test of energy efficiency measures. Exhibit A of the Agreement states that an exception from the use of a cost-effectiveness test may be granted for a measure, building or program, as applicable (collectively referred to here as “measure”), when:

- A. The measure produces significant non-quantifiable non-energy benefits.
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure.
- C. The measure is included for consistency with other demand side management (DSM) programs in the region.
- D. Inclusion of the measure helps to increase participation in a cost-effective program.
- E. The package of measures cannot be changed frequently, and the measure will be cost effective during the period the program is offered.

¹ The cost effectiveness test required under Order No. 94-590 is the Total Resource Cost Test (TRC). *In re Investigation into the Calculation and Use of Conservation Cost-effectiveness Levels*, Docket No. UM 551, Order No. 94-590 (April 6, 1994). Energy Trust has used the TRC test with the approval of the Commission since its inception to guide what measures can be offered by Energy Trust programs. Energy Trust has used the Utility Cost Test (UCT) to set the maximum allowable incentive amount that can be offered to participants. The TRC measures cost effectiveness from the total utility system perspective and includes costs and benefits incurred by both participants and non-participants. The UCT measures costs and benefits from the perspective of the utility only and does not consider the non-energy benefits or incremental measure costs experienced by program participants.

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- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers.
- G. The measure is required by law or is consistent with Commission policy and/or direction.
- H. Inclusion of the measure mitigates energy burden.

Under the August 19, 2024, Agreement, Energy Trust may request an exception pursuant to processes directed by the Commission or as otherwise required by law or by alternative guidelines set by the Commission. The process to consider cost effectiveness exceptions was last discussed in Docket No. UM 1622 and is as follows:²

- For minor exception requests, where the size and scope are limited, Energy Trust provides details to OPUC Staff who review and if appropriate, provide approval through an email. A copy of the email is kept on file by OPUC Staff.
- For major exception requests, Energy Trust provides an official filing and requests an exception. OPUC Staff makes formal recommendations to the Commission at a public meeting. Commissioners then decide on the exception request at the public meeting. For more significant requests, the recommendation presentation and the decision may occur at different meetings to allow more time for comments.

The threshold by which Staff can consider minor exceptions was officially established in Docket No. UM 1696.³ These orders memorialized a previous working arrangement in Docket No. UM 1622 whereby Staff could consider measure level cost effectiveness exceptions under the following circumstances:

- The measure's Total Resource Cost (TRC) score is below one and above 0.8,
- The measure's savings do not comprise more than five percent of a program's annual savings, and
- The measure's cost does not represent more than five percent of the program's annual budget.

If a measure does not meet all of the minor exception criteria, the request goes through the Commission's major exception request process.

² *In re Energy Trust of Oregon, Request for Approval of Exceptions to Cost Effectiveness Guidelines*, Docket No. UM 1622, Order No. 14-332 (Oct. 1, 2014).

³ Docket No. UM 1696, Order Nos. 17-395 and 17-457.

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Analysis

Background

Since 2012, Energy Trust has been granted cost-effectiveness exceptions to various insulation measures under Order Nos. 12-394, and 22-482. Since 2016, the Commission has approved multiple window exceptions, including Order Nos. 17-457 and 22-482.⁴ Heat pump exceptions have been granted since 2014 and, most recently, Order No. 25-071 in February 2025.⁵ The current requests continue this practice of recognizing the value of measures that may not pass the cost-effectiveness tests but nonetheless deliver customer, policy, and system benefits.

At present, the docket is addressing three major exception requests submitted by Energy Trust for consideration in advance of the 2026 program year. Energy Trust requests a major exception for heat pumps in small commercial and stacked multifamily buildings, for residential retrofit windows, and for no-cost insulation and windows. All three categories of measures are scheduled to expire on December 31, 2025, unless new exceptions are granted. Approval will allow Energy Trust to continue offering these measures beginning January 1, 2026, ensuring continuity of service for customers and trade allies. The requests also have direct implications for Energy Trust's Multi-Year Plan (MYP) budget, as they affect the forecasted savings, incentive levels, and portfolio-level cost-effectiveness outcomes.

For heat pumps in small commercial and stacked multifamily buildings and for residential retrofit windows, Energy Trust requests extensions through December 31, 2028. For no-cost insulation and windows, Energy Trust requests approval through March 31, 2030, in alignment with Order No. 25-071.

This memo provides an overview of the three exception requests, including Energy Trust's rationale, forecasts, and alignment with Commission criteria. It also discusses broader considerations such as equity and funding opportunities, and outlines Staff's initial recommendations and proposed procedural schedule for receiving stakeholder comments and bringing forward a final recommendation to the Commission at a later public meeting.

⁴ *In re Energy Trust of Oregon, Cost Effectiveness Exception Requests for Electric Measures*, Docket No. UM 1696, Order No. 17-457, (Nov. 8, 2017); *In re Energy Trust of Oregon, Cost Effectiveness Exception Request for 2022*, Docket No. UM 1696, Order No. 22-482 (Dec. 14, 2022).

⁵ *In re Energy Trust of Oregon Request for Cost-effectiveness Exceptions for Multiple Heat Pump Measures*, Docket No. UM 1696, Order No. 25-071 (Feb. 19, 2025).

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Exception Request I – Heat Pumps in Small and Medium Businesses and Stacked Multifamily

The first request covers heat pump measures that do not pass the TRC test, with ratios below 0.8. These include packaged and ductless heat pump replacements in small and medium businesses and ducted heat pumps in stacked multifamily buildings. In 2026, Energy Trust forecasts \$29,000 in incentives for small commercial measures, which would yield about 45,000 kilowatt hours of savings, and \$154,000 in incentives for stacked multifamily measures, which would yield 72,000 kilowatt hours of savings. Over the five-year period 2026 through 2030, combined incentives are projected to total approximately \$1.1 million, producing about 714,000 kilowatt hours of savings. Energy Trust anticipates that these savings may make up less than 0.5 percent of the Existing Buildings savings, achieved in 2026 to 2030.⁶

Cost-effectiveness test results show low TRC scores. Table 1 shows ductless heat pumps in restaurants test at a TRC of 0.4, packaged heat pumps in restaurants test at 0.8, and ducted heat pumps in stacked multifamily retrofits test at 0.4.

⁶ Attachment A at 3

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Table 1: Summary of measures for exception 1

Measure	Savings (kWh)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
Ductless HP in non-Restaurant - HZ1 - CEE Tier 1 - Replacement or New	224.94	\$882	\$563	1.0	0.6
Ductless HP in non-Restaurant - HZ2/HZ3 - CEE Tier 1 - Replacement or New	213.06	\$882	\$532	1.0	0.6
Ductless HP in Restaurant - HZ1 - CEE Tier 1 - Replacement or New	147.55	\$882	\$365	1.0	0.4
Ductless HP in Restaurant - HZ2/HZ3 - CEE Tier 1 - Replacement or New	158.07	\$882	\$392	1.0	0.4
Single-package HP in Restaurant - HZ1 - CEE Tier 1 - Replacement or New	169.58	\$556	\$420	1.0	0.8
Single-package HP in Restaurant - CEE Tier 1 - Replacement or New - HZ2/HZ3	171.16	\$556	\$424	1.0	0.8
Ducted HPs in Stacked MF - HZ1 - Retrofit	2,083.33	\$12,500	\$4,789	1.0	0.4
Ducted HPs in Stacked MF - HZ2/HZ3 - Retrofit	2,155.59	\$12,500	\$4,955	1.0	0.4
Ducted HPs in Stacked MF - HZ1 - CEE Tier 1 - Retrofit	2,858.92	\$16,500	\$6,576	1.0	0.4
Ducted HPs in Stacked MF - HZ2/HZ3 - CEE Tier 1 - Retrofit	3,203.82	\$16,500	\$7,364	1.0	0.4
Ducted HPs in Stacked MF - HZ1 - CEE Tier 1 - Replacement	775.59	\$4,000	\$1,783	1.0	0.4
Ducted HPs in Stacked MF - HZ2 - CEE Tier 1 - Replacement	1,048.24	\$4,000	\$2,409	1.0	0.6

Exception Criteria

Energy Trust requests the exception under Categories D, E, G, and H, providing the following arguments:

D: Inclusion of the measure helps to increase participation in a cost-effective program:

Ductless and packaged replacements are mostly cost effective, though some building types are non-cost effective. However, excluding them risks market confusion and reduced trade ally participation.

E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered.

Retrofit ducted heat pumps in stacked multifamily are expected to become more cost-effective in the future as additional funding sources such as the Portland Clean Energy Fund, Oregon Housing and Community Services programs, and Climate Equity and Resilience Through Action funding.

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G. The measure is required by law or is consistent with Commission policy.

Retrofit ducted heat pumps in stacked multifamily support decarbonization and equity goals, the measures align with State law and policy, including Executive Order No. 20-04, which directs reductions in greenhouse gas emissions, and ORS 469.760(2) (2023 House Bill 3409), which sets a target of 500,000 new heat pumps by 2030.

H. Inclusion of the measure mitigates energy burden.

The measures reduce energy burden by replacing electric resistance heat, which can cut heating energy use by more than 50 percent.

Staff concurs that Categories D, E, G and H are applicable. Staff recognizes that ducted heat pumps in stacked multifamily buildings support decarbonization and equity goals by targeting underserved communities with efficient solutions that are otherwise out of reach.

Exception Request II – Residential Retrofit Windows

The second request addresses residential retrofit windows, which also fall below the TRC threshold. These measures apply to single-family, manufactured, and multifamily housing and are designed to replace inefficient windows. In 2026, Energy Trust projects that single-family and manufactured housing retrofits will require \$115,000 in incentives, yielding 10,500 kilowatt hours of electricity savings and 1,876 therms of natural gas savings.⁷ In 2026, multifamily window retrofits are expected to require \$214,210 in incentives, producing 8,850 kilowatt hours and 21,539 therms of savings. Over the five-year period 2026 through 2030, Energy Trust projects total incentives of \$2.63 million, with 169,000 kilowatt hours and 153,500 therms of savings.

Energy Trust anticipates that these savings may make up around 0.5 percent of kWh and 0.5 percent of therm savings but may go up to one percent therm savings for multifamily windows, in 2026-2030.⁸ The Residential program anticipates a gradual rollout through regionally focused initiatives, Community Partner Funding, and In-Home Energy Services specialty tracks, rather than broad market-facing offers.

Cost-effectiveness results show that retrofits in single-family and manufactured homes test at TRC ratios as low as 0.1. In multifamily housing, replacing double-pane windows in gas-heated buildings often falls between 0.5 and 0.7 depending on climate zone. The cost-effectiveness test results are shown Table 2. These figures demonstrate that while

⁷ Attachment A at 6.

⁸ Attachment A at 7.

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the measures fall below the Commission's threshold, they still offer energy savings, especially for natural gas customers, and provide important co-benefits.

Table 2: Summary of measures for exception 2

Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
Window Retrofit to U-Value ≤ 0.30 Electric Heat SF/SMF/XMH	3.20	0.00	\$130.00	\$14.77	1.0	0.1
Window Retrofit to U-Value ≤ 0.30 Gas Heat SF/SMF/XMH	0.49	0.28	\$130.00	\$13.73	1.0	0.1
Window Retrofit to U-Value ≤ 0.30 Gas Heat Gas Only SF/SMF/XMH	0.00	0.28	\$130.00	\$11.58	1.0	0.1
Single Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ1_Heat Pump LMF	11.57	0.00	\$59.11	\$53.42	1.0	0.9
Single Pane Window to $U \text{ value} \leq 0.22$ Window_HZ1_Heat Pump LMF	12.72	0.00	\$62.82	\$58.73	1.0	0.9
Double Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ1_Gas heating LMF	0.89	0.62	\$59.11	\$31.48	1.0	0.5
Double Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ2_Gas heating LMF	0.83	0.83	\$59.11	\$39.85	1.0	0.7
Double Pane Window to $U \text{ value} \leq 0.22$ Window_HZ1_Gas heating LMF	1.08	0.75	\$62.82	\$37.90	1.0	0.6
Double Pane Window to $U \text{ value} \leq 0.22$ Window_HZ2_Gas heating LMF	1.00	1.00	\$62.82	\$47.92	1.0	0.8
Double Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ1_Heat Pump LMF	6.24	0.00	\$59.11	\$28.80	1.0	0.5
Double Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ2_Heat Pump LMF	10.51	0.00	\$59.11	\$48.54	1.0	0.8

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Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
Double Pane Window to U value \leq 0.22 Window_HZ1_Heat Pump LMF	7.39	0.00	\$62.82	\$34.11	1.0	0.5
Double Pane Window to U value \leq 0.22 Window_HZ2_Heat Pump LMF	12.31	0.00	\$62.82	\$56.86	1.0	0.9
Single Pane Window to $0.22 < U$ value \leq 0.30 Window_HZ1_Gas heating - Gas Only LMF	0.00	1.15	\$59.11	\$47.55	1.0	0.9
Single Pane Window to U value \leq 0.22 Window_HZ1_Gas heating - Gas Only LMF	0.00	1.27	\$62.82	\$52.79	1.0	0.9
Double Pane Window to $0.22 < U$ value \leq 0.30 Window_HZ1_Gas heating - Gas Only LMF	0.00	0.62	\$59.11	\$25.65	1.0	0.5
Double Pane Window to $0.22 < U$ value \leq 0.30 Window_HZ2_Gas heating - Gas Only LMF	0.00	0.83	\$59.11	\$34.42	1.0	0.6
Double Pane Window to U value \leq 0.22 Window_HZ1_Gas heating - Gas Only LMF	0.00	0.75	\$62.82	\$30.89	1.0	0.5
Double Pane Window to U value \leq 0.22 Window_HZ2_Gas heating - Gas Only LMF	0.00	1.00	\$62.82	\$41.40	1.0	0.7

Exception Criteria

Energy Trust requests the exception under Categories A and D, providing the following arguments:

A. Measure produces significant non-quantifiable non-energy benefits.

High efficiency windows increase thermal comfort, reduce drafts, and reduce the amount of outdoor noise entering a home.

D. Measure helps to increase participation in a cost-effective program.

Excluding these measures would be confusing to trade allies and might reduce their understanding of the program and participation in the cost-effective window measures

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Staff agrees that Categories A and D are applicable, and that these measures are valuable to participants despite the low TRC scores and help maintain program coherence.

Exception Request III – No-Cost Insulation and Windows

The third request covers no-cost insulation and windows for single-family, small multifamily, and large multifamily housing. These measures test below cost-effectiveness thresholds, with UCT ratios below 0.8 for insulation and both TRC and UCT ratios below 0.8 for windows. In 2026, single-family and small multifamily insulation is forecast to require \$1.155 million in incentives, producing 123,000 kilowatt hours and 9,000 therms in savings.⁹ No-cost windows in single-family and small multifamily housing are forecast to require \$285,000 in incentives, producing 4,000 kilowatt hours and 400 therms. Large multifamily insulation is forecast to require \$228,000 in incentives, producing 570,000 kilowatt hours and 500 therms. Over the five-year period, these measures are expected to total more than \$10.4 million in incentives, yielding 4.15 million kilowatt hours and 68,700 therms of savings.

Energy Trust anticipates that the no-cost insulation and no cost windows measure savings may comprise less than 0.5 percent of the residential kWh savings and 0.5 percent of therm savings achieved in 2026-2030. Whereas multifamily no-cost insulation savings may make up less than 1 percent of kWh savings and 0.5 percent therms of the Existing Buildings savings achieved in 2026-2030.¹⁰

Table 3 illustrates the cost-effectiveness numbers. No-cost wall insulation for single-family and small multifamily homes has TRC values in the range of 0.5 to 0.6, while no-cost floor insulation in the same housing types falls between 0.2 and 0.7. Attic insulation under no-cost scenarios performs slightly better but still fails the tests, with TRC ratios generally between 0.2 and 0.5 depending on existing insulation levels and heating systems. For windows offered at no cost, the cost-effectiveness results are the lowest, with TRC values of around 0.1 regardless of heating system or climate zone.

Table 3: Summary of measures for exception 3

Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
No Cost Window Retrofit to U-Value ≤0.30 Electric Heat SF/XMH/SMF	3.18	0.00	\$163.56	\$163.56	0.1	0.1

⁹ Attachment A at 11.

¹⁰ Attachment A at 12.

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Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
No Cost Window Retrofit to U-Value \leq 0.30 Gas Heat SF/XMH/SMF	0.48	0.28	\$163.56	\$163.56	0.1	0.1
No Cost Window Retrofit to U-Value \leq 0.30 Gas Heat Gas Only SF/XMH/SMF	0.00	0.28	\$163.56	\$163.56	0.1	0.1
No Cost Wall Insulation R0-R4 Electric Heat SF/SMF	0.79	0.00	\$6.96	\$6.96	0.5	0.5
No Cost Wall Insulation R0-R4 Gas Heat SF/SMF	0.13	0.08	\$6.96	\$6.96	0.6	0.6
No Cost Wall Insulation R0-R4 Gas Heat Gas Only SF/SMF	0.13	0.08	\$6.96	\$6.96	0.6	0.6
No Cost Floor Insulation R0-R11 Electric Heat SF/SMF	0.34	0.00	\$7.14	\$7.14	0.2	0.2
No Cost Floor Insulation R0-R11 Gas Heat SF/SMF	0.19	0.09	\$7.14	\$7.14	0.7	0.7
No Cost Floor Insulation R0-R11 Gas Heat Gas Only SF/SMF	0.19	0.09	\$7.14	\$7.14	0.7	0.7
No Cost Floor Insulation R0-R11 Electric Heat XMH	0.48	0.00	\$7.02	\$7.02	0.3	0.3
No Cost Floor Insulation R0-R11 Gas Heat XMH	0.06	0.04	\$7.02	\$7.02	0.3	0.3
No Cost Floor Insulation R0-R11 Gas Heat GOT XMH	0.06	0.04	\$7.02	\$7.02	0.3	0.3
No Cost Attic Insulation R0-R11 Electric Heat XMH	0.73	0.00	\$6.25	\$6.25	0.5	0.5
No Cost Attic Insulation R0-R11 Gas Heat XMH	0.06	0.04	\$6.25	\$6.25	0.3	0.3
No Cost Attic Insulation R0-R11 Gas Heat GOT XMH	0.06	0.04	\$6.25	\$6.25	0.3	0.4
No Cost Attic Insulation R12-R18 Electric Heat XMH	0.24	0.00	\$3.02	\$3.02	0.4	0.4
No Cost Attic Insulation R12-R18 Gas Heat XMH	0.02	0.02	\$3.02	\$3.02	0.2	0.2
No Cost Attic Insulation R12-R18 Gas Heat GOT XMH	0.02	0.02	\$3.02	\$3.02	0.2	0.3
No Cost Attic Insulation R11 or less to R49 Heat Pump Heat HZ1 LMF	0.40	0.00	\$2.03	\$2.44	0.7	0.9

Exception Criteria

Energy Trust argues that exceptions for these measures meet Categories A, E, and G.

A. Measure produces significant non-quantifiable non-energy benefits.

Retrofit windows and insulation increase thermal comfort and reduce drafts and reduce

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the amount of outdoor noise entering a home. These are all notable non-quantifiable benefits that are of interest to customers.

E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered.

The measures are likely to become more cost-effective when complementary funding sources become available, such as HOMES/HEAR rebates, the Portland Clean Energy Fund, and programs operated by OHCS and ODOE

G. The measure is required by law or is consistent with Commission policy.

Staff provided Energy Trust direction to provide no-cost offers in the 2025 budget and suggested exploring additional no-cost offers that can support customers with existing gas heat (e.g., insulation). The OPUC Equity Metrics guides the allocation of resources to support environmental justice communities, including offering no or low-cost energy efficiency incentives for customers experiencing energy burdens.

Staff concurs that these categories apply and emphasizes the role of these measures in advancing equity objectives. Beyond the cost-effectiveness test results, the exceptions have broader implications for equity, program design, and stakeholder engagement. Exception III is particularly important for diversity, equity, and inclusion, as it directly supports low-income, rural, and BIPOC households. These no-cost measures help address systemic disparities in access to energy efficiency and provide meaningful reductions in energy burden for households that face the highest costs relative to income. At the same time, all three exception requests position Energy Trust to leverage complementary funding sources that are becoming available at the federal, state, and local levels. This co-funding has the potential to improve cost-effectiveness results over time and expand the reach of the programs.

Staff's Recommendation

Staff preliminarily recommends granting the major TRC exception for the measure applications in Heat Pumps in Small Commercial and Stacked Multifamily and Residential Windows through December 31, 2028, and No-Cost Offers for Residential Insulation and Windows through March 31, 2030, as requested by Energy Trust. These requests account for only 0.86 percent and 2.8 percent of the total Existing Building Program incentives and Residential Program incentives offered, respectively. Granting these exceptions will allow Energy Trust to continue delivering meaningful savings and benefits to customers who would otherwise be left without access to key efficiency measures. Approving these requests will maintain continuity for trade allies, reduce market confusion, and keep Energy Trust's programs aligned with state priorities. Just as importantly, the approval will position Energy Trust to capture emerging complementary funding sources that can improve cost-effectiveness over time.

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Procedural Schedule for Public Comment

Staff proposes a schedule to provide stakeholders time for public comment and transparent review prior to a Commission decision.

Event	Date
Deadline to file written public comments in Docket No. UM 1696 or contact Staff with comments.	October 14, 2025
Staff's final recommendation at Commission Public Meeting.	November 13, 2025

Stakeholder engagement is already underway. The proposed exceptions were presented at the September 10, 2025, meeting of the Conservation Advisory Committee (CAC), and there were no questions or concerns raised.

Conclusion

Staff preliminarily concludes that Energy Trust should be granted exceptions for the requested measures through December 31, 2028, for Heat Pumps and Windows (Requests I & II), and through March 31, 2030, for the No-Cost Insulation and Windows (Request III). Staff proposes that stakeholders have until October 14, 2025, to file comments or contact Staff regarding the recommended major cost effectiveness exceptions. Staff will present stakeholder comments and Staff's final recommendations at the November 13, 2025, Public Meeting.

PROPOSED COMMISSION MOTION:

Adopt Staff's proposed schedule for submission of public comments and for Staff's final recommendation to grant exceptions to cost effectiveness of energy efficiency measures for Heat Pumps in Small Commercial and Stacked Multifamily and Residential Windows through December 31, 2028, and No-Cost Offers for Residential Insulation and Windows through March 31, 2030, as requested by Energy Trust of Oregon.

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