

**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, Window, and Insulation Measures.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 13, 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.

ITEM NO. CA5

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 13, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 14, 2025

DATE: November 3, 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.

STAFF RECOMMENDATION:

Grant exceptions to cost-effectiveness of energy efficiency measures as requested by Energy Trust of Oregon.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (OPUC, PUC or Commission) should approve exceptions for cost-effectiveness of energy efficiency measures for heat pumps in small commercial and stacked multifamily and measures for residential retrofit and multifamily 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.

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

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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).¹ 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. . .”²

Exhibit A also authorizes Energy Trust to request and receive an exception from the Commission for 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 (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

¹ See executed agreement available at [\[redacted\]](#); see also Order No. 24-243, authorizing the agreement, *In the Matter of Energy Trust of Oregon Agreement to Direct Funding to Non-Governmental Entity*, Docket No UM 1158, (July 24, 2024) (providing Commission approval of the funding agreement).

² See Exhibit A to the Agreement, explaining that 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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be cost effective during the period the program is offered.

- 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 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:³

- 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 1696.⁴ 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.

³ *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).

⁴ Docket No. UM 1696, Order Nos. 17-395 and 17-457.

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

Analysis

Background

Energy Trust requests a major cost-effectiveness exception for heat pumps in small commercial and stacked multifamily buildings, residential retrofit windows, and no-cost insulation and windows. All three categories of measure exceptions are scheduled to expire December 31, 2025, unless new exceptions are granted. Staff's September 2025 memo preliminarily supported Energy Trust's request and Order 25-384 adopted Staff's procedural schedule for a comment period ending October 14, 2025.⁵ This memo discusses stakeholder feedback and Staff's final recommendation.

Since 2012, the Commission has granted cost-effectiveness exceptions for various insulation measures, with additional approvals for window and heat pump measures granted in subsequent years.⁶ Approval of the current request will allow Energy Trust to continue offering these measures beginning January 1, 2026, ensuring continuity of service for customers and trade allies.

The request proposes extending exceptions for small commercial and stacked multifamily heat pumps and residential windows through December 31, 2028, and extending no-cost windows and insulation through March 31, 2030, consistent with previously approved timelines. These extensions will support Energy Trust's Multi-Year Plan (MYP), aligning incentive structures, projected savings, and portfolio cost-effectiveness outcomes.

Exception Request 1 – Heat Pumps in Small and Medium Businesses and Stacked Multifamily

Energy Trust requests a major exception for heat pump measures that test below the TRC threshold, including packaged and ductless replacements in small and medium commercial buildings and ducted heat pumps in stacked multifamily retrofits. As shown in Table 1, for 2026 Energy Trust forecasts incentives of approximately \$29,000 for the small commercial offer and \$154,000 for the stacked multifamily offer, yielding savings of roughly 45,000 kWh and 72,000 kWh respectively. Over 2026–2030, combined

⁵ In re Energy Trust of Oregon request for major cost-effectiveness exceptions for heat pump, window and insulation measures and schedule for public comments, Docket No. UM 1696, Order No. 25-384 (Oct. 2, 2025).

⁶ See Order Nos. 12-394, 22-482, 17-457, 22-482 and 25-071.

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incentives are estimated at \$1.1 million, producing approximately 714,000 kWh in savings, representing less than 0.5 percent of Existing Buildings program savings.

Heat pumps in small commercial would account for \$211,932 or 0.04 percent of the Existing Building program expenditure budget over the 3-year exception timeframe. Heat Pumps in stacked multifamily would account for \$1,125,432 or 0.23 percent of the Existing Building program expenditure budget over the three-year exception timeframe. Cost-effectiveness results indicate TRC ratios as low as 0.4 for ductless restaurant applications and stacked multifamily ducted retrofits, while packaged heat pumps in restaurants test near 0.8.

Table 1: Summary of offers for exception 1⁷

Program	Offer	2026 Forecasted Incentives \$	2026 Forecasted kWh	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5- Year kWh (2026- 2030)
Small Commercial	HPs in Small Commercial	\$29,000	45,000	\$177,000	274,000
Multifamily	HPs in Stacked Multifamily	\$154,000	72,000	\$940,000	440,178

Exception Criteria

Energy Trust seeks the exception under Criteria D, E, G, and H, asserting that inclusion of the measures supports participation in broader cost-effective programs, anticipates improved cost-effectiveness due to complementary funding, aligns with State law and decarbonization policies, and mitigates energy burdens by replacing electric resistance heating.

- 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.
- G. The measure is required by law or is consistent with Commission policy.
- H. Inclusion of the measure mitigates energy burden.

⁷ See Attachment A, p. 4.

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Exception Request 2 – Residential Retrofit Windows

The second request concerns residential retrofit windows for single-family, manufactured, and multifamily housing, which currently fail TRC thresholds. Table 2 shows incentives in 2026 are projected at \$115,000 for single-family/manufactured retrofits and \$214,210 for multifamily housing, resulting in estimated savings of 10,500 kWh and 1,876 therms, and 8,850 kWh and 21,539 therms respectively. Over five years, incentives would total approximately \$2.63 million, generating 169,000 kWh and 153,500 therms in savings—representing approximately 0.5 percent of program-wide savings.

Residential retrofit windows would account for \$732,780 or 0.2 percent of the Residential program expenditure budget over the three-year exception timeframe. Multifamily windows would account for \$1,565,447 or 0.31 percent of the Existing Building program expenditure budget over the three-year exception timeframe. Cost-effectiveness assessments show TRC ratios as low as 0.1 for single-family and manufactured housing, and between 0.5 and 0.8 for multifamily gas-heated applications.

Table 2: Summary of offers for exception 2⁸

Program	Offer	2026 Forecasted Incentives \$	2026 Forecasted Electric Savings (kWh)	2026 Forecasted Gas Savings (Therms)	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5-Year Elec. Savings kWh (2026- 2030)	Est. MYP 5-Year Gas Savings (Therms) (2026- 2030)
Single-Family and Manuf. Homes	Retrofit Windows	\$115,000	10,500	1,876	\$1,325,000	115,000	22,000
Multifamily	Windows	\$214,210	8,850	21,539	\$1,307,775	54,029	131,500

⁸ Id., p. 7.

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Exception Criteria

Energy Trust argues that exceptions are justified under Criteria A and D, due to significant non-energy benefits such as enhanced comfort and noise reduction, and the need to maintain program consistency and trade ally engagement.

- A. Measure produces significant non-quantifiable non-energy benefits.
- D. Measure helps to increase participation in a cost-effective program.

Exception Request 3 – No-Cost Insulation and Windows

The third request seeks major exceptions for no-cost insulation and window measures in single-family, small multifamily, and large multifamily housing. These measures fall below cost-effectiveness thresholds, with TRC and UCT ratios below 0.8. For 2026, Table 3 shows incentives for single-family/small multifamily insulation are projected at \$1.155 million, producing 123,000 kWh and 9,000 therms in savings. No-cost windows in these housing types will require approximately \$285,000 in incentives for 4,000 kWh and 400 therms in savings. Large multifamily insulation measures are expected to require \$228,000 in incentives for 570,000 kWh and 500 therms in savings. Over five years, total incentives are projected to exceed \$10.4 million, generating 4.15 million kWh and 68,700 therms in savings.

Single-family and small multifamily no-cost insulation would account for \$12,083,400 or 1.89 percent of the Residential program expenditure budget over the five-year exception timeframe. Single-family & small multifamily no-cost retrofit windows would account for \$4,226,400 or 0.66 percent of the Residential program expenditure budget over the five-year exception timeframe. Stacked multifamily no-cost insulation would account for \$2,505,600 or 0.29 percent of the Existing Building program expenditure budget over the five-year exception timeframe.

Table 3: Summary of offers for exception 3⁹

Program	Offer	2026 Forecasted Incentives	2026 Forecasted kWh	2026 Forecasted Therms	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5-Year kWh (2026- 2030)	Est. MYP 5-Year Therms (2026- 2030)

⁹ Id., p. 12.

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Single family and Small Multifamily	No cost insulation	\$1,155,000	123,000	9,000	\$6,713,000	650,000	62,000
Single family and Small Multifamily	No cost retrofit windows	\$285,000	4000	400	\$2,348,000	32,000	3,400
Multifamily	No cost insulation	\$228,000	570,000	500	\$1,392,000	3,465,000	3,300

Exception Criteria Energy Trust justifies the exceptions under Criteria A, E, and G, citing significant non-energy benefits, anticipated future improvements in cost-effectiveness through additional funding sources such as HOMES/HEAR rebates and other state/local programs, and alignment with Commission policy directives prioritizing equity.

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

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

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

Staff Recommendation

Staff preliminarily recommended approval of Energy Trust's cost effectiveness exception request in its memo of September 2025 and made the following conclusions¹⁰:

1. Criteria A: Measure produces significant non-quantifiable non-energy benefits.

Exception Request 2 met criteria A. High efficiency windows increase thermal comfort, reduce drafts, and reduce the amount of outdoor noise entering a home producing significant non-quantifiable non-energy benefits.

¹⁰ *In re Energy Trust of Oregon request for major cost-effectiveness exceptions for heat pump, window and insulation measures and schedule for public comments*, Docket No. UM 1696, Order No. 25-384 (Oct. 2, 2025).

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

Exception Request 1 and 2 met criteria D and excluding these measures could negatively impact trade allies and might reduce their understanding of the program and participation in the cost-effective window measures.

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

Exception Request 1 and 3 met criteria E. The measures are likely to become more cost-effective when complementary funding sources become available, such as the Portland Clean Energy Fund, Oregon Housing and Community Services programs, HOMES/HEAR rebates, and Climate Equity and Resilience Through Action funding.

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

Exception Request 1 and 3 both met criteria G and 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. Moreover, Staff in its recommendations for Energy Trust's 2025 budget encouraged development of no-cost offers including exploration of no-cost offers that can support customers with existing gas heat, such as insulation.¹¹ The OPUC Equity Metrics for Energy Trust guide the allocation of resources to support environmental justice communities, including offering no or low-cost energy efficiency incentives for customers experiencing energy burdens.¹²

5. Criteria H: Inclusion of the measure mitigates energy burden.

Exception Request 1 met criteria H. The measures align with HB 2475's mandate to reduce energy burden by replacing electric resistance heat, which can cut heating energy use by more than 50 percent.

Staff concurs with Energy Trust that these measures advance equity initiatives and support participation from environmental justice communities and individuals who reside in houses and structures that do not have a functioning, adequate, or affordable heating or cooling system. The 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

¹¹ [ETO 2025 Budget Memo \(granicus.com\)](#).

¹² *In re Energy Trust of Oregon 2025 Performance Measures*, Docket No. UM 1158, Order No. 25-081 (March 5, 2025).

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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.

Stakeholder Comments and Staff Response

During the comment period ending October 14, the Energy Advocates submitted comments. The Energy Advocates include The Green Energy Institute at Lewis & Clark Law School (GEI), Oregon Environmental Council (OEC), Community Energy Project (CEP), Oregon Just Transition Alliance (OJTA), NW Energy Coalition (NWECA), Climate Solutions, 350PDX, and Oregon Business for Climate.

These stakeholders emphasized that these measures, though not traditionally cost-effective, are critical for achieving Oregon's climate, energy, and equity goals by reducing energy burden, supporting heat pump adoption, and improving access to efficient cooling. In addition to supporting Staff's proposal, they request one modification: that the heat pump measures be offered on a fuel-agnostic basis—allowing multifamily properties currently using fossil fuels (gas, propane, or oil) to qualify. This, they argue, would expand access to life-saving cooling and accelerate beneficial electrification consistent with state policy.

In response, Staff confirmed with Energy Trust that if a customer chooses to move from gas, propane, or oil to one of the available heat pump options, these measures are suitable, and the customer would be eligible to participate in the offering.

Conclusion

At the September 30, 2025, Public Meeting, Staff presented its initial recommendations. Staff proposed the Commission approve the measure exception requests. Commission Order 25-384 adopted Staff's recommendation for a procedural schedule for comment. Stakeholders supported Staff's recommendation to approve Energy Trust's measure exceptions and offered substantive feedback as detailed above. Staff values the stakeholders' input and agrees that these measures support Oregon's State goals.

Staff recommends granting the major TRC exception for the measure applications in heat pumps for small commercial and stacked multifamily as well as residential windows through December 31, 2028, and no-cost offers for residential insulation and windows through March 31, 2030, as requested by Energy Trust. Approval will ensure continuity of critical energy efficiency offerings, sustain trade ally engagement, and align program delivery with state policy objectives and emerging funding opportunities.

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Offering these measures is consistent with other regional programs and can be synchronized with external programs and funding sources. Staff concludes that Energy Trust should be granted exceptions for the requested measures through December 31, 2028, for heat pumps and retrofit windows (Requests 1 & 2), and through March 31, 2030, for the no-cost insulation and windows (Request 3).

PROPOSED COMMISSION MOTION:

Grant exceptions to cost-effectiveness of energy efficiency measures as requested by Energy Trust of Oregon.

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Measure Exception Requests: Heat Pumps in Small Commercial & Stacked Multifamily; Residential Windows; and No-Cost Offers for Residential Insulation and Windows

Energy Trust is proposing three major measure-level cost-effectiveness exception requests to Oregon Public Utility Commission (OPUC) staff for consideration:

1. **Exception Request I:** A major total resource cost (TRC) exception related to heat pumps for small and medium businesses and stacked multifamily.
 - a. Energy Trust proposes that Exception Request I be in place through at least December 31, 2028.
2. **Exception Request II:** A major TRC exception related to retrofit windows in single family, manufactured, and small multifamily homes.
 - a. Energy Trust proposes that Exception Request II be in place through at least December 31, 2028.
3. **Exception Request III:** A major utility cost test (UCT) exception for no-cost measures for insulation in single family, multifamily, and manufactured homes & a major TRC and UCT exception for no-cost measures for windows in single family, manufactured, and small multifamily homes.
 - a. Energy Trust proposes that Exception Request III be in place through at least March 31, 2030, to align with the approval timeline in the No-Cost exception granted in January 2025 via Order No. 25-071¹.

The existing measures included in Exception Request I, II, III are set to expire on December 31, 2025. In order to continue delivering these measures to customers, Energy Trust humbly requests that Energy Trust and OPUC work together to bring these measures to the OPUC meeting on November 13 for consideration for final approval. If approved, Energy Trust plans to offer these measures on January 1, 2026.

Exception Request I – Major TRC Exception for Heat Pumps in Small and Medium Businesses & Stacked Multifamily Homes

Exception Request I includes measures for packaged and ductless heat pump replacements in small and medium businesses, as well as ducted heat pumps in stacked multifamily (typically five or more units). Incentives for these measures will be available to all eligible customers regardless of income but may be delivered through community partners or through the Existing Buildings small business offering. This is considered a major exception request because the TRC benefit cost ratios are less than 0.8.

Heat Pumps in Small and Medium Businesses

¹ OPUC Order No. 25-071: <https://apps.puc.state.or.us/orders/2025ords/25-071.pdf>.

These heat pump measures serve small and medium-sized buildings installing heat pumps with capacity less than 65kBtu/h (5.4 tons) in a range of building types including offices, retail buildings, restaurants, educational centers, recreational facilities, and more. This offer includes both replacement and retrofit project types and can include packaged, ductless or ducted pumps.

Most measure applications within the offer are cost effective. However, packaged heat pumps in restaurants and ductless heat pumps in all building types are not cost effective as replacement projects, where the customer is replacing broken heat pumps or has elected to change heating fuels. These high efficiency products are required to meet CEE Tier 1 efficiency levels and are compared to a baseline of code minimum efficiency heat pumps that customers would otherwise purchase. The non-cost-effective measures are listed in Table 2.

Ducted Heat Pumps in Stacked Multifamily

This measure is for heat pumps in individual multifamily units in stacked (e.g., medium and large) multifamily buildings in both retrofit and replacement project types. Retrofit measures are intended to help customers displace electric forced air furnaces and the offer includes measures for minimum code-level efficiency heat pumps or CEE Tier 1 heat pumps that offer higher savings. Replacement measures are intended for use when replacing failed ducted heat pumps or changing fuels (which we believe to be unusual since gas furnaces or other fuel types are extremely rare in stacked multifamily buildings). In replacement projects, the offer requires the high efficiency ducted heat pumps to meet CEE Tier 1 efficiency levels and are compared to a baseline of code minimum efficiency heat pumps that customers would otherwise purchase.

Stacked multifamily heat pump projects pose unique installation challenges compared to single-family or small multifamily (e.g., low-rise or non-stacked multifamily) due to shared walls and tight spaces; an example of an installation barrier is the challenge locating outdoor units. By focusing on the stacked multifamily segment, this measure aligns with Energy Trust's goals to reach priority customers, often in underserved communities, and support decarbonization efforts. The measures are intended to help stacked multifamily building owners by providing efficient HVAC solutions and advance equitable access to energy efficiency in multifamily housing.

Reason for exception

These measures fall under the following exception criteria:

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

Ductless and packaged heat pump replacements in small businesses:

Energy Trust's expanded heat pump offering for small and medium businesses will include retrofit and replacement heat pumps, including ductless, packaged and ducted split systems in a variety of building types. Among these, ductless and packaged replacements in some building types are not cost effective. Excluding these measures from the full suite would be confusing to trade allies and might reduce their understanding of the program and participation of retrofit heat pumps.

Ducted heat pumps in stacked multifamily:

Energy Trust already offers ducted retrofit and replacement heat pumps in small multifamily homes. These new measures will reduce market confusion related to building size.

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

Ducted heat pumps in stacked multifamily:

Retrofit ducted heat pumps in stacked multifamily could become cost-effective when other co-funding channels become available in the market. These funding sources could include the Portland Clean Energy Fund (PCEF), Oregon Housing and Community Services (OHCS), the Climate Equity and Resilience Through Action (CERTA), and Federally Funded Home Energy Rebates (HEAR).

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

Ducted heat pumps in stacked multifamily:

Executive Order 20-04² emphasizes reducing greenhouse gas emissions. Retrofit heat pumps replace electric resistance heat, significantly reducing greenhouse gas emissions.

House Bill 3409³ encourages the installation of 500,000 new heat pumps by 2030. Our retrofit heat pump measures are contributing to this goal.

H. Inclusion of the measure mitigates energy burden.

Ducted heat pumps in stacked multifamily:

Retrofit ducted heat pumps, which replace electric resistance furnaces, are estimated to save more than 50 percent of a customer's heating energy use.

Prevalence

Packaged and ductless heat pump replacements in small commercial are expected to make up less than 0.5 percent of the Existing Building program. Expected annual savings are expected to be about 45,000 kWh in 2026. Incentives annually are estimated at \$29,000, which makes up less than 0.5 percent of program and 0.5 percent prescriptive track budget.

Energy Trust anticipates that the non-cost-effective measures will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipates that these savings may make up less than 0.5 percent of the Existing Buildings savings achieved in 2026 to 2030.

Ducted heat pumps in stacked multifamily is a new measure; therefore, we don't have past data on program uptake associated with savings or incentive contributions. The program projects to deliver approximately 72,000 kwh of electric savings in 2026. Incentives annually are estimated at \$154,000, which makes up less than 0.5 percent of program and 0.5 percent prescriptive track budget.

² OPUC Order No. 20-04 <https://www.oregon.gov/puc/utilities/Pages/ExecutiveOrder20-04.aspx>.

³ House Bull 3409: <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/MeasureDocument/HB3409/Enrolled>.

Energy Trust anticipates that these measures will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipates that these savings may make up less than 0.5 percent of the Existing Buildings savings achieved in 2026-2030.

Table 1: Prevalence of Exception Request I

Program	Offer	2026 Forecasted Incentives \$	2026 Forecasted kWh	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5- Year kWh (2026- 2030)
Small Commercial	DHPs in Small Commercial	\$29,000	45,000	\$177,000	274,000
Multifamily	DHPs in Stacked Multifamily	\$154,000	72,000	\$940,000	440,178

Cost Effectiveness details

This table does not include the related cost-effective small commercial heat pump measures. Values in this table for heat pumps in small commercial buildings are shown per ton of heat pump capacity because size can vary greatly. The values for heat pumps in multifamily are per heat pump, in alignment with other heat pump measures for residential and small multifamily customers.

Table 2: Summary of measures for Request I

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 Request II – Major TRC Exception for Windows in Various Home Types

Exception Request II includes measures for high performance windows in single family, manufactured, and multifamily housing. This is considered a major exception request because the TRC benefit cost ratios are less than 0.8.

Residential Retrofit Windows

The Residential Retrofit Windows measures are designed to replace inefficient windows defined as those of any frame type that have single-pane glazing and for metal frame windows with double-pane glazing. The measure is being developed to support specific geographies and customer groups within the state that have a higher prevalence of inefficient windows, lower participation rates, and where incentives can help influence retrofit decisions. 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. Additional opportunities exist to expand use of this measure for moderate income customer segments but considerations around Residential portfolio cost-effectiveness limit current assumptions around the prevalence of this measure.

Additional no-cost residential window retrofits are included in Exception III.

Large Multifamily Windows

Many large multifamily window retrofit measures are cost effective, including all window measures for use in buildings with electric resistance heat which is the predominant heating type in large multifamily buildings. Additionally, retrofits of wood frame windows and installation of storm windows are cost effective. The non-cost-effective multifamily windows measures are:

- Replacing existing single pane windows in residences heated with heat pumps in heating zone 1.
- Replacing existing single pane windows in residences heated with gas in heating zone 1 and gas-only territory.
- Replacing existing double pane windows in residences heated with heat pumps or nature gas in all territory types and climate zones.

Additional Considerations for Review of Windows Measures

- Costs used for development of windows measures are based on the best information that we have available from existing market data. These costs vary widely from project to project, and we have done our best to normalize cost assumptions for measure development and cost-effectiveness testing.
- Cost and savings estimates differ significantly for residential and large multifamily window measures. These cost differences are likely a reflection of different pricing and invoicing practices in different building types. Savings differences are likely due to differing heating loads in different building types

Reason for exception

This measure falls under the following exception criteria:

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. These are all notable non-quantifiable benefits that are of interest to customers.

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

Multifamily Windows:

The non-cost-effective multifamily windows measures are for use in buildings with particular heating systems and in specific regions. 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. Additionally, participation in window projects often lead to additional savings by generating projects through repeat participation and/or expanded project scopes.

Prevalence

Energy Trust projects that **residential retrofit windows** will deliver approximately 10,500 kwh of electric savings and 1,876 therms of natural gas savings in 2026. Incentives annually are estimated at \$115,000.

This measure will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipates that these savings may make up around 0.5 percent of kWh and 0.5 percent of therm savings achieved in 2026-2030. The anticipated use of this measure is limited by the impact of a low TRC that negatively impacts the Residential program level TRC. If the OPUC allows portfolio level cost effectiveness, the program may consider expanded use of this measure across a broader segment of priority customers, including those with moderate incomes.

Energy Trust projects that **multifamily windows** will deliver approximately 850 kwh of electric savings and 21,539 therms of natural gas savings in 2026. Incentives annually are estimated at \$214,210.

Energy Trust anticipates that multifamily windows will contribute a small portion of the savings over the Multiyear Plan period. These savings may make up less than 0.5 percent of the Existing Buildings electric savings and less than 1 percent therms savings achieved in 2026 to 2030.

Table 3: Prevalence of Exception Request II

Program	Offer	2026 Forecasted Incentives \$	2026 Forecasted Electric Savings (kWh)	2026 Forecasted Gas Savings (Therms)	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5-Year Elec. Savings kWh (2026- 2030)	Est. MYP 5-Year Gas Savings (Therms) (2026- 2030)
Single-Family and Manuf. Homes	Retrofit Windows	\$115,000	10,500	1,876	\$1,325,000	115,000	22,000
Multifamily	Windows	\$214,210	8,850	21,539	\$1,307,775	54,029	131,500

Cost Effectiveness details

The values in this table are shown per square foot of window area. This table does not include the related cost-effective multifamily window measures.

Table 4: Summary of measures for exception request II

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

Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
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
Double Pane Window to $U \text{ value} \leq 0.22$ Window_HZ1_Heat Pump LMF	7.39	0.00	\$62.82	\$34.11	1.0	0.5
Double Pane Window to $U \text{ value} \leq 0.22$ Window_HZ2_Heat Pump LMF	12.31	0.00	\$62.82	\$56.86	1.0	0.9
Single Pane Window to $0.22 < U \text{ value} \leq 0.30$ Window_HZ1_Gas heating - Gas Only LMF	0.00	1.15	\$59.11	\$47.55	1.0	0.9
Single Pane Window to $U \text{ value} \leq 0.22$ Window_HZ1_Gas heating - Gas Only LMF	0.00	1.27	\$62.82	\$52.79	1.0	0.9

Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
Double Pane Window to 0.22 < U value ≤ 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 ≤ 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 ≤ 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 ≤ 0.22 Window_HZ2_Gas heating - Gas Only LMF	0.00	1.00	\$62.82	\$41.40	1.0	0.7

Exception Request III – Major UCT Exception for No-Cost Insulation, and Major UCT and TRC Exception for No-Cost Windows

Exception Request III includes the no-cost measures for single family and small multifamily insulation, large multifamily insulation, and residential window retrofits. No-cost insulation in single family, multifamily, and manufactured homes is considered a major exception request because the UCT benefit cost ratios is less than 0.8 and no-cost windows in single family, small multifamily, and manufactured homes is considered a major exception because the TRC & UCT benefit cost ratios are less than 0.8

From 2022 to 2024, Energy Trust offered no-cost energy efficiency measures to income-qualified and energy burdened households initially through a series of program delivery pilots (PDPs). During the development of Energy Trust's 2025 Draft Budget, OPUC staff advised Energy Trust to reassess its budget to ensure that the no-cost services available in 2024 can continue through 2025 and beyond to support customers experiencing low incomes and environmental justice communities. A key priority is to have Energy Trust maintain existing no-cost offerings—such as ducted heat pumps, DHPs, and heat pump water heater—as a bridge until complementary funding sources (e.g., HOMES/HEAR, PCEF, and the ODOE Heat Pump Program) become more widely available. Once complementary funding is more widely available, Energy Trust anticipates that we can reduce our incentive offerings, in areas where this funding is available, to be supplemented by this funding to continue to offer measures to customers at no cost. In support of this goal, the OPUC approved a no-cost measure exception which included multiple measure offerings via Order No. 25-071⁴. Following this approval, OPUC staff expressed interest in expanding the portfolio to include no-cost insulation and other envelope measures for gas utilities. Exception Request III addresses this need by enabling

⁴ OPUC Order No. 25-071: <https://apps.puc.state.or.us/orders/2025ords/25-071.pdf>.

Energy Trust to broaden its No-Cost Offer portfolio in alignment with OPUC Equity Metrics for Energy Trust; Metric #3 is specific to developing and delivering no-cost offers for customers experiencing energy burdens.

Furthermore, Energy Trust has been cultivating relationships with community-based organizations who have been working with customers to identify opportunities for energy efficiency projects at no cost to eligible priority customers. Continuing to offer these measures will provide ongoing support to the business models and infrastructure for these community-based organizations to co-create and delivery projects with incentives that motivate priority customers.

No-cost Single Family and Small Multifamily Insulation

These measures serve customers through In Home Energy Services and Community Partner Funding (CPF) program pathways. These offers support income qualified, energy burdened and priority customer populations by conducting in-home assessments, providing project scope development, and providing project navigation support in addition to incentives that can cover the full cost of the projects. These additional no-cost insulation measures will provide increased incentives to cover the full cost of insulation projects. Other no-cost insulation projects are expected to be less expensive and fall within the incentive limits of the previously approved 0.8 UCT exception per Order No. 22-482⁵; from the review of 2024 and 2025 project data, Energy Trust determined that approximately 29 percent of CPF projects may fall into this category.

No-cost Large Multifamily Insulation measures serve existing multifamily buildings with 5 or more units. This measure is expected to serve affordable multifamily housing, or other identified priority customer communities such as income qualified customers. The no-cost measures will be delivered through our Community Partner offering in the Existing Buildings program.

Most no-cost large multifamily insulation measures are cost effective, including no-cost insulation in buildings heated with electric resistance heat, which is the most prominent heating in these buildings. Only attic insulation in buildings heated with heat pumps and existing insulation up to R11 are not cost-effective.

No-cost Residential Retrofit Windows

These measures serve customers through the In-Home Energy Services and Community Partner Funding (CPF) program pathways. These offers support income qualified, energy burdened and priority customer populations by conducting in-home assessments, project scope development and direct project navigation support in addition to incentives that can cover the full cost of the projects. To manage costs, these no-cost window projects are intended to be used for circumstances where windows are broken, inoperable, or are creating a health and safety hazard. This means project scopes may only include replacement of a few windows in the home rather than all windows in the home.

Reason for exception

This measure falls under the following exception criteria:

⁵ OPUC Order No. 22-482: <https://apps.puc.state.or.us/orders/2022ords/22-482.pdf>

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

Retrofit windows and insulation increase thermal comfort and reduce drafts. In addition, retrofit windows reduce 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.

When other supplementary funding channels become developed and available in the market this funding may change the cost effectiveness of the measures where the supplementary funding is available. More specifically, via previous direction from the OPUC, the supplementary funding is deducted from the denominator in the TRC test functioning to make the measures more cost effective on a TRC basis. In addition, Energy Trust anticipates that we can reduce our incentive offerings to be supplemented by this funding to continue to offer measures to customers at no cost and this can help with the cost effectiveness on a UCT basis. Examples of supplementary funding sources include the Home Energy Rebates (HOMES/HEAR), Portland Clean Energy Fund (PCEF), and the Climate Equity and Resilience Through Action (CERTA). Energy Trust is coordinating with these entities to couple these sources of funding with Energy Trust offerings when these sources of funding become available in the market.

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

OPUC staff provided direction Energy Trust to provide no-cost offers in the 2025 budget (Recommendation #1)⁶. In discussions with Energy Trust, OPUC staff advised Energy Trust to explore additional no-cost offers that can support customers with existing gas heat (e.g., insulation).

HB 3141⁷ required the Oregon Public Utility Commission (OPUC) to establish equity metrics to assess and ensure accountability for environmental justice in how Energy Trust delivers energy efficiency funds. The OPUC Equity Metrics, approved by OPUC Commissioners in late 2022, guide the allocation of resources to support environmental justice communities, including offering no or low-cost energy efficiency incentives for customers experiencing energy burdens.

Prevalence

The **single family and small multifamily no cost insulation** measures would be new offers in 2026 and are expected to make up less than 0.5 percent of program electric savings and 0.5 percent of program therm savings. Annual savings are expected to be about 123,000 kwh and 9,000 therms. 2026 annual incentives for these measures are forecasted to be around \$1,155,000 and make up around 2 percent of program and 3 percent the Home Retrofit program track budget.

Energy Trust anticipates that no-cost insulation will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipates that these savings may make up less

⁶ 2025 ETO Budget Memo: https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=1409&meta_id=40384.

⁷ HB 3141 Summary Memo: <https://www.oregon.gov/puc/Documents/HB3141-Summary.pdf>.

than 0.5 percent of the residential kWh savings and 0.5 percent of residential therm savings achieved in 2026 to 2030.

The **residential no cost retrofit windows** measures would be new offers in 2026 and are expected to make up less than 0.5 percent of residential program electric savings and 0.5 percent of program therm savings. Annual savings are expected to be about 4000 kwh and 400 therms. 2026 annual incentives for these measures are forecasted to be around \$285,000 and make up around 0.5 percent of program and 10.69 percent of the Home Retrofit program track budget.

Energy Trust anticipates that no-cost window measures will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipates that these savings may make up less than 0.5 percent of the residential kWh savings and 0.5 percent of therm savings achieved in 2026 to 2030.

The large **multifamily no-cost insulation** is a new offer for 2026 and is estimated to make up less than 1 percent of Existing Buildings program electric savings and 0.5 percent of program therm savings. Annual savings are expected to be about 570,000 kwh and 500 therms. Incentives annually are \$228,000, which will make up less than 0.5 percent of program budget. Of this, the non-cost-effective application is expected to be a small portion.

Energy Trust anticipates that this multifamily no-cost insulation will contribute a small portion of the savings over the Multiyear Plan period. Energy Trust anticipate that these savings may make up less than 1 percent of kWh savings and 0.5 percent therms of the Existing Buildings savings achieved in 2026 to 2030.

Table 5: Prevalence of Exception Request III

Program	Offer	2026 Forecasted Incentives	2026 Forecasted kWh	2026 Forecasted Therms	Est. MYP 5- Year Incentives (2026-2030)	Est. MYP 5-Year kWh (2026- 2030)	Est. MYP 5- Year Therms (2026- 2030)
Single family and Small multifamily	No cost insulation	\$1,155,000	123,000	9,000	\$6,713,000	650,000	62,000
Single family and Small multifamily	No cost retrofit windows	\$285,000	4000	400	\$2,348,000	32,000	3,400
Multifamily	Stacked multifamily	\$228,000	570,000	500	\$1,392,000	3,465,000	3,300

	no-cost insulation						
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Cost Effectiveness details

The values in this table are per square foot of window or insulation area. The insulation R-values in the measure descriptions refer to maximum existing insulation that limit participation to sites that have low or no existing insulation. The related cost-effective no-cost large multifamily insulation measures are not shown.

Table 6: Summary of measures for exception request III

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
No Cost Window Retrofit to U-Value ≤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 ≤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

Measure	Savings (kWh)	Savings (therms)	Incremental Costs (\$)	Maximum Incentive (\$)	UCT BCR at Max Incentive	TRC BCR
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

Discussion

Does granting or denying an exception significantly impact specific groups? Particularly DEI.

Continuing and expanding our no-cost offers (Exception III) is intended to extend equitable access to energy-saving technologies for priority customers through community partner offerings and program-delivered services for priority customers (e.g., In-Home Energy Services), including customers experiencing lower incomes, rural residents, and communities of color. This approach helps address systemic disparities in accessing efficient heating solutions, expand program access through community partnership, reduces energy costs and energy burden, and supports our broader DEI goals by prioritizing those who typically face barriers to participation. Providing no cost insulation upgrades are important to reduce heating and cooling loads in homes. Providing no cost windows upgrades are important to address critical repairs or life safety concerns in homes that receive no cost heat pump upgrades.

Is there a potential for additional value through complementary funds in the future?

There is potential for additional value through complementary funding sources such as Home Energy Rebate (HOMES/HEAR), Portland Clean Energy Fund (PCEF), Climate Equity and Resilience Through Action (CERTA), Oregon Housing and Community Services (OHCS), and ODOE heat pump programs. Many of these programs may provide funding that supports equipment installations, electrical panel upgrades, and reduce home heating loads through weatherization upgrades. Complementary funding that covers enabling measures allows us to expand our offerings, reduce out-of-pocket costs for participants, and increase the overall reach and impact of energy-saving measures for underserved communities. In some circumstances, complementary funding sources could be paired with an Energy Trust incentive to provide installations at no cost to customers.

What opportunities have stakeholders had to share their thoughts and concerns? This is of particular interest if it is likely stakeholders will have an opinion.

Energy Trust has been communicating with OPUC staff on the potential measure exceptions request for 2026. Additionally, Energy Trust will communicate these exception requests at the

September 10, 2025, Conservation Advisory Committee (CAC) meeting. If CAC members provide comments in that meeting, Energy Trust Staff will work with the OPUC staff to include their comments in the exception request document.

History

The following table represents the portion of Energy Trust savings from measures under cost-effectiveness exceptions in 2023, 2024, and 2025 year-to-date. This does not include savings or incentives for New Buildings Whole Building projects under TRC exception per Order No. 23-442.⁸

Table 7: Savings and Incentives from Measure Under Exception: 2024 – 2025 Year-to-Date

Program Year	Electric Savings (kWh)	Percent of Total Electric Savings	Gas Savings (Therms)	Percent of Total Gas Savings	Incentives (\$)	Percent of Total Incentives
2023	4,521,290	0.95%	10,621	0.15%	4,505,604	4.76%
2024	7,976,877	1.44%	30,296	0.39%	10,381,695	8%
2025 YTD*	4,927,043	2.38%	22,273	0.66%	8,010,125	12.3%

*Recognized savings and incentives through 9/3/2025

Energy Trust has received exception requests for various insulation measures since 2012, window measures since 2016, and heat pump measures since 2014. The following provides brief summaries of each granted exception.

Insulation:

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on October 18, 2012, per Order No. 12-394⁹, for weatherization measures based on Criteria B and F. This exception was approved through December 31, 2014.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on July 29, 2014, per Order No. 14-266¹⁰, for residential insulation and multifamily insulation based on Criteria A and D. This exception was approved through December 31, 2015.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on January 29, 2015, per Order No. 15-029, for multifamily ceiling and floor insulation and single-family duct insulation based on Criteria A and C.

Energy Trust was granted a minor TRC exception from the Oregon Public Utility Commission via email on May 25, 2017, for multifamily ceiling insulation based on Criteria C.

⁸ OPUC Order No. 23-442: <https://apps.puc.state.or.us/orders/2023ords/23-442.pdf>.

⁹ OPUC Order No. 12-394: <https://apps.puc.state.or.us/orders/2012ords/12-394.pdf>.

¹⁰ OPUC Order No. 14-266: <https://apps.puc.state.or.us/orders/2015ords/15-029.pdf>.

Energy Trust was granted a minor TRC exception from the Oregon Public Utility Commission via email on September 26, 2019, for residential and multifamily insulation based on Criteria A and G. This exception was approved through December 31, 2022.

Energy Trust was granted an incremental cost cap waiver from Oregon Public Utility Commission staff via email on August 5, 2020, for residential and multifamily insulation. This was granted to respond to the impacts of COVID-19 and increase incentives to vulnerable customer groups who may be experiencing increased energy costs due to COVID-19's impacts on employment and housing. This waiver was approved through December 31, 2021.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on December 14, 2022, per Order No. 22-482¹¹, for insulation based on Criteria A and C. OPUC Commissioners also granted that all insulation measures for income-qualified and energy-burdened households are exempt from UCT cost-effectiveness requirements up to a UCT BCR of 0.8 for five years, using the rationale of Criteria C, D, & G. These exceptions were

Windows:

Energy Trust was granted a minor TRC exception from the Oregon Public Utility Commission via email on April 29, 2016, for multifamily windows based on Criteria A. This exception was approved through December 31, 2022.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on November 8, 2017, per Order No. 17-457¹², for multifamily windows based on Criteria A. This exception was approved through December 31, 2019.

Energy Trust was granted a minor TRC exception from the Oregon Public Utility Commission via email on October 8, 2022, for multifamily windows based on Criteria A, C, & D. This exception was approved through January 31, 2026.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on December 14, 2022, per Order No. 22-482¹³, for window measures based on Criteria A and C. This exception was approved through March 31, 2026.

Heat Pumps:

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on July 22, 2014, per Order No. 14-226¹⁴ based on Criteria D. This exception was approved through 2015.

Energy Trust was granted a minor TRC exception from Oregon Public Utility Commission on September 2, 2015, based on Criteria B & C.

Energy Trust was granted a minor TRC exception from Oregon Public Utility Commission on October 19, 2016, based on Criteria D. This exception was approved until September 2017.

¹¹ OPUC Order No. 22-482: <https://apps.puc.state.or.us/orders/2022ords/22-482.pdf>.

¹² OPUC Order No. 17-457: <https://apps.puc.state.or.us/orders/2017ords/17-457.pdf>.

¹³ OPUC Order No. 22-482: <https://apps.puc.state.or.us/orders/2022ords/22-482.pdf>.

¹⁴ OPUC Order No. 14-226: <https://apps.puc.state.or.us/orders/2014ords/14-266.pdf>.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on November 8, 2017, per Order No. 17-457¹⁵ based on Criteria B & C for DHPs in Single-Family and Manufactured Homes and DHPs in Multifamily. This exception was granted approval for a two-year exception.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on September 12, 2019, per Order No. 19-301¹⁶ based on Criteria B, C, & G for DHPs in Single-Family and Manufactured Homes and DHP in Multifamily measures. This exception was granted through March 31, 2022.

Energy Trust was granted a major exception from the Oregon Public Utility Commission on April 2, 2020, per Order No. 20-105¹⁷. This exception request included two measures packaged together in one request. The first exception was associated with our DHP in Single-Family and Manufactured Homes. OPUC granted an UCT exception based on Criteria A, C, & G. The second exception was associated with our DHP in Multifamily. OPUC granted a UCT & TRC exception based on Criteria A, C, & G. This exception was granted through March 31, 2022. OPUC staff also recommended that Energy Trust alert OPUC staff if the measures under exception exceed 50 installs in a calendar year or if cost effectiveness is expected to decline.

Energy Trust was granted a major exception on its DHP measures from the Oregon Public Utility Commission on January 26, 2022, per Order No. 22-024¹⁸. This exception request included three exception requests packaged together in one order. The first exception was associated with our DHP in Single-Family and Manufactured Homes. OPUC granted a UCT & TRC exception. The TRC exception was based on Criteria C & G, and the UCT exception was based on Criteria A, B, D, & G. The second exception was associated with our DHP in Multifamily Housing. OPUC granted a TRC exception based on Criteria C & G. The third exception was associated with our No-Cost DHP Pilot. OPUC granted a UCT and TRC exception based on Criteria C, F, and G. This exception request was granted for three years (ending 3/31/2025) and placed a total incentive cap of \$5 million for the pilot. Due to high market demand, OPUC granted Energy Trust a \$2 million increase in the pilot cap (from \$5 million to \$7 million) during this same period, ending in 3/31/2025.

Energy Trust was granted a major TRC exception from the Oregon Public Utility Commission on February 19, 2025, per Order No. 25-071¹⁹, for ducted and ductless heat pumps in single-family, manufactured housing, and multifamily for market-rate offers based on Criteria C and G. This exception was approved through March 31, 2028. OPUC also granted a TRC & UCT exception based on Criteria E, G, & H for no-cost offers. This exception was approved through March 31, 2030.

¹⁵ OPUC Order No. 17-457: <https://apps.puc.state.or.us/orders/2017ords/17-457.pdf>

¹⁶ OPUC Order No. 19-301: <https://apps.puc.state.or.us/orders/2019ords/19-301.pdf>

¹⁷ OPUC Order No. 20-105: <https://apps.puc.state.or.us/orders/2020ords/20-105.pdf>

¹⁸ OPUC Order No. 22-024: <https://apps.puc.state.or.us/orders/2022ords/22-024.pdf>

¹⁹ OPUC Order No. 25-071: <https://apps.puc.state.or.us/orders/2025ords/25-071.pdf>