



UM 2114

Paragraph 31

April 1, 2021

Anna Kim, Sr. Utility Analyst

Ezell Watson, Director of Diversity, Equity, and Inclusion



Agenda

1:00 Welcome

1:05 Energy Efficiency Context

1:40 Strategies to Address Cost-Effectiveness Hurdles

Break-out rooms with experts followed by group discussion

2:10 Beyond the Framework

Open forum

2:25 Wrap-up



Housekeeping

- For technical assistance contact Ezell or Anna
- To unmute by phone, use *6



Operating Agreements

1. Try to be concise: Allow room for multiple perspectives. Leave time for everyone.
2. Stay engaged
3. Stay on mute when not speaking
4. ???





Who's Who

Hosts (OPUC)

Anna Kim, Sr. Utility Analyst

Ezell Watson, Director of Diversity, Equity, and Inclusion

Guest experts (Energy Trust)

Thad Roth, Residential Sector Lead

Marshall Johnson, Sr. Residential Program Manager

Peter Schaffer, Sr. Planning Project Manager





Who's Who

Please introduce yourselves.

Name

Organization

2-3 adjectives that describe you



Energy Efficiency Context

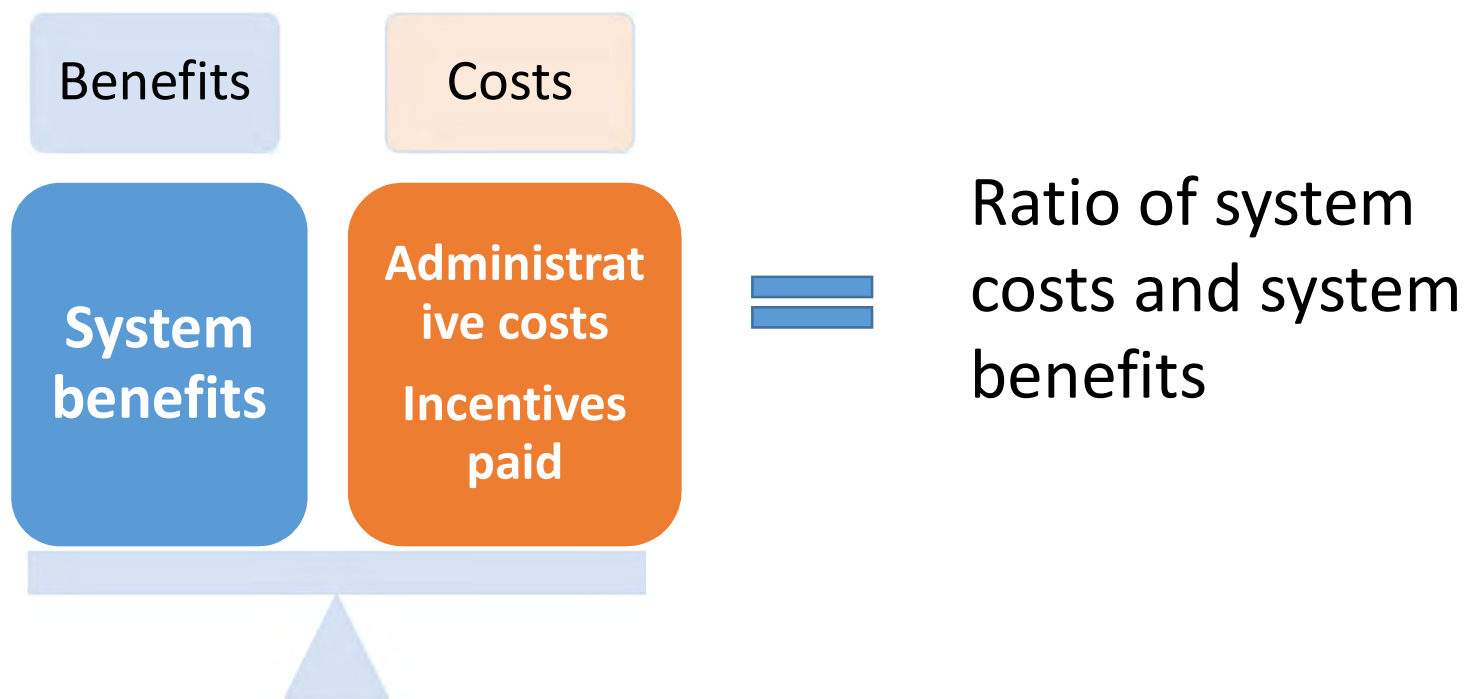
Offer Category	Energy Trust	Community Action Agencies with OHCS / Utilities	Community-Based Organizations
Above median income	Standard offers		Varies
Low-Moderate Income	Savings Within Reach Community Partner Funding with CBOs		Varies
Customers that would be eligible for low income services	Co-funding with CAPs	Income qualified clients	Varies

Cost-Effectiveness

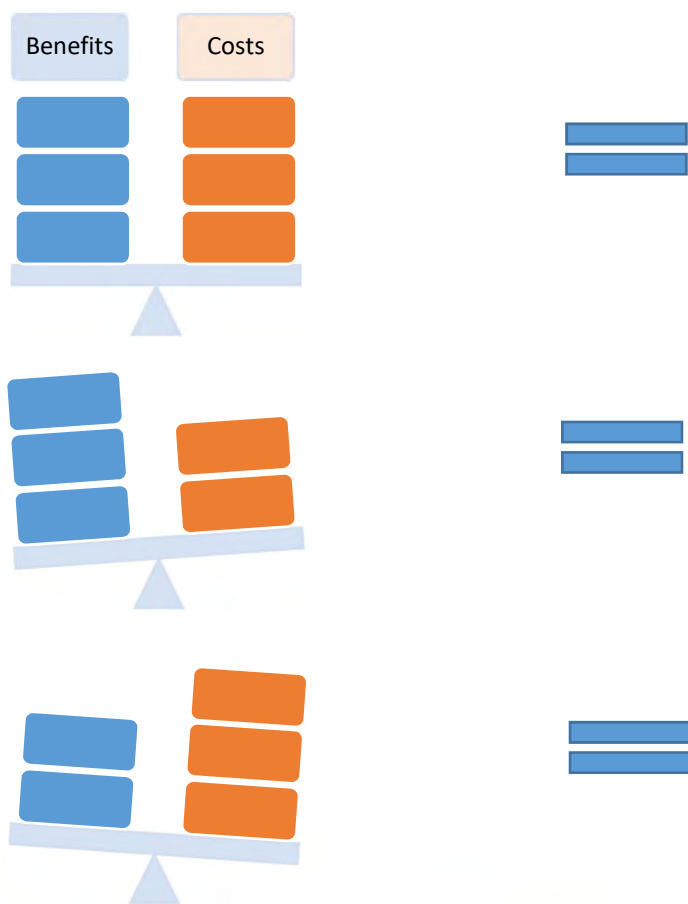
- Utilities shall plan for and pursue all available cost-effective energy efficiency.
- Cost-effective means the cost is less than the next energy resource alternative.
- OPUC uses two tests to determine what is cost-effective.
 - Does the investment make sense for the system as a whole? (UCT)
 - Does the investment make sense to the individual as well? (TRC)



Utility Cost Test (UCT)



Utility Cost Test (UCT)



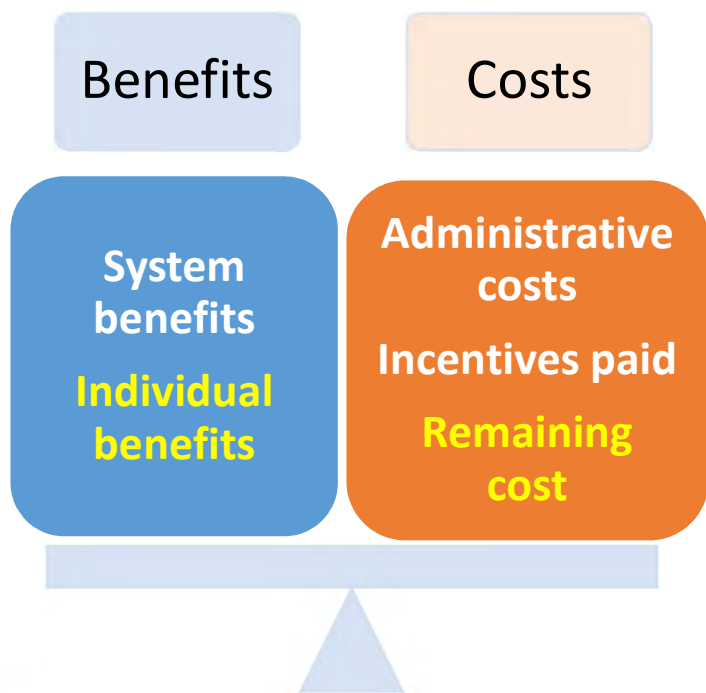
System costs and benefits
are equal

More system benefits than
buying generating resources
Non-participant bills
decrease overall

Not better than buying
generating resources
**Non-participant bills
increase overall**



Total Resource Cost Test (TRC)

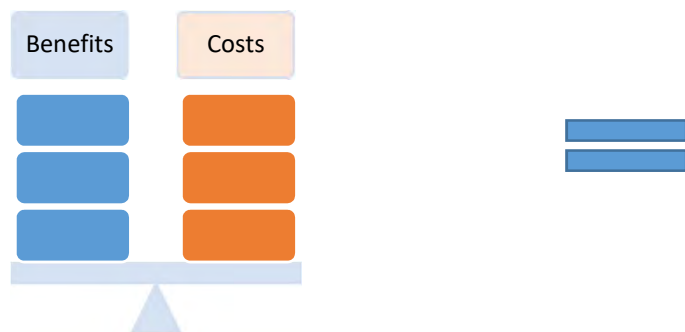


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Ratio of participant's
costs and
participant's benefits



Total Resource Cost Test (TRC)



Participant's costs and benefits are equal



Participant gains more benefits than costs

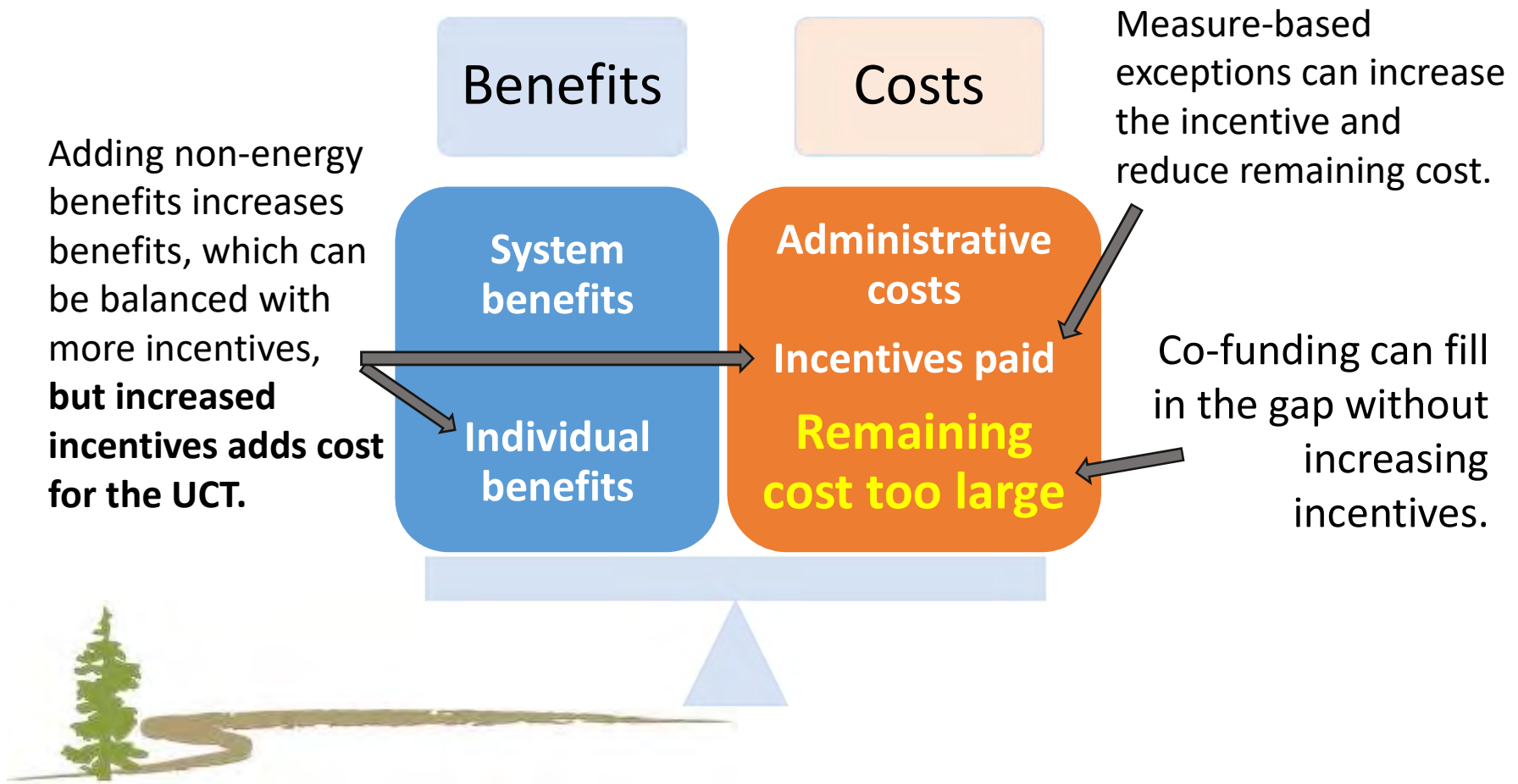


Not a good investment for participant



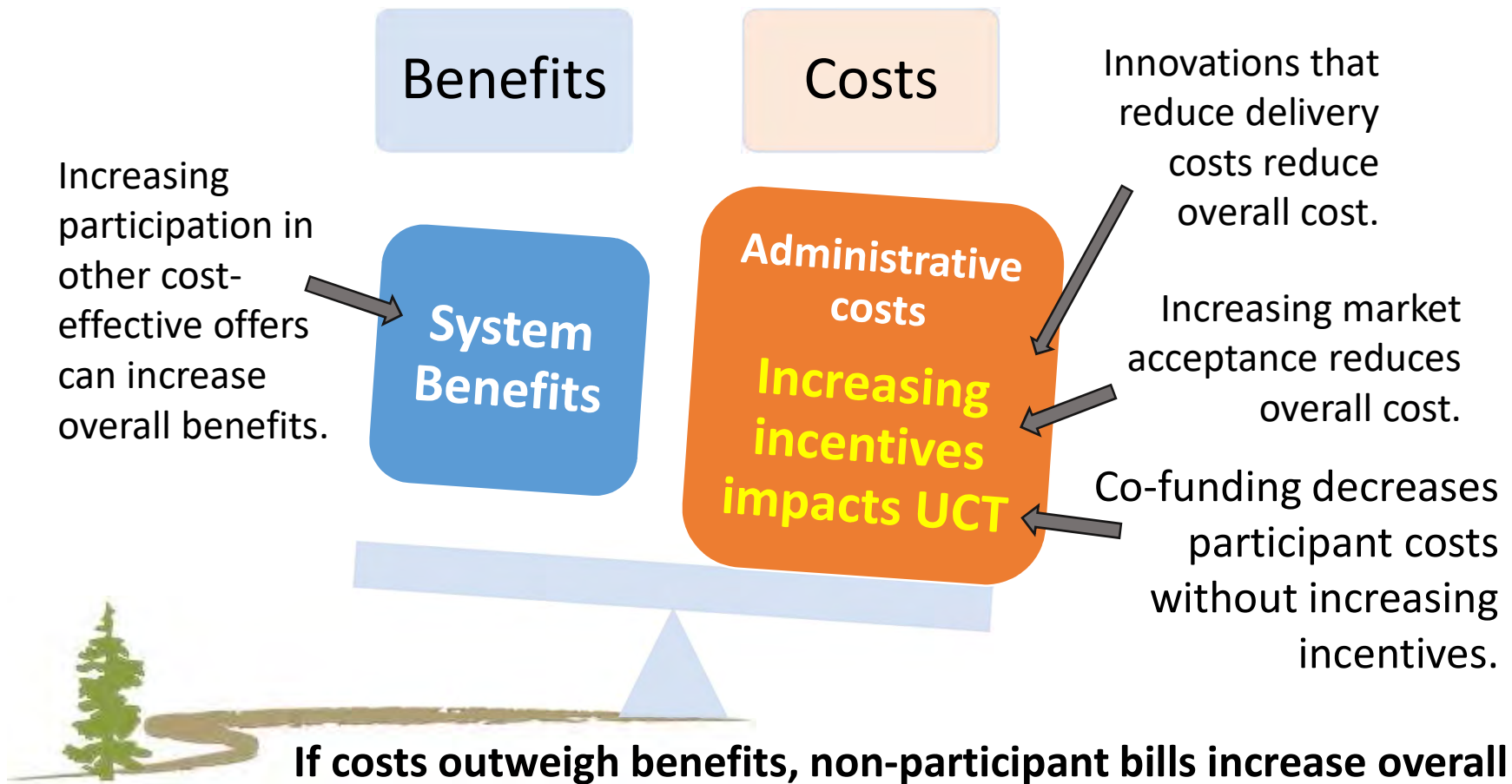
Total Resource Cost Test

Reducing participant costs



Utility Cost Test

Countering increased incentives



Strategies

- Co-funding
- Non-Energy Benefits (NEBs)
- Measure exceptions and pilots



Co-Funding Supports Other Organizations

Offer Category	Energy Trust	Community Action Agencies with OHCS / Utilities	Community-Based Organizations
Above median income	Standard offers		Varies
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Measure Exceptions

The theory behind exceptions to cost-effectiveness is that the energy investment may be cost-effective, but this cannot be proven at the moment.

- A technology may need some investment now to become cost-effective in the future.
- It may take some investment to figure out how to efficiently deliver the technology.
- There are significant benefits that can't be quantified right now.



Non-Energy Benefits (NEBs)

- Non-energy benefits are benefits unrelated to energy and the utility system.
- Some are currently in use.
- Others are being researched or under consideration.
- Even if they are not quantified or quantifiable, non-energy benefits can lead to an exception from cost-effectiveness.



Strategies: Break-Out Groups

You may choose and move between rooms!

Co-funding: That will be available to answer questions about current approaches for combining Energy Trust funds with other, external funds including manufactured homes pilot.

Non-Energy Benefits (NEBs): Peter will be available to discuss research on potential non-energy benefits.

Measure exceptions and pilots: Marshall will be available to discuss current work on measures previously identified in this docket (weatherization, smart thermostats, ductless heat pumps) and answer questions on the exceptions process.



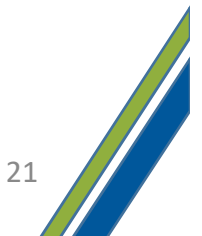
Other Ideas—Open Slate



We're listening...



Wrap-Up





Appendix



Paragraph 31

All interested stakeholders will work with the PUC and Energy Trust (or program administrators) to propose exceptions to cost effectiveness tests and leverage other funding sources to increase availability of no-cost low-income weatherization, smart thermostats, manufactured home replacements, and other energy efficiency savings solutions such as ductless heat pumps. The Commission's Energy Efficiency Staff shall convene and schedule these meetings.



Participants vs. Non-Participants

	Passes UCT	Fails UCT
Participant	<p>Receive a discount on efficient equipment</p> <p>Immediate bill savings from new equipment</p> <p>Long-term rates decrease</p>	<p>Receive a discount on efficient equipment</p> <p>Immediate bill savings from new equipment</p> <p>Long-term rates increase</p>
Non-Participant	<p>No immediate benefits</p> <p>Long-term rates decrease</p>	<p>No immediate benefits</p> <p>Long-term rates increase</p>



Measure Exception Criteria

- A. The measure produces significant non-quantifiable non-energy benefits. In this case, the incentive payment should be set no greater than the cost-effectiveness limit less the perceived value of bill savings, e.g., two years of bill savings;
- 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 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;
- 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.

