# CAG Q2 = 9:00 am – 12:00 via webinar

Microsoft Teams meeting

**Join on your computer or mobile app**

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**Or call in (audio only)**

[+1 509-505-0479,,240435873#](tel:+15095050479,,240435873# )   United States, Spokane

Phone Conference ID: **240 435 873#**

[Find a local number](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Fdialin.teams.microsoft.com%2F9a596e6b-e816-4ddb-8ea5-001418b0eef6%3Fid%3D240435873&data=04%7C01%7CMonica.Cowlishaw%40cngc.com%7C19bd23d6221c42e0f39508d8b28486d3%7Cce6a019661524c6a9d1de946c3735743%7C0%7C0%7C637455629563953836%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=YvcYahdIZHHwtSR%2F7AjE4FQm7ptC0xoX6M6VmzfRAfg%3D&reserved=0) | [Reset PIN](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Fmysettings.lync.com%2Fpstnconferencing&data=04%7C01%7CMonica.Cowlishaw%40cngc.com%7C19bd23d6221c42e0f39508d8b28486d3%7Cce6a019661524c6a9d1de946c3735743%7C0%7C0%7C637455629563963826%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=0e71sOEi3plMmfpKVTSk559N9mQz8M%2B%2FbhYbgcVs%2FfE%3D&reserved=0)

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### Roll Call & Review Q1 meeting notes - *led by Monica Cowlishaw*

* [Cascade Natural Gas Conservation Advisory Group Meetings - Cascade Natural Gas Company (cngc.com)](https://nam10.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.cngc.com%2Fenergy-efficiency%2Fcascade-natural-gas-conservation-advisory-group-meetings%2F&data=04%7C01%7CMonica.Cowlishaw%40cngc.com%7Cc86caa38fca947dc942c08d8d85992e0%7Cce6a019661524c6a9d1de946c3735743%7C0%7C0%7C637497226510284715%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=jM0xTLAGG7Dy8e8oX2ATkY4ns28DUuTxsoNJLl8EryM%3D&reserved=0)

### Low Income Weatherization *-* **led by Alyn Spector & Sheila McElhinney**

* Q1 Achievements – Preliminary (*note these are subject to change*)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Q1 2021** | **Homes Served** | **Measures Installed** | **Average Therms Saved per Household** | **Total Therms Saved** | **Carbon Offset (metric tons of CO2e avoided)** | |  |
|  | 9 | 34 | 163 | 1,471 | 8 | |  |
| *Total Costs* | | | | | **Low-Income** | |  |
| **Total WIP Incentives** | | | | | $28,165 | |  |
| **Total EWIP Incentives** | | | | | $93,982 | |  |
| **15% Project Coordination** | | | | | $18,322 | |  |
| **10% Indirect Rate** | | | | | $12,214 | |  |
| **Total Project Costs with Agency Admin** | | | | | $152,684 | |  |
|  |  |  |  |  |  |  |  |

* 2020 Annual Report– Preliminary *(DRAFT Annual Report will be provided to the CAG April 30)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Homes Served** | **Measures Installed** | **Average Therms Saved per Household** | **Total Therms Saved** | **Carbon Offset (metric tons of CO2e avoided)** | |  |
| 2020 | 43 | 169 | 214 | 9,213 | 50 | |  |
| *Total Costs* | | | | | **Low-Income** | |  |
| **Total WIP Incentives** | | | | | $186,311 | |  |
| **Total EWIP Incentives** | | | | | $327,060 | |  |
| **15% Project Coordination** | | | | | $75,659 | |  |
| **10% Indirect Rate** | | | | | $50,439 | |  |
| **Total Project Costs with Agency Admin** | | | | | $639,469 | |  |
| **Cascade Admin (Including Program Outreach)** | | | | | $29,850 | |  |
|  |  |  |  |  |  |  |  |

* Marketing Fund Update
* MOU Update – 9 Memorandums of Understanding returned to Cascade, this represents 69 homes the agencies anticipate serving in 2021, and ~$954,000 in projects

### CPA update*- led by Ken Walters (AEG) & Monica Cowlishaw*

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* + Low Income Market Analysis
    1. Segmenting on Income
    2. Map of customers by income
    3. Application to the CPA
  + Phase 2 CPA Objectives
  + CPA Progress to date
    1. NEI discussion held March 26th with interested parties – key takeaways include:
       1. Commission Staff would like to see an RVT sensitivity, but at this point in time it is acceptable to use a proxy percent adder as was put in place during the last CPA, recognizing that the Commission will be taking a deeper dive into specific costs and benefits soon. This is likely within 2021 as part of a workshop Jennifer Snyder is working on setting up (mostly electric focused, but it may be applicable to gas)
       2. If so, AEG will review the previous 20% assumption to ensure it’s still appropriate and make a recommendation for what to use in this study. Additionally, because they segmented the residential analysis by income in the current CPA, we can also consider applying a higher percentage for low income customers.
       3. To the TRC NEBS discussion – AEG was asked to thoroughly explore national trends and recent research on applicable and quantifiable NEBS to ascertain if there are additional elements that can/or should be included in Cascade’s potential and annual reporting processes.  At this point they haven’t identified any additional elements to incorporate into the potential outside of those that were included in the previous CPA
  + C&I Preliminary Potential
    1. Overview of potential
    2. Comparison to Phase 1
    3. Top 20 C&I Measures
  + CPA Next Steps

### Quarter 1 update - *led by Monica Cowlishaw & Bradey Day*

* **CNGC is providing quarterly progress updates to the CAG – these numbers have not gone through a rigorous end of the year verification and reconciliation as occurs for our official annual report and are estimates. (***data pulled through March 2021***)**

#### Commercial Highlights

* Because the program expected the large Commercial Oxidizer project to close in Q1 and it did not complete, the program fell short of the quarterly goal and achieved 48,162 therms. Of the total therms expected for the large project 178,483 therms will count toward the program goal of 578,483 therms for the 2021 calendar year. In total, this project will deliver 510,000 therms and an incentive check of $685,000 when it closes, which is now expected to complete in Q2.
* The numerous delays were largely related to the sourcing of some of the component pieces which make up the Regenerative Thermal Oxidizer (RTO), which is the technology being incentivized. Due to COVID-19 restrictions and lockdowns, the delayed delivery of some of these components set the project back. While it was expected there may be some delays due to COVID-19, the domino effect of these delays set the project back further than expected.
* One of the brightest areas of the program in Q1 was with identified projects. For the remainder of the year, the program has identified 804,316 therms in projects, which includes all 510,000 therms from the large custom project. When including the 178,483 which will contribute toward the annual savings goal, program staff has identified 472,799 therms for the remainder of the year. When combined with the therms already achieved, the program is on track to achieve 90% of goal, and when the full savings from the large custom project are included the C/I program will exceed goal for 2021. Please note the 2021 goal is 50% higher than 2020’s.
* While the pipeline is robust, the majority of the identified projects are projected to close in Q3 and Q4.
* Another positive in Q1 involved adding Gensco to the tankless water heater midstream program. Gensco is very active in the midstream space and has been proactive in identifying contractors and integrating their system with the system designed by program staff.

##### Commercial/Industrial Program Total & Comparison to Prior Year

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ACHIEVED | **Quarter 1** | **2020 (%)** | **2020 Total Therms** | **2020 Total Incentive** | **2021 (%)** | **2021 Total Therms** | **2021 Total Incentive** |
| Quarter 1 Total |  | 70,734 | $234,122 |  | 48,162 | $190,477 |
| **YTD Total** | **18%** | **70,734** | **$234,122** | **8%** | **48,162** | **$190,477** |
| IN PROGRESS | Pre-Pipeline |  |  |  |  | 249,632 | $680,283 |
| Forecast |  | 216,528 | $925,250 |  | 218,825 | $856,650 |
| **Pre + Forecast + YTD** |  | **272,850** | **$1,144,960** |  | **516,619** | **$1,727,409** |
| Goal |  | 387,824 |  |  | 578,483 |  |
| **% to Goal** |  | **70%** |  |  | **89%** |  |

##### Commercial/Industrial Therms Achieved

##### Commercial/Industrial Therms Goal: 578,483

##### Commercial/Industrial Therms by Measure Type

#### Residential Program Highlights and Activity through December 2020

* Cascade’s Residential program had a strong Q1 performance from processing a large queue developed during the winter season. The program intake also remained strong throughout March, setting the groundwork for the program to reach residential goals significantly higher than was set for 2020, and then those achieved in 2021.
* The program saved approximately 147,253 therms in the first Quarter of 2021, and maintains a robust queue of projects yet to be paid
  + The residential queue moving into Q2 sits at approximately 66,126 therms – which is calculated by multiplying the number of residential applications by the average therms per application year to date (113.5). *Note - this queue does not include builder applications*
* The first quarter averaged 68% more applications received than the 3-year average. When the residential queue and builder queue are included with the therms achieved the residential program has identified 45% of it’s 2021 goal.

##### Residential Program Total & Comparison to Prior Year

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | 3-year average Therms | 2021 Therms | 3-year average Incentive | 2021 Incentive |
| Achieved | March Achieved Total | 31,800 | 52,306 | $180,216 | $304,790 |
| YTD Achieved Total | 96,705 | 147,253 | $576,665 | $566,209 |
| Performance-to-Plan | 299,951 | 471,164 | $2,650,450 | $2,897,689 |
| **% to Plan Achieved** | **32%** | **31%** | **22%** | **20%** |
| In Progress | Core Residential Queue [1] | 368,642 | 55,518 | $343,487 | $328,387 |
| Builder Queue [2] | 0 | 10,608 | $0 | $60,860 |
| Pipeline + Queue + YTD Achieved | 465,347 | 213,378 | $920,153 | $955,456 |
| **% to Plan in Progress** | **155%** | **45%** | **35%** | **33%** |
|  | [1] therms based queue volume x 2021 avg them/application de-rated for AEG CPA values | | | | |
|  | [2] therms based on builder applications in progress x 2021 avg them/application de-rated for AEG CPA values for new home builders. | | | | |

##### Residential Therms Achieved by Month - 2021

##### Residential Therms Goal: 471,164

##### Residential Monthly Application receipts 2018-2021

* The Monthly Application receipt figure currently forecasts an increase to the October applications based on last year’s large builder submission. This forecast will be normalized next month as the program does not expect to receive a similar influx of builder applications in 2021, partially due to Building Code updates that went into effect in February

### Annual Report Updates

* The Annual Report work is progressing and is in internal review. The DRAFT will be delivered to the CAG by COB April 30th.
* Preliminary Report highlights:
  + Residential Program met and exceeded goal by 17%, C/I program met 69% of its goal and the LI program met 84% of goal
  + Direct Benefit to Customer – 70% to 30% program delivery costs
  + The program stayed within all budgets set for 2020 with total program expenses equaling approximately $5.7 million
  + COVID-19 had an affect across the program offerings and each area is addressed within the annual report – including goal achievement, contractor delays, marketing adaptation, etc.

|  |  |  |  |
| --- | --- | --- | --- |
| *Cost Effectiveness* | **UCT** | | **TRC** |
| **Residential** | 1.78 | | 1.36 |
| **Commercial** | 1.35 | | 1.39 |
| **Portfolio** | **1.60** | | **1.37** |
|  | | **Residential** | | | **Commercial** | **Total** |  | **Low-Income** |
| **2020 Targets** | | **327,801** | | | **387,824** | **715,625** |  | **11,000** |
| **Therms Achieved** | | **383,018** | | | **266,945** | **649,963** |  | **9,213** |
| **Measures Installed** | | **6,767** | | | **645** | **7,412** |  | **169** |
| **Carbon Offset\*** | | **2066** | | | **1440** | **3505** |  | **50** |
|  | |  | | |  |  |  |  |
| **NEEA Therm Savings** | | **14,654** | | | **0** | **14,654** |  | **N/A** |

### 2021 Quarterly Meeting Schedule

* Meetings are held from 9am – 12pm
* We may need more ad hoc meetings via email and teleconference to accommodate stakeholder feedback and participation in the CPA process during Q1 & Q2
  + Q3 July 14, 2021- - Via Teams
  + Q4 October 13, 20201 – Bellingham or Teams

### Wrap up