#### Meeting held: 9:00 am – 12:00 pm--Meeting Recording available to supplement notes

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Phone Conference ID: 303 600 47#

####

#### Attendees:

|  |  |  |  |
| --- | --- | --- | --- |
| **CNGC** | **CNGC – Continued** | **The Energy Project** | **WUTC** |
| Monica Cowlishaw | Ted McCammant | Shawn Collins | Heather Moline |
| Mike Parvinen | Ashton Davis |  |  |
| Kary Burin | Devin McGreal | **NWEC** | **Dept. of Commerce** |
| Desiree Bickmore | Lori Blattner | Amy Wheeless | Liz Reichart |
| Jocelyne Moore  | Stephanie Reed |  |  |
| Kris Forck | Brian Robertson | **NEEA** | **Guests** |
| Jon Storvick | Mark Sellers-Vaughn | Peter Christeleit | Gil Peach |
| Taylor Mead |  |  | Mark Thompson |
| Sheila McElhinney | **TRC** | **Public Council** |  |
|  | Bradey Day | Corey Dahl |  |

*The meeting will be recorded to capture all discussions and will be distributed to CNGC/CAG members*

*\*\* Time stamp for each agenda item is located beside the topic header below in this format HH:MM:SS*

***All Graphs and Charts are available in the Agenda (Embedded Below):***



### Safety Moment - *led by Monica Cowlishaw - 0:00:29*

* Spring Weather Awareness

### Roll Call & Review Q1 meeting notes - *led by Monica Cowlishaw - 0:01:26*

**Action Items: None**

**Decisions Made: None**

**Noted Discussion:**

* Monica went over action items and notes from Q1 meeting.
* Biennial Conservation Plan conditions documents were confirmed and a copy of the final version was sent to the Conservation Advisory Group (CAG).
* Tariff change was approved and became effective as of April 1, 2022.
* Peter from NEEA connected Monica to Spencer with Energy Trust of Oregon (ETO) and Avista representatives to look at how they address any savings they get from NEEA’s market transformation program.
* Cascade Energy Efficiency reports and conditions documents are posted on our website and are publicly available.

###

### Quarterly Portfolio update - *led by Monica Cowlishaw & Bradey Day - 0:09:15*

###

### Commercial Highlights *- 00:09:29*

**Action Items:**  **Update from Bradey and Monica in Q3 – for business case on how to service the food service sector to Gil’s point on fryers.**

**Decisions Made: None**

**Noted Discussion:**

* In Q1, there was a shortfall by about 1/3 of the goal and they expect another shortfall in Q2.
* Quarterly goals are based on the three-year running average.
* Projects expected to close in Q1 were pushed back further into the year.
* Adjustments are being made to address the shortfall.
* Monica asked if the supply chain issue is steady with what we’ve had for the last couple months or have we seen any easing on it?
	+ Per Bradey - Supply chain challenges waning a little bit, but still hearing from contractors/distributors that getting equipment is still a challenge
	+ With the new tariff, fryers were one of the pieces of equipment that are no longer eligible for incentives after April 1, 2022
* Audio streaming campaign began April 1, 2022, in English and Spanish, based on zip codes and cities in the CNGC territory, targeting business owners/managers. This is a two-month campaign, will reassess then do another two-month campaign later in 2022.
* Began partnering with Space Ray, a manufacturer who distributes to contractors on radiant heating.
	+ Two-pronged approach on the radiant side:
		- The connection or relationship with Space Ray
		- Offered temporary bundle for customers who install radiant heating and add insulation to their building, they will receive an additional 10% incentive
	+ Per Monica, this is noted on our new incentive sheets.
	+ Targeted auto repair shops, manufacturing facilities, larger industrial customers, and places that have big bays.
	+ Heather Moline asked about how radiant heating is better for indoor air quality.
		- Per Bradey – I don’t know that it’s necessarily better for indoor air quality, it is better in terms of adapting to the environment
		- Per Kary – it helps people stay comfortable indoors and even in some outdoor eating establishments, helps people stay comfortable despite having more air moving through the environment
* Heather Moline questioned the previous mention of potential pilots from Cascade’s BCP and recalled one of them had something to do with radian heat, does anyone recall?
	+ Per Brady – You’re right, these two initiatives are pilot callouts for 2022. They’re not pilots in that their new technologies, per se, it’s just the way in which we’re approaching the marketplace with that technology
* Focused on continued outreach to schools for the remainder of 2022.
* Monica and Heather questioned information on graphs.
	+ Per Bradey - The bonus for Re-COV-ery is no longer offered as of April 1st and Q1 2021 total therms is 48,162, not 80,477, and 2022 total Incentive is $101,851, not $101,8511
* Gil Peach questioned if the fryer problem is delays, COVID, and supply chain? Go by code rather than actual practice? If trying to acquire savings, seems to me we should be using actual not aspirational.
	+ Per Brady – New state code does not allow utilities to incentivize fryers moving forward because is now ENERGY STAR
	+ Per Amy – To clarify, this isn’t code so much as standard…what manufacturers and distributors are allowed to follow rather than something being forced by a code official
* Gil stated if issues are supply chain and COVID related, why not get a waiver?
	+ Per Monica – Haven’t heard of waiver for appliance standards or code requirements in WA – looking at pilots and exploring with industry peers about incentivizing for used equipment – still reviewing
	+ Per Bradey – No clear vision of what baseline could look like to incentivize used equipment, but ENERGY STAR representatives are enthusiastic about the idea of doing some kind of buy-back program on gas fryers

### Residential Highlights *- 0:35:31*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* Jocelyne concerned about receiving enough applications over the course of the year to supply enough therms to meet goal.
* Have seen about a 50% increase in applications through the online portal since new version released.
* Coordinating on additional streaming opportunities and increased outreach.
* Per Jon, with the new tariff change, some saving amounts have changed and will have some analysis on that to see the expected impact of the tariff change and our ability to meet goal.
* Kary gave shout-out to Ted’s team, Energy Services Representatives (ESR’s), for their support of the EE programs and mentioned that new homes were previously a reliable source of therms that has virtually dried up.
* Heather Moline asked to what degree is supply chain stuff an issue in residential compared to commercial/industrial?
	+ Per Jocelyne – Supply chain issues are ubiquitous in the residential and commercial sector
	+ There is lag between trying to start a project and when available for us to process, as we can’t process an application that hasn’t completed installation, may not even be in the same calendar year, depending on the project type
* Heather had a quick follow-up question about Q1 notes – So the Low-Income program sub-group is on hold pending a staffing update and wanted to ask whether this has contributed to fulfilling applications?
	+ Per Monica – Low-Income is not related to a staffing shortage within the rest of the department. Alyn Spector has moved on to another role within the organization and the management he was providing over the Low-Income program will need to be backfilled
	+ We aren’t behind on rebate processing right now
	+ Per Jocelyne - Queue of applications is light right now, not behind in processing. The concern is we are not going to get enough to process

### Low Income Weatherization *-* **led by Sheila McElhinney & Monica Cowlishaw***- 0:53:30*

**Action Items: Any advisory group members or people on the phone interested in a subgroup focused on the Low-Income program, send an email to Monica Cowlishaw for a follow-up. *(Heather Moline, Gil Peach, and Shawn Collins have replied that they are interested in the Low-Income Subgroup.)***

**Decisions Made: None**

**Noted Discussion:**

* Sheila provided Q1 update.
* Shawn Collins mentioned some change in Agency management and having a more diverse executive director group as a result. Per draft budget for the Department of Commerce, we’re going to see an influx of additional funds through the DOE Program-Weatherization program.
* On track to meet 84 projects this year.
* Project coordination fee went up to 20% as of April 1, 2022, indirect rate still at 10%.
* Sheila went over table of MOU projections for 2021 and what actually happened, mentioning how hard it is to predict what’s going to happen.
* Shawn Collins mentioned the reason for having the MOU is some verification for the board of directors, for the executive staff to be able to plan for some amount of committed funds.

### Tariff update*- 1:05:45*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* New tariff became effective April 1, 2022.
* Program offerings updated April 1, 2022.

### Non-Energy Impacts (NEI)s - **led by Kary Burin** *- 01:07:50*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* The Regional Technical Forum (RTF) is an advisory committee to the Northwest Power and Conservation Council which has a quantifiable Resource framework for non-energy benefits that we accrue through our Programs, is the scope broad enough? Kary presented slides to provide an update.
* Jennifer Light, RTF Manager and Interim Director of Power Planning, is willing to speak about RTF’s approach to the advisory group.
* The Power Council’s scope for non-energy impacts pertains to exploring how to capture impacts to quality of life.
* Capacity, resilience, and flexibility are the three elements the RTF will focus on.
* Shawn mentioned working with non-energy impacts across all utilities.
	+ Cadmus study on Low-Income calculated average $2,500.00/completed project in NEI benefits
* Monica asked Shawn if the $2500 estimate from the Cadmus study was incorporated in the increase to the project coordination fees across the state?
	+ Per Shawn – Creates more flexibility for the utility for the work to actually be accomplished but the amount was not used specifically for the project coordination or indirect rate

### Annual Report (preliminary DRAFT numbers) - **led by Jon Storvick & Monica Cowlishaw** *- 01:19:18*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* Report will be submitted to the CAG by April 29, 2022; seeking feedback from CAG on the DRAFT by May 19, 2022 and will be incorporate into the final.
* Will file 2021 Annual Report with the WUTC on June 1, 2022.
* Almost 200,000 therms above goal for our portfolio, driven by all programs, but specifically the commercial program incentivized a regenerative thermal oxidizer working with a large industrial customer.
* Residential and Low-Income fell short of individual goals.
* Amy had asked (per chat) if CNGC’s Conservation Potential Assessment (CPA) accounted for the decrement in the savings based on residential code change?
	+ Per Monica – It did for 2022 and beyond. The CPA did not account for those major changes for the 2021 program year, so savings accomplished in this year were in spite of the changes that went into effect. The previous CPA did not adequately account for the impact from code change
* Low-Income project coordination fee increased from 15% to 20% as of April 1, 2022.
* Social Cost of Carbon (SCC) not previously included in the Avoided Costs but is now and will be moving forward.
* Devin mentioned as a point of clarification for some stakeholders, we did use a cost of carbon in the past, using projections based on marketplaces, but adding SCC as recommended by WUTC was new and something we will be doing moving forward.
* Speaking with AEG, concluded it would be best to remove societal NEI’s from our calculation at this point.
* Higher Avoided Costs allowed increased rebates across the board.
* Savings estimate was reevaluated based on study NEEA performed.
* Peter stated data came from research done with TRC that NEEA started last year.
* Continue to monitor percent of new homes built with gas, team exploring options for additional data collection later this year; customers indicated they preferred gas
* Heather asked if the correct quantity that went down from the estimate in the BCP.
	+ Per Jon – That is correct
	+ Per Monica – Per NEEA in September, did have estimate of 155,000 therms savings, based on anecdotal evidence. Surprised when it came back at 27,000, as it did not factor in change from code
* Amy asked about builders expressing clients/customers prefer gas and wondering what that is based on and if other gas companies lowering their gas line extension allowance is driving builder changes that was brought up during the builder survey.
	+ Per Peter – I don’t have the final version, still working on that and is not due for another month or two. Data behind savings is finalized and interim results are at least 1/3 or so were saying water heating/HVAC that they prefer for gas and about 2/3 survey respondents said cost for going all electric was a top concern for builders; we didn’t get much about line extensions
	+ Per Jon – Touched on survey CNGC ran last year to understand potential impacts of code
		- 70% of CNGC builder cohort will continue providing gas in new homes, but more lifestyle equipment instead of space and home heating equipment
* Mark Thompson wanted clarification under NEEA section bullet #2, what is meant by saturation rate for 83% - 12% for gas as primary heating fuel? Does Cascade have a line extension fee for the customers who want the lifestyle; asked to share the cost of gas service?
	+ Per Peter – HVAC and water heating, gas can be in home but not primary fuel; benefit for lifestyle for gas up to $50,000.00
	+ Per Monica – Cascade does have a line extension fee
	+ Per Mike P. – It depends on the situation
	+ Per Amy – Think it’s based on estimated revenue from the customer
* Portfolio for Administrative budget was within $10,000.00 of actual spending.

### Builder Engagement continued- *led* **by Jon Storvick** - *02:11:10*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* A lot of activity in Zone 2; Zone 2 was hit in 2020 due to shut down and rebounding in 2021.
* Zone 3 dominates (60% - 70%) program in terms of rebates submitted in 2021.
	+ Major builder has switched to building all electric homes

### IRP Update - *02:13:15*

**Action Items:**  **Gather feedback from Heather about Avoided Costs incorporation into the EE potential prior to the beginning of June for IRP.**

**Decisions Made: None**

**Noted Discussion:**

* Still in discussion pertaining to CPA under existing Avoided Costs, do we need to rerun LoadMAP based on Avoided Costs or use existing CPA we already have which does not include the new 2022 IRP Avoided Costs.
* Reached out to Avista and NW Natural to see process they have and how it works with new cycle.
* Heather stated Monica is correct from a staff perspective, how does cycle work for each of the gas companies, then have a staff opinion, offer feedback if they can.
* Avoided Costs will be available in June; therefore, prior to beginning of June would be good for feedback provided by Heather.
* TAG 2 meeting on May 18, 2022.

### 2022 Quarterly Meeting Schedule*- 2:22:00*

**Action Items:**  **Verify that audio and video technology are available to support a hybrid meeting.**

**Decisions Made: None**

**Noted Discussion:**

* Tentatively July meeting will be partial in-person in Bellingham District office and partial remote.
* Shawn wanted to bring up important factors to consider in a hybrid approach, such as:
	+ How well the mic is in the room
	+ Might be hard to capture feedback from folks in the room for those attending remotely
	+ Want to make sure there is a system that is tested to verify it is functional for hybrid
* Per Monica, if able to do in-person we will make sure the technology is there to support it.
* October 5th meeting will be TBD, will decide later if going to be both.

### Wrap up *- 2:25:00*

**Action Items:**  **None**

**Decisions Made: None**

**Noted Discussion:**

* Monica thanked everybody for attending.