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

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**Or call in (audio only)**

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Phone Conference ID: **351 814 161**#

#### Attendees:

|  |  |  |  |
| --- | --- | --- | --- |
| **CNGC** | **CNGC – Continued** | **The Energy Project** | **WUTC** |
| Monica Cowlishaw | Jocelyne Moore | Shawn Collins | Andrew Rector |
| Mike Parvinen | Brian Robertson | **NWEC** |  |
| Kary Burin | Ashton Davis |  |  |
| Robin White | Devin McGreal | **NEEA** | **Dept. of Commerce** |
| Phillip Hensyel | Alyn Spector | Becky Walker |  |
| Kris Forck | Mark Chiles | Peter Christeleit | **Guests** |
| Jon Storvick | Mark Sellers-Vaughn | **Public Council** |  |
| Taylor Mead | **TRC** | Corey Dahl |  |
| Sheila McElhinney | Bradey Day |  |  |

*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 the topic header below in this format 00:00:00 H,M,S*

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

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#### Introduction of new CAG Members: 0:01:44

*New NEEA Member – Peter Christeleit, Manger Natural Gas Portfolio & Strategy*

*Peter will be taking over as Manager for Becky Walker; Becky is now the Director of market development and transformation for NEEA*

#### Review of 2021 Q2 Meeting Minutes: 0:09:06

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:** None

#### Low Income Weatherization: 0:12:44

**Action Items:**  Alyn to work with Shawn to schedule agency discussion reference biennial goal planning

**Decisions Made:** Shawn, Alyn and Sheila to bring agencies together for discussion on updating their projections within the first few weeks of August.

**Noted Discussion:**

Alyn stated the company is seeing an uptick in participation from agencies who had previously not participated in the Low-Income Weatherization Program.

Monica asked how this year’s participation is compared to last year.

Sheila stated the program is on par with what was accomplished last year.

Andrew asked how this year’s participation compares to 2 years ago.

Shawn noted in 2020 43 projects were completed in 2019; 66 projects were completed in 2018; 28 projects were completed in 2020? (\*numbers taken from the Annual Report).

Sheila mentioned despite the pandemic the agencies are performing quite well and feels the program will perform as well in 2021 as it had in 2020 providing the supply chain issues improve. It is taking between 6 and 9 months for projects to complete as some materials are becoming difficult to acquire.

Andrew stated Shawn’s comments were insightful and helpful but questioned the statement of projects taking 6 to 9 months for completion.

Shawn noted the time frame is the normal situation for any construction project at the current time and some projects are booking about a year out due to the supply chain and material acquisition issues.

Peter C. inquired if the carbon offset number 32 metric tons CO2efrom the LI table in the agenda was cumulative or represented the year to date?

Monica stated it is the same calculation which is used for the annual report and Jon Storvick helped clarify.

Jon confirmed this number is calculated on an annual basis not cumulative.

Biennial plan Recommendations

Monica asked Shawn if there was anything CNG should specifically consider in the Conservation Plan, not only this year but for next year as well.

Shawn recommended getting the agencies together on a virtual level for an annual check in to discuss biennial projections.

Monica inquired if Sheila and Alyn could set up a meeting with the agencies.

Alyn stated he did not see any harm in scheduling a meeting as an annual meeting is usually scheduled and will reach out to Sheila and Shawn for assistance on organizing the meeting.

Shawn mentioned he felt it would be good to get an accurate annual projection from the agencies for 2022 expectations.

#### CPA Update: 0:29:36

**Action Items:** None

**Decisions Made:** *CNG to move forward with CPA and current timeline per Andrew*

**Noted Discussion:**

Monica stated the CPA was filed with the Commission on the 15th of June.

Andrew stated the Commission has put a meeting with AEG on the calendar to ask High Level general questions about CPA methodology as AEG completed 3 of the 4 CPA’s for the gas companies. Andrew did not have a timeline set in stone at the time but was hoping the CPAs would be addressed as part of an open meeting agenda in late August.

Monica inquired if CNG is to move ahead with the assumptions AEG has provided as the timing is crucial.

Andrew stated yes, CNG should move ahead with current assumptions from the CPA.

#### Q3 Update – Led by Monica Cowlishaw & Bradey Day:

#### Commercial Highlights 0:33:40

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:**   
Andrew inquired why TRC is only counting 178,000 therms out of the 510,000 therm project towards the target and how that specific number was derived.

Bradey stated the project will close at just under 90% of the 2021 goal and the idea was to count a portion of project’s therms towards the 2021 goal and continue outreach and grow the program throughout 2021 to reach the balance of the Annual therm goal.

Monica added CNG did not want to count all of the therms from the large oxidizer project toward the annual goal for the vendor’s achievements, citing the pay for performance contract, and current business development will help position the program to meet the increasing goals for next year. The project’s total therms will however count toward the program’s total reportable goals for the year.

Bradey continued to state traditionally the program was based on custom projects, however the program has built a foundation for standard projects which will help sustainability for the program.

Andrew noted he appreciated the explanation and the planning for the program going forward.

Midstream Tankless Update: **00:46:22**

Becky inquired as to what size/type tankless water heaters are in the Midstream program?

Bradey stated the majority of the units are one off’s; some large and some small but the majority of the projects have been smaller tankless units.

Andrew stated he is constantly hearing about supply chain issues and wondered if anybody had any guestimate on when a resolution to the issue could be seen.

Bradey stated he is hearing August consistently across the board.

Becky stated NEEA expected to hear of the demand slowing down but demand is still high, and the supply issues will most likely continue.

Commercial Food Service Drawing: **00:49:37**

Bradey mentioned TRC held a fryer give away for the commercial food service program for each zone in CNG territory and 2 of the 3 fryers have been delivered (zone 1 & 2). The supplier in zone 3 is expecting to have the equipment in August. Bradey said the fryer give was successful, customers were happy, and it was a useful promotion. CNG agreed to the giveaway as an adaptive management tool to assist customers and create further awareness of the program.

ReCOVery program **0:51:41**

Bradey gave a brief recap of the ReCOVery initiative, which provides an additional 10% in incentives for Commercial customers who upgrade 3 or more measures, specifically targeting under 50,000 sqft. customers: and to date 7 different projects have taken advantage of the initiative.

Kary mentioned the reason the Company initiated the ReCOVery program was because of the constraints of the pandemic. The promotion provided an opportunity for TRC to reach out to customers even in a pandemic and start the conversation about upgrading with energy efficient equipment when transitioning out of the pandemic.

Andrew asked for clarification on TRC targeting the smaller businesses through the ReCOVery program and Bradey clarified it was targeting smaller business impacted by the Pandemic.

Strategic Energy Management (SEM) **0:56:35**

Andrew mentioned he thinks of SEM as a dual fuel offering or more of a saver for the electric side and asked if there is enough savings on the gas side to implement a program, or offer it as an alternative approach if there are partnership opportunities.

Bradey stated he has been talking to PSE a lot and there are definitely more savings available through the electric side but there is savings potential for gas and an interest and opportunity for partnerships with PSE.

#### Residential Program Highlights and Activity through December 2020 1:07:15

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:** None

#### Residential Program Point of Sale (POS) Snapshot: 01:13:02

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:**

Becky inquired as to which measures were available for this program and if CNG was seeing any trends.

Kris stated all measures are available except for the whole home certifications. The most popular POS offerings are the HVAC and insulation measures.

#### Annual Report Update 01:20:20

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:**

Andrew said most of the utilities did not meet goals and this workshop is for the utilities to speak to a few points on how they adaptively managed through the pandemic.

Andrew asked what was in the Energy savings kit last year.

Monica noted on the Residential side, the ESK Kit #1 included a shower head, kitchen aerator, bath aerator, and tape, and for the ESK #2 the items were doubled. Monica continued stating the commercial ESK Kit included the shower heads, faucet and that the pre-rinse spray valve was still available.

#### Biennial Conservation Plan: 01:23:42

**Action Items:** Monica to follow up with Mike to review other utilities and how they are submitting and updating their plan, to see if CNG could follow suit.

**Decisions Made:** None

**Noted Discussion:**

Monica asked for confirmation of the differences between the Annual Conservation Plan Cascade typically releases & a expectations for a Biannual Conservation Plan (BCP).

Andrew stated the biannual is a bigger version of the annual plans, taking a 2-year view vs a 1-year view. Andrew continued to state the format wouldn’t have to be significantly different from the annual in terms of what it looks like, but suggested CNG think about additional exhibits, spreadsheet calculations or other documents which may be useful to the commission during the reviewing process. He also suggested CNG provide documentation on what kind of savings the company would be expecting.

Monica mentioned the new WA building code will play a part in the plan, maybe not this year but certainly in the near future.

Andrew agreed and stated yes, looking out as far as reasonably possible is a good thing.

Monica asked for clarification regarding the electric utilities submitting an annual update to the biannual plan and whether the annual update was a regulatory obligation.

Andrew advised the electric annual update is official, all 3 electric utilities submit a BCP on Nov 1st and in 2022 they would submit an annual plan for 2023 which incorporates whatever results had happened in 2022 and outlines whatever changes and updates are necessary to reach the biannual goal in the second year of the biennia. At this point the natural gas requirements aren’t firm but the expectation is that it will be similar.

Monica reviewed the tariff changes CNG is exploring due to the code changes, which sparked the following conversation.

Andrew asked for clarification on the language in the agenda– (likely reduced) whether the statement meant the offerings were going to be reduced, the deemed savings expectations or if it meant both.

Monica replied she would need to clarify with Phillip as he has been the one working with AEG on the calculations, but felt it was both the savings expectations as well as the amount CNG was able to offer in many cases.

Phillip stated yes, Monica was correct and noted Jon had also provided information from research he had completed on some of the measures which Jon confirmed. Per LoadMAP, Built Green’s savings are 6% above code per each star as opposed to the previous 10% above code; building code updates are driving more efficiency and the 6% increment reduces the estimated therm savings and that is what is driving the rebate reductions.

Monica continued to discuss the changes to the offerings and noted a possible second tier for the 98% furnace and possibly a 3rd tier for a furnace/heat pump combination, which CNG is still exploring.

Kary added there is an opportunity to target furnace back up heat for electric heat pumps which is an efficient way to encourage customers to install a 95% furnace instead of an 80%.

**B**ecky mentioned hearing more interest from manufacturers in contained units with gas heat pumps as a backup. Monica asked Becky if she could forward any information she had/receives on the contained units to CNG.

Monica moved on to thermostats and noted there could be a potential for Wi-Fi thermostats in addition to the existing programable thermostat offering as well as adding clothes washers as a new rebate at around $40. Monica continued to speak about the changes to the commercial food service sector and noted the fryer, dishwasher and steamer would be removed from the program due to HB\_1444. Monica also noted the exploration for used food service equipment as they are noticing many businesses installing used equipment vs new.

Andrew noted he and Monica had talked about the used food service equipment in the past and he was glad CNG is looking into it. Andrew continued to state if it starts to look like the research could lead to savings please let him know to discuss it further.

Becky stated she knows other utilities are struggling with the same question and as of now there are no solutions.

Bradey added, the removal of the fryer from the commercial program will be a significant hit to the program (close to 10 % of savings so far in 2021).

Andrew mentioned PSE specifically, is still running their buyback program for old refrigerators, circa 1990’s, but maybe there is something there to model.

Becky questioned if there was a way to create a buy-back program to remove old inefficient fryers from the market.

Monica continued explaining the offerings and noted a prescriptive offering with mid-efficiency boilers.

Bradey added boilers are not a widely used measure but are frequently used in schools and preferred by large ESCO’s

Monica continued to speak to insulation rebates likely reducing in both tiers. Monica also noted SEM as a new offering and stated the window offerings were identified as needing adjustments as well; potentially at a 0.22 at the lower tier.

Becky added that ENERGY STAR® was likely going to change their window requirements to a 0.22 and that would enable the program to tie the rebate to ENERGY STAR® once that happens.

Monica also talked about the Tariff Update and altering the format of the EE tariffs to help enable the frequency of updating, as well as keeping consistency across the company’s schedules to comply with industry best practices.

Mike added the current Tariff format lists all of the company’s measures and rebates , which makes it a slow process to update offerings. Mike continued stating other utilities make changes through the Conservation plans and working with their advisory group to identify the rates and then add the rebates to their website. This process is nimbler, which is something CNG is looking to replicate.

Monica asked Mike if CNG will use the updated Tariff format for the upcoming Conservation Plan.

Mike stated he was not sure at the time and is still looking into it and checking how other utilities are using the format.

Andrew added, Mike was on the right track in looking for best practices from other companies and how they format their plans. Andrew added, PSE has a large docket and includes an “Exhibit 3”, then updates exhibit 3 to just update particular aspects of the plan which is a way CNG may move forward.

Monice to follow up with Mike to review other utilities plans to see if CNG can utilize the above-mentioned option for this year’s Tariff filing.

#### Decoupling – Led by Mike Parvinen: 02:10:10

**Action Items:** Docket Number – UG-152286 for the CAG to review for any input to the Decoupling filing.

**Decisions Made:** None

**Noted Discussion:** None

#### Bellingham Building Audit – Led by Alyn Spector: 02:15:34

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:** None

#### 2021 Quarterly Meeting Schedule 02:19:25

**Action Items:** Robin to reserve the Community Service Room in Bellingham for 10/13 (Tentatively)

**Decisions Made:** None

**Noted Discussion:**

Monica noted the next meeting will be the Q4 meeting and if barring COVID concerns wondered if the CAG thought the next meeting could be in person.

Andrew stated it was not too early to have the conversation regarding holding in person meetings and added the Commission was having a meeting the following week and would update CNGC regarding what the State is recommending for holding in person meetings.

Becky added NEEA was planning on fully opening in September and would be happy to come to an in-person meeting.

#### Wrap Up – Other Items

**Action Items:** None

**Decisions Made:** None

**Noted Discussion:** None