

**Northwest Power and Conservation Council
Conservation Resources Advisory Committee
Meeting Minutes
October 23, 2020**

Kevin Smit (Chair), NWPCC, opened the meeting at 9:00AM. Chad Madron, NWPCC, reviewed the best way to engage using the Go-to-Webinar platform. Smit called for introductions and gave 2021 Power Plan timeline updates.

Smit explained that the purpose of today's meeting is to discuss Diversity, Equity, and Inclusion (DEI) issues and how they may be incorporated into the Plan. He noted that the goal is to gather ideas and practices for future discussion and debate.

Diversity, Equity, & Inclusion: How does it fit in the 2021 Plan?

Tina Jayaweera, NWPCC

Jayaweera walked through a brief presentation setting the stage for why we are discussing DEI and the 2021 Power Plan, noting how DEI considerations fit within the Act, the WA CETA language and DEI in prior Council work.

Jim Lazar, independent, called the definitions of DEI a little upending to some of us involved in electricity [Slide 13.] He explained that "Diversity" in electricity historically refers to grid capacity is designed for different customers using power at different times, aka "diversified" loads. He said that "Equity" is a monetary term referring to the shareholder component of the capital structure. Jayaweera agreed that these words have multiple meanings which is why she presented their definitions in this context.

Mohit Chhabra, NRDC, noted that the bills referenced on [Slide 16] do not consider if customer needs are being fully met. Jayaweera agreed.

Craig Patterson, independent, asked how Council staff continues to ignore the critical aspects of rates and rate structures [Slide 18.] Smit stated that rates were not part of the Council's Underserved markets report. Jayaweera said rates will be discussed later.

Discussion

Patterson pointed to his 40+years of experience with energy issues, saying the biggest impediment to conservation is rates and rate structures. He noted that COUs have increased their basic charges two or three-fold over the last decade which directly undermines conservation. Patterson recalled bringing this topic up many times and expressed frustration that there never seems to be an opportunity for discussion.

Patterson referenced work from Sean O’Leary, NW Energy Coalition, that shows a \$1000 rebate to a co-op is negated in a year or two because of high basic charges. Patterson urged addressing this topic, especially under the umbrella of DEI. Jayaweera thanked him for his comments.

Lazar noted that a number of Investor-Owned Utilities offer low-income programs and assistance, offering Seattle’s 50% discount for energy and 60% for water as example. He agreed that these programs are less common in COUs but thought there could be a lot to learn from the IOUs.

Lazar thought that the Act offered some specific opportunities in the MCSs. He noted that the Council has considered, but not adopted, Model Conservation Standards for rate design adding that this may be a time for reconsideration as small users have a much more considerable energy burden. Lazar also noted work from the National Consumer Law Center that shows a correlation between energy use and income.

Lazar also thought there could be an MCS for the application of BPA’s Low-Density Discount. He said this discount is intended to offset distribution costs but is usually flowed through to the usage rate. Lazar thought an MCS could require any low-density discount be used for low income customers with energy needs.

Lazar concluded by saying residential and commercial renters don’t have the same incentives as owners. He suggested reserving a portion of conservation funding for renters that reflects their size and energy usage. Lazar said utility conservation programs have traditionally had a hard time reaching renters and this idea could help. Jayaweera thanked him and said some of these suggestions will require further thought about legal aspects and recognition of BPA’s existing framework for rate setting.

Jennifer Finnigan, SCL, said her utility has been considering DEI for a while and conversations remain awkward and ongoing. She agreed that how DEI is defined matters and said she sees that definition being compacted to fit available data. Finnigan argued that upholding the intent of DEI means not being limited to spreadsheets and survey results.

Finnigan thought that a good starting point would be having the people who participate in and administer programs mirror their communities. She acknowledged that this will be challenging as a lot of programs do not represent a wide background of income, or renters. She added that SCL includes race in its definition of Equity as a way to address institutional racism. Finnigan said this will become more challenging on a regional level.

Finnigan said the approach will be qualitative for a while because of awkwardness with data. She reported that SCL is starting with [Equity Toolkits](#). She said they are qualitative and lengthy but required before setting out on big initiatives. Finnigan reported that this toolkit will help meet pre-determined Equity outcomes, involves stakeholder review and sets benefits and goals.

Finnigan said SCL's program portfolio has a category specifically for equity programs. She said they are defined as programs where there is a market differential between participants and those that have a harder time participating. She used small business program participants versus all commercial program participants as example, noting that they found a huge gap between the two. Because of this, Finnigan explained that SCL is targeting small business. She also spoke of workforce development requirements.

Finnigan concluded by saying this, and other Council Advisory groups, are comfortable using Equity as shorthand for income. She challenged that notion and urged moving beyond comfort levels.

Stephen Bicker, Tacoma Power, agreed that this is complicated and Tacoma Power is working closely with the municipal government's [Office of Equity and Human Rights](#). He noted that they have developed an equity index and linked it to a geo-coded map. Bicker said they have started using that map with weatherization programs and was pleased to find a good fit between lower resourced parts of the index and weatherization program uptake.

Bicker agreed that renters remain hard to reach. He said they might address this with Small Savers before moving to a more comprehensive solution. Bicker was confident that there were lots of possible solutions including labeling initiatives, HERS rating and other carrots or sticks. He also mentioned [2020-2021 Climate Justice Planning](#) which wrestles with carbon.

Bicker thought the more cost-effective measures to apply to this the better. He agreed it will be difficult and suggested a modular approach so implementers could pick and choose the pieces that would work within their regulatory structures.

Anna Kim, OPUC, thought it would be great if there was a specific DEI place in the Power Plan, but recommended systematically thinking about and identifying where DEI fits within individual components of the Plan and where it doesn't. She said OPUC is working with Energy Trust to investigate how to approach and divide funding streams.

Kim agreed that the region needs to go beyond the usual data sources and collect what is really needed.

Chhabra observed that very few programs have a robust, long-term goal and some guidance from the Council could be helpful. He called for an inclusive process in defining that goal. Chhabra admitted that budgets are constrained and called for guidance on how to overcome that barrier. He thought that there must be some changes made in local housing policy to overcome these barriers including split incentives.

Chhabra called for deeper understanding of how EE measures are distributed. He thought this could be addressed in program design and evaluations.

Nicholas Garcia, WPUDA, agreed that there needs to be tools that are appropriate for individual circumstances. He said the PUDs he represents have a vast array of poverty situations and pushed back against the Council trying to establish a regional approach when there is such diversity between utilities. Garcia said that CETA prohibits the Department of Commerce from establishing rules around individual rates as they are to be set by boards.

Shani Taha, UCONS, explained her work in the hard-to-reach markets of manufactured and multi-family homes and the difficult work it took to get MCS-1 in the Seventh Plan. She said residents of manufactured homes are a diverse community, mostly Hispanics, Russians, low-income and elderly but have the highest level of consumption in all residential classes. Taha reported that this group consumes 5% of all electricity sales but only receives 2% of regional conservation budgets. She would like that equity issue addressed in the 2021 Power Plan.

Taha reported that this group represents 400,000 ratepayers with an average energy consumption of 17,000 kWh per year. She agreed that this group is hard to reach as they are often rural or are English language learners. Taha also lamented that there is no comprehensive planning or service delivery for this group.

Taha pointed to her success in CA, where there are 600,000 mobile homes and quoted the chair of the CA PUC's recommendation, "an equitable level of utility funding is made to the hard-to-reach-sector commensurate with the energy bills funded." She said this decision broke the log jam in CA by taking away income requirements, cost effectiveness requirements and addressed the customer contribution. In conclusion, Taha urged the region to change the way it deals with this customer group.

Lazar asked if manufactured homes are disproportionately owner or renter occupied. Taha answered that they are mostly owner occupied. Kim asked to connect over Oregon's manufactured homes pilot program.

Amy Wheelless, NW Energy Coalition, said the data is pretty clear around manufactured homes but agreed with Finnigan and Bicker that we should avoid getting too hung up on the need for data before taking some actions. She called for more community voices as the process moves forward.

Dave Hewitt, independent, noted that the region has been working on this since the 1970s and there are still significant issues. He called these structural, institutional problems that require structural, institutional changes. Hewitt suggested taking a long view and think about carbon reduction and electrification with an Equity First approach.

Hewitt then suggested building a bigger framework and considering the savings of health impacts. He urged cooperation with groups that work on the health side and job creation and called for the creation of a backbone organization, like the Bonneville Environmental Foundation or NEEA, to support this work. Hewitt stated that this organization should be reflective of and driven by the populations that we are trying to serve.

Hewitt also called for infrastructure financing for local projects like community-scale solar, community-scale battery and car sharing. He also said that substandard housing in rural areas need extra attention and would greatly benefit from a broader framework and more cooperation.

Chuck Murray, WA Dept of Commerce, stated that, as part of CETA, the Dept of Commerce is assessing the energy burden and energy assistance available in the state of WA. He said he is collaborating with utilities to create a sample frame that could be a valuable resource for the region. He said this is a good way to show these communities that we are listening and shape appropriate programs around their responses.

Murray then addressed rates, saying the WA Dept of Commerce administrates state and federal low-income programs. He said the rate structure does hinder a program's ability to make certain improvements, adding that federal funding isn't effective in places with low kWh rates. Murray said a cost shift away to base fees and away from kWh fees further hinder abilities.

Murray concluded by saying this has to be a Power Council initiative with a continued engagement process. He stated that understandings and data gathering is changing while interest grows and solutions evolve. Because of this Murray called for a recommendation around continued engagement.

Jeff Harris, NEEA, agreed with comments that called for a broader systems approach as societal benefits equal or surpass energy costs for disadvantaged populations. He used RTF work around wood smoke as example. Harris noted a connection between very large economic issues, especially for these populations and our current cost effectiveness frameworks and urged the Council to consider that.

Harris then pointed to past Council MCSs, resulting federal appliance standards and building codes that has increased efficiency and affordability for all populations. He said these actions have provided affordable, cost-effective efficiency for the region and called it a very important tool in reaching all energy users.

John Morris, D+R International, asked about internal Council DEI work, thinking that would be a good place to start as it would provide a lens to how it can be further expanded. Jayaweera stated that DEI is high on the priority list of the Council's new Executive Director Bill Edmonds. Morris called that a powerful first step, saying he's doing the same at the board level of Forth Mobility. He called the work powerful, scary, insightful and uncomfortable at times but thought it would have a great effect.

Deb Young, Northwestern, stated that Montana is very rural in comparison to the rest of the region, with only 6.7 people per sq mile and mostly small businesses with lots of windshield time between them. She stated that Montana does not have DEI mandates for power planning work at this time but Northwestern has a solid Low Income offering. She didn't want to speak

on behalf of the Western Montana Co-ops and what they are doing regarding DEI but encouraged staff to hear those voices.

Smit asked for other ideas or documentation be sent via email. He said there will be another meeting in November or December. Madron said a recording of this meeting and minutes will be available.

Smit ended the meeting at 10:30.

Comments put in the questions bar but not addressed during the meeting:

Ryan Brown, NEEA, wrote: “This is all excellent conversation, I'd just like to voice my strong support for what several people have brought up about equity being critically important not only in access to the beneficial outcomes of the plan, but access to the planning process itself.”

Mohit Chhabra, NRDC, wrote: “One question for the system integration forum may be: what does an equitable electric rate structure look like? How does it interact with conservation efforts?”

Chad Ihrig, Franklin Energy, wrote: “An example of how California thinks about hard to reach customers - see page 42. https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/energy-efficiency-solicitations/Decision-Addressing-Energy-Efficiency-Business-Plans.pdf”

Amy Wheelless, NW Energy Coalition, wrote: “snaps to Jennifer F.! Also encourage folks to read reports from those in the community - for example, Sage's Powering the Transition report has some community survey needs related to energy burden and efficiency: https://www.pugetsoundsage.org/wp-content/uploads/2020/06/PugetSoundSage_PoweringTransition_June2020-1.pdf”

Wheelless also wrote: “I (and this is unlike me) encourage you to not cancel the Nov meeting and maybe continue this discussion and how to make it more actionable”

Jim Lazar, independent, wrote: “The Heat Smart New Zealand program evaluation found that the health benefits of EE were 3 times the energy benefits.”

Attendees via Go-To-Webinar

Tina Jayaweera	NWPCC
Kevin Smit	NWPCC
Anika Roberts	NWPCC
Chad Madron	NWPCC
Jennifer Light	NWPCC
Rich Arneson	Tacoma Power
Tanya Barham	Community Energy Labs

Stephen Bicker	Tacoma Power
Leann Bleakney	NWPCC
Tina Brooks	PacifiCorp
Ryan Brown	NEEA
Aaron Bush	PPC
Gillian Charles	NWPCC
Mohit Chhabra	NRDC
Michael Coe	SnoPud
Warren Cook	ODOE
Debbie DePetris	Clark PUD
Jeff Feinberg	SnoPud
Jennifer Finnigan	SCL
Ryan Fulleman	Tacoma Power
Lakin Garth	Cadmus
Nicolas Garcia	WPUDA
Andrea Goodwin	NWPCC
Jeff Harris	NEEA
David Hewitt	Independent
Chad Ihrig	Franklin Energy
Chris Johnson	Benton PUD
Anna Kim	OPUC
Jess Kincaid	BPA
Ted Light	Lighthouse Energy
Shirley Lindstrom	NWPCC
Kent Lopez	WRECA
Kerry Meade	NEEC
Koral Miller	Mason PUD
Heather Moline	NW Energy Coalition
John Morris	D&R International
Brandy Neff	PNGC
Quentin Nesbitt	Idaho Power
Patrick Oshie	NWPCC
Craig Patterson	Independent
Elaine Prause	PacifiCorp
Deborah Reynolds	WA UTC
Marcus Sellers-Vaughn	CNGC
Chanty Spires	PacifiCorp
Peter Stiffler	BPA
Megan Stratman	NW NRU
Sarah Sweet	Tacoma Power
Shani Taha	UCONS
Zabyn Towner	NW NRU
Zeecha Van Hoose	Clark PUD
Aquila Velonis	Cadmus Group

Danielle Walker	BPA
Amy Wheelless	NW Energy Coalition
Cindy Wright	Seattle City Light
Deb Young	Northwestern
Brian Dekiep	NWPCC
Jim Lazar	Independent
Chuck Murray	WA Dept of Commerce
Gurvinder Singh	PSE
Jessica Aiona	BPA
Wendy Gerlitz	PSE
Torsten Kieper	BPA
Christy Splitt	Oregon DOE