

# NORTHWEST NATURAL GAS COMPANY

P.U.C. Or. 25

Third Revision of Sheet 320-1  
Cancels Second Revision of Sheet 320-1

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## SCHEDULE 320 OREGON LOW-INCOME ENERGY EFFICIENCY (OLIEE) PROGRAMS

### **PURPOSE:**

To describe the Oregon Low-Income Energy Efficiency (OLIEE) program, which is funded through a designated portion of the Schedule 301 "Public Purposes Funding Surcharge." The OLIEE program includes two parts: 1) the Community Action Program (CAP) and 2) the Open Solicitation Program (OSP).

### **AVAILABLE:**

This program is available to income-eligible residential dwellings located within NW Natural's Oregon service territory where (1) a gas Service Line is installed at the Premise; (2) the primary space heating equipment is fueled by Natural Gas, and (3) and the premise has an active account with the Company, or will have an active account upon completion of work performed under this **Schedule 320**. Any residential dwelling that received assistance for the installation of the same or similar measures under any other energy efficiency program may not be eligible for assistance under this program.

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### **PROGRAM YEAR and REPORTING:**

The OLIEE program year will extend from October 1 through September 30 (Program Year). The Company will submit an Annual Report of the OLIEE Programs to the Commission by December 31 following the end of each Program Year.

The Annual Report will consistently include the same Program Year results from year to year. The Annual Report will include the number of homes targeted for completion in the next Program Year, and the average savings per dwelling treated under CAP.

### **PROGRAM FUNDING:**

Each month, the Company will bill and collect Public Purposes funds in accordance with **Schedule 301** of this Tariff. By the 20<sup>th</sup> of the month following the billing month, the amount collected, net of an allowance for uncollectibles, will be deposited into a market-based interest bearing bank account dedicated to the OLIEE program (OLIEE Account). The reserve for uncollectibles shall be in an amount equal to NW Natural's average percentage of residential net write-offs.

### **PROGRAM ADMINISTRATION, EVALUATION AND VERIFICATION:**

All OLIEE programs are to be administered by the Company in accordance with this **Schedule 320**. The Company will be reimbursed from the OLIEE Account each month for actual program administration costs incurred, except that such reimbursement will not exceed five percent (5%) of the total funds available during each Program Year.

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**PROGRAM ADMINISTRATION, EVALUATION AND VERIFICATION (continued):**

Following the end of each Program Year, the Company and the OLIEE Advisory Committee (OAC) will evaluate the need for an independent organization to conduct a process and/or impact evaluation for the OLIEE programs. Such evaluation shall be paid from the OLIEE account in an amount not to exceed \$150,000. It will include a competitive bid process with assistance from the OLIEE Advisory Committee to ensure cost-effective spending.

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**PROGRAM ADVISORY COMMITTEE:**

The OLIEE Advisory Committee (OAC) will assist in advising the Company on OLIEE program implementation, and evaluation. The OAC will be comprised of at least one member each from the Company, the Commission staff, the Community Action Partnership of Oregon (CAPO), plus two or more representatives from the CAP, and when appropriate, one or more representatives from the OSP. The OAC will have no decision-making authority. The OAC will meet at least twice each program year.

**ALLOCATION OF FUNDS:**

The amount of funds available to support each OLIEE program will be determined by NW Natural as follows:

1. At the beginning of each Program Year, the Company will determine the allocation of funds between the CAP and the OSP based on an estimate of the amount of funds available for that Program Year. Funds will be allocated first to the CAP and second to the OSP.
2. Any amounts not disbursed in the Program Year will carry over to the next Program Year.

**I. COMMUNITY ACTION PROGRAM (“CAP”) DESCRIPTION**

CAP provides a home energy evaluation of qualifying low income Customers’ dwellings, and if applicable, the installation of energy efficiency measures for the purpose of increasing the energy efficiency of the dwellings. CAP services are performed by qualifying Agencies that contract with NW Natural. When authorized by the Company, CAP may provide no more than 10% of its forecasted Program Year budget for energy education programs. Funding for energy education will be determined at the sole discretion of the Company.

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**Agency Qualifications and Responsibilities for CAP Funds:**

1. In order to qualify to participate in the OLIEE program, an Agency must be a legal entity that has been in the business of providing housing or energy efficiency services to low-income customers for at least one year. Any Agency that is contracting or subcontracting with the State of Oregon, Department of Housing and Community Services (OHCS), which is eligible to administer funding under the Federal Low Income Energy Assistance Program (LIEAP) is automatically authorized to participate. All other Agencies must first apply to the Company for authorization to participate. The conditions upon which the Company will approve an application will include but are not necessarily limited to (a) availability of funds, (b) Agency location, and (c) number of residential dwellings served by NW Natural.
2. All Agencies must enter into a written contract with the Company in order to participate in the administration and delivery of funds under this program.
3. Each participating Agency will have sole responsibility to screen and approve applicants for eligibility. Each Agency shall follow the established protocols for the qualification of and disbursement to eligible participants in accordance with the guidelines of this program and the guidelines promulgated by OHCS and the Low-Income Energy Assistance Act of 1981 and subsequent amendments, as outlined in the OHCS Omnibus Contract.
4. In the event an agency is able to qualify applicants at a higher income bracket without precluding them from administering the program or blending funds, agencies may qualify applicants up to 80% AMI. Through the 2024-25 Program Year, at least 80% of funds will be disbursed for projects serving households at or below 200% of the federal poverty level. After the 2024-2025 Program Year, the 80% limit will be removed or revisited in consultation with the OAC. (N)
5. Each participating Agency shall be responsible to complete and return to the Company, all required paperwork and other documentation as may be necessary for the Company to process the request in a form prescribed by the Company. (T)
6. Each participating Agency must agree to abide by the program parameters established in this Schedule including using, where applicable, the Department of Energy (DOE) approved residential, energy analysis software tool ("Energy Analyzer Software") in determination of all measures that qualify for funding under CAP. (T)
7. An Agency that fails to abide by the terms and conditions set forth in this tariff schedule may be removed from participating in the CAP Program. (T)
8. Each participating Agency may attend any training workshops offered in collaboration with the Company, OHCS, CAPO and DOE. Workshops are designed to ensure agencies are consistently and accurately entering data into the Energy Analyzer Software. The Company shall inform Staff of the selected workshop trainer and provide a summary report on the workshop's accomplishments. Funding for these trainings is available through the OLIEE program. (C)  
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**Customer Qualifications for CAP Funds**

All CAP funds collected under this program will be used to weatherize qualified dwellings inhabited by customers of NW Natural. In the event the Company receives a request for premise from two or more Agencies, the Company will process only one request.

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**CAP Administration and Delivery Costs**

Each Agency will be reimbursed from the OLIEE Account for administrative costs and direct program costs incurred by them in their administration and delivery of the OLIEE program. The Agency fee will be paid to each Agency along with the measure rebate payments.

Projects under \$11,500 may receive administrative payments of up to \$3,500, including inspections and audits, the administrative payment may not be higher than the cost of measures installed. Any project over \$11,500 may receive up to 30% in administrative payment including inspection and audit. (C)  
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The Company will process measure rebate payments and Agency payments within thirty (30) days from the date the Company receives all completed documentation in support of such rebate request(s). When needed, upfront funding may be requested by an agency at the beginning of the funding cycle based on an agreed upon proposal presented to the Company. (C)  
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**Annual Program Year Targets (households)**

At the beginning of each Program Year, each participating Agency will be assigned a home completion target that supports the achievement of an annual program target. Agency targets may be adjusted from time to time throughout a Program Year, as necessary. Nothing precludes Agencies from serving more than the annual target of homes in any program year provided sufficient funds are available and approved by the Company. The Company will include the expected targets for the following year, by Agency, in the Annual Report.

**Energy Efficiency Measures**

Qualifying energy efficiency measures are: 1) Energy efficiency measures recommended when the dwelling is modeled in the Energy Analyzer Software. All measures prescribed by the Energy Analyzer Software for the whole house, including (non-HSR) gas furnaces, must meet or exceed a group Savings to Investment Ratio (SIR) of 1.0 or better unless identified below. The SIR calculation will use the Energy Information Administration's Oregon residential natural gas price as the cost against which the benefits are measured. 2) The replacement of non-functioning or red-tagged heating equipment with a high efficiency gas furnace. Heating equipment is considered red-tagged when a representative from the Company or an Agency has deemed the appliance unsafe to operate. 3) Measures, including smart thermostats, attic insulation and wall insulation, identified as cost effective by third party organizations (Regional Technical Forum, Energy Trust of Oregon, etc.). 4) Measures identified as cost-effective under the department of energy (DOE) Priority List. 5) Measures identified as cost effective under a Deemed Measure Priority List (DMPL). Agencies must provide a copy of the Energy Analyzer report, DOE priority list, or DMPL. (N)  
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Qualified measures, as defined above, are eligible for reimbursement up to 100% of the total cost of all installed measures. (C)  
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To accommodate timing differences between measure installations, the payment may be disbursed through one or more requests. Under no circumstances will the payment exceed the actual installed cost of the measure(s). The Company may coordinate with other funders (e.g., Energy Trust of Oregon) to facilitate payments and appropriate reporting of measures. (T)

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## SCHEDULE 320 OREGON LOW-INCOME ENERGY EFFICIENCY (OLIEE) PROGRAMS (continued)

### Health, Safety and Repair (HSR) Allowance

In addition to funds for qualifying energy efficiency measures, funds may be available for the costs of health, safety and repair (HSR) measures. HSR measures are those items that if not completed would adversely impact the safety and health of the occupants or the effectiveness of the energy efficiency measures. Standard efficiency furnace replacements may qualify for HSR funds if the existing furnace is broken, is found to produce an unsafe level of CO emissions, is back-drafting, or has a cracked heat exchanger and it is physically impossible to install a high-efficiency furnace. When a furnace is replaced with a standard efficiency furnace, the Agency must demonstrate why the furnace required replacement, and why a high efficiency furnace could not be installed.

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### Agency Reporting Requirements

For each home treated under the OLIEE Program, each Agency will be required to report to the Company, the following information:

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- Customer Name (as shown on NW Natural Account)
- NWN Account Number
- Service Address
- Owner, Occupant or Property Manager Name
- Owner, Occupant or Property Manager Phone Number
- Audit Date
- Measure Completion Date
- Reimbursement Request Date
- Agency and Agency Representative
- Size of home in square feet and Year Built
- Measure description
- Installed cost per measure
- Estimated therm savings per measure
- Energy Analyzer Software SIR per measure
- Total Energy Analyzer Software SIR for
- Measure Group
- Total Cost of all energy efficiency measures installed (EEMC)
- Total Energy Analyzer Software estimated savings for each household (Total therms)
- Total job cost to Agency (OLIEE and non-OLIEE measure costs)
- Cost per measure
- Fuel cost savings per measures
- Total HSR measure cost
- Total Reimbursement Request: (energy efficiency measure costs up to annual limit + Admin + HSR)
- Prior 12 months of gas usage
- Projected savings as a percentage of the last 12 months gas usage

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(continued)

**II. OPEN SOLICITATION PROGRAM (OSP) DESCRIPTION**

The overall goal of the OSP is to cost-effectively provide energy efficiency assistance to a greater number of low-income households in NW Natural’s Oregon service territory through a broad and diverse network of delivery channels. The Company will invite proposals that include projects for new affordable housing, existing retrofit opportunities, and owner-occupied or rental dwellings, and will encourage proposals that include a component for energy education, environmentally sustainable practices, and collaboration with other entities or programs.

At the Company’s discretion, a portion of OLIEE funds may be allocated to OSP projects where the Company has determined that there are sufficient OLIEE and that such projects would result in an increase in the number of low-income households being served under the OLIEE program. Any such OSP project will be made available to those premises that qualify to receive services under this Schedule 320.

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The Company will make the final determination as to which proposals will be awarded contracts under the OSP. As needed, the Company will review proposals with the OLIEE Advisory Committee (OAC).

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**GENERAL TERMS:**

This schedule is governed by the terms of this Schedule, the General Rules and Regulations contained in this Tariff, any other Schedules that by their terms or by the terms of this Schedule apply to service under this Schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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