



Clean, affordable energy for everyone

2022 Draft Annual Budget and 2022-2023 Action Plan

October 13, 2021



# Presentation Outline

- Organizational goals
- High-level summary of draft 2022 budget
- Budget tools and inputs

# 2022 Organizational Goals



Achieve savings and renewable generation goals while addressing the needs of customers who experience significant energy burden or are impacted by disaster events



Expand support for community-led approaches to increase access to clean energy



Create development capabilities that will allow us to increase funding to deliver more savings and generation and expand our ability to meet changing customer and utility system needs



Implement new work strategies to adapt and thrive in our changing environment and support staff while managing operating costs



## Draft 2022 Budget Summary

- **Investing \$213.0 million** of utility customer funds
- **Saving 50.1 aMW and 6.8 MMTh**
- Delivering highly cost-effective energy
  - 3.4 cents/kWh levelized
  - 44.7 cents/therm levelized (Oregon)
  - 83.7 cents/therm levelized (Washington)
- **Generating 4.0 aMW**
- **Distributing \$116.9 million in incentives; 55% of total expenditures**
- Administrative costs at 7.8% of revenue

*aMW: average megawatts (of electricity)*

*MMTh: million annual therms (of natural gas)*

# Customer Benefits from 2022 Investments

- **More access** for diverse and rural communities
- **Lower energy bills and energy burden** for participants—\$836 million in future bill savings for participants
- **Opportunities for 1,900 local businesses** and investments in workforce development
- **Cleaner air** by avoiding 4.5 million tons of carbon dioxide
- Local investments that **keep dollars in our communities**

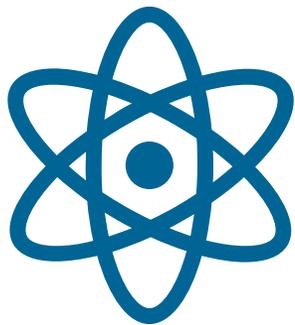
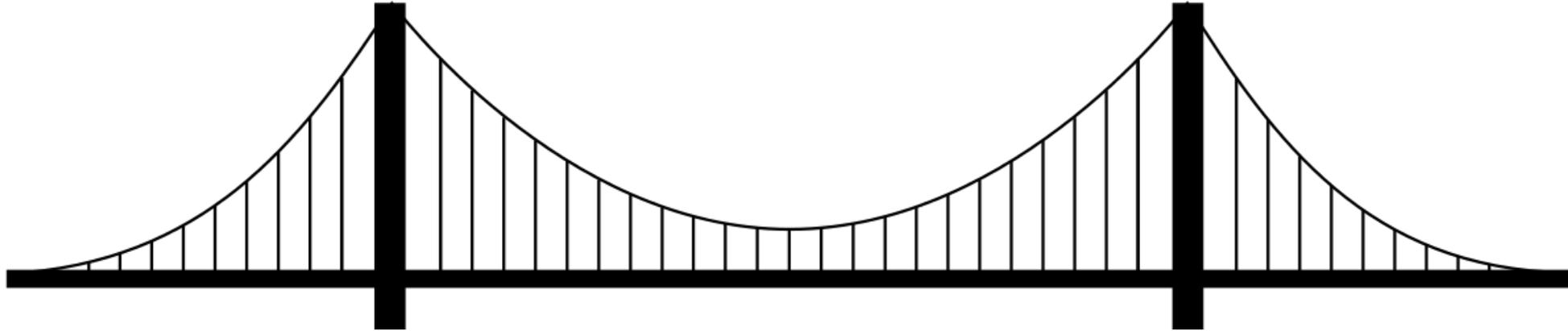




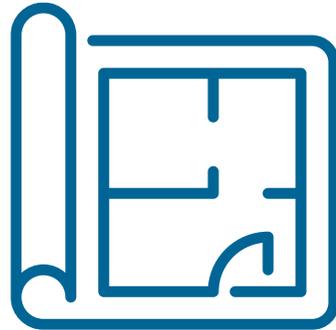
## Key Themes

1. Providing continued value in a shifting landscape of clean energy laws and programs
2. Evolving to meet changing customer and utility needs
3. Making long-term investments that will pay off in future savings, generation and cost management
4. Investing in efforts to achieve diversity, equity and inclusion goals

# How to Build a ~~Bridge~~ Budget



**Laws and  
rules**



**Utility  
IRPs**



**Cost-  
effectiveness  
tests**



**Market  
intelligence**



# Key Takeaways from Draft Action Plans

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# Navigating Market Volatility

- Uneven effects of pandemic on customers
- Supply chain impacts
- Labor shortages
- Pressure on prices
- Pent up demand

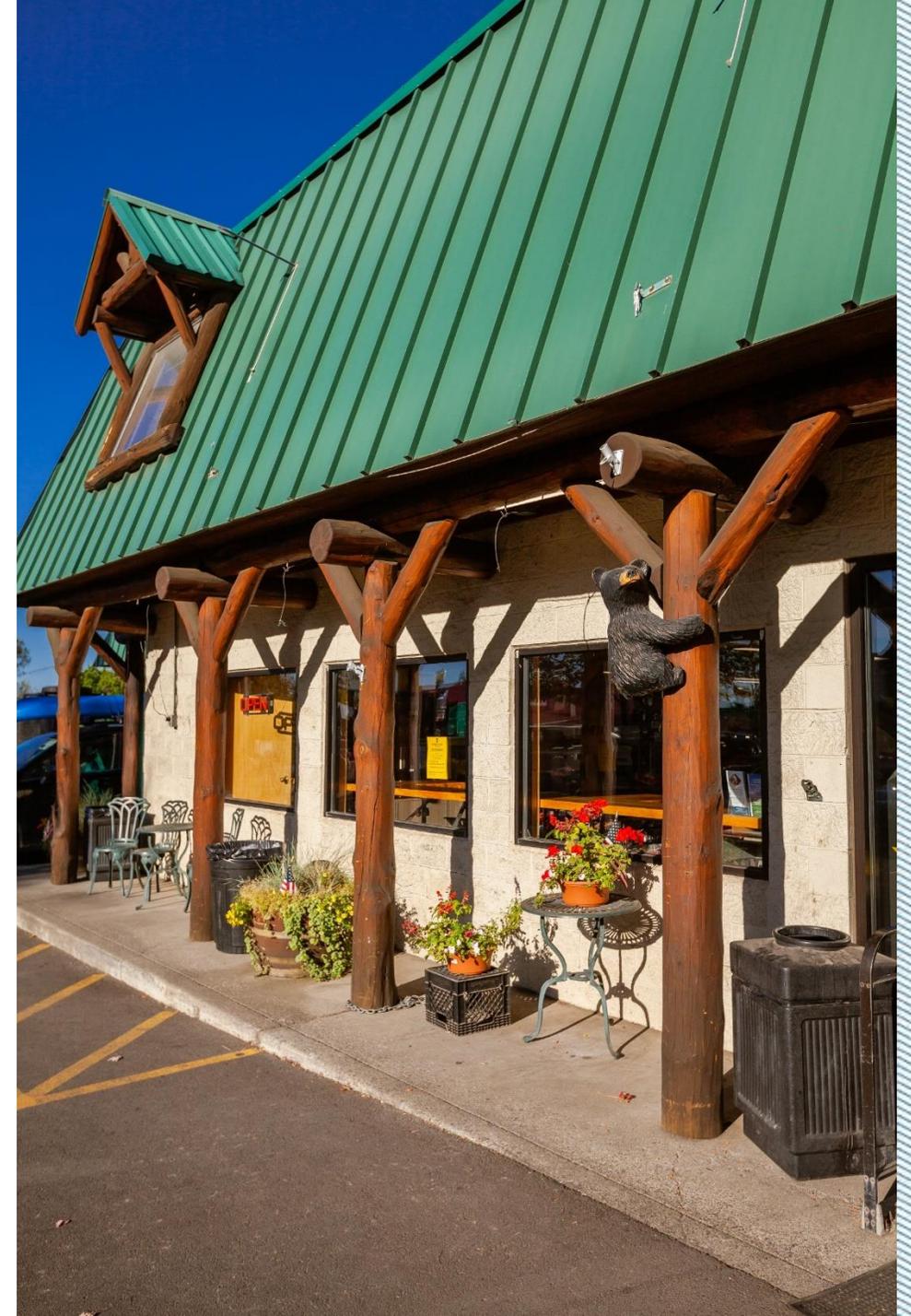
# Enhancing Budget Management Strategies

- More frequent forecasting
- Incentive caps
- Contractor requirements
- Complementary funding
- Administrative and program delivery cost efficiencies



# Innovating Across Programs

- Increase outreach to small commercial and industrial customers
- Launch new offers targeting small businesses
- Expand Strategic Energy Management
  - New affordable multifamily cohort
  - New statewide virtual cohort





## Engaging Communities

- Support community-led energy, sustainability and climate planning
- Offer small grants to nonprofits
- Contract with community-based organizations for program delivery
- Sponsor AmeriCorps interns in rural locations
- Convene communities to guide development of future offers

# Supporting Disaster Recovery and Preparedness

- New incentives for fire resistant, energy-efficient home construction
- New manufactured home replacement program
- Increased interest in resiliency benefits of renewable energy
- New incentive for solar + battery storage





# Thank you

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