



Energy Trust of Oregon

2016 Annual Budget and 2016-2017 Action Plan **FINAL PROPOSED**

**Presented to the Board of Directors
December 11, 2015**

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MEMO

Date: December 3, 2015
To: Board of Directors
From: Margie Harris, Executive Director
Subject: Final Proposed 2016 Budget and 2016-2017 Action Plan

I am pleased to present Energy Trust of Oregon's Final Proposed 2016 Budget and 2016-2017 Action Plan for your consideration and discussion at the December 11 board meeting.

The enclosed information provides an update on the draft budget and action plan presented to the board on November 4, 2015. It also includes revisions based on feedback and public comments received through November 20. Specifically, the packet includes a table of contents, overview materials of the budget components in handout and slide presentation form, frequently asked budget questions, a summary of comments received with staff responses, copies of actual comments received and additional details on the budget.

In developing this final proposed budget and action plan, draft annual goals and activities were presented to and reviewed by the board of directors, Oregon Public Utility Commission, Conservation Advisory Council, Renewable Energy Advisory Council, Pacific Power, representatives of the Citizens' Utility Board of Oregon, Oregon League of Conservation Voters, Drive Oregon and Environment Oregon, and members of the public.

Presentation slides summarize the changes made to the draft budget and action plan as a result of this outreach and also highlight final proposed revenue, expenditures, savings, generation and program activities.

The final proposed annual budget and two-year action plan will guide Energy Trust's investment of \$189 million to acquire 59.2 average megawatts and 6 million annual therms of the lowest-cost and cleanest energy available to utilities and their customers. This budget will further benefit customers by focusing investments in emerging technologies, expanding participation, improving internal operations and managing for transition—four key strategies to meet our 2016 savings and generation goals, and contribute to our ambitious 2015-2019 Strategic Plan goals.

After board consideration on December 11, 2015, a final 2016 annual budget and 2016-2017 action plan will be submitted to the OPUC by year end and posted online at www.energytrust.org.

I look forward to our discussion next week and as always, welcome your comments and questions.

Thank you.

Final Proposed 2016 Annual Budget and 2016-17 Action Plan Highlights

Energy Trust of Oregon’s annual budget and two-year action plan are developed through a public process. These important documents guide our delivery of the lowest-cost energy resource for customers of Portland General Electric, Pacific Power, NW Natural and Cascade Natural Gas, and diversify our energy resource mix through small-scale renewable energy project development in PGE and Pacific Power territories.

Areas of Emphasis

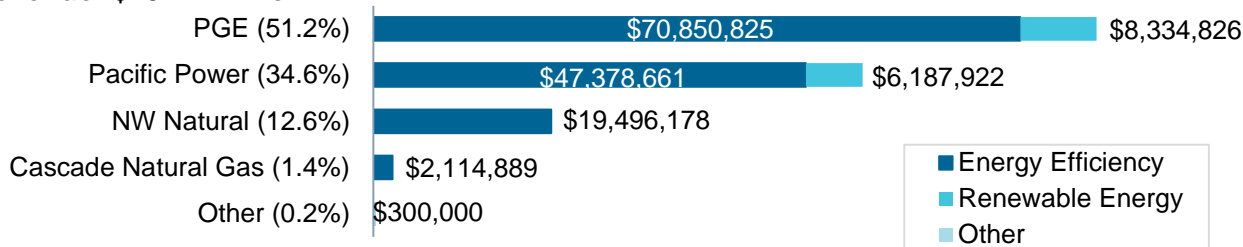
Emerging technologies and approaches—Continue pilots and evaluations to test new program delivery approaches and build on past years’ investments. Explore options for financing commercial energy efficiency and increasing multifamily energy savings. Invest in NEEA electric market transformation and natural gas technology development activities. Deliver project development support for renewable energy technologies.

Expanding participation—Use data, research and targeting to understand gaps and increase participation statewide. Further invest in contractor and community-based relationships to serve all customers, with added focus on coastal, rural and small business customers. Continue efforts to reach moderate-income customers and rental properties.

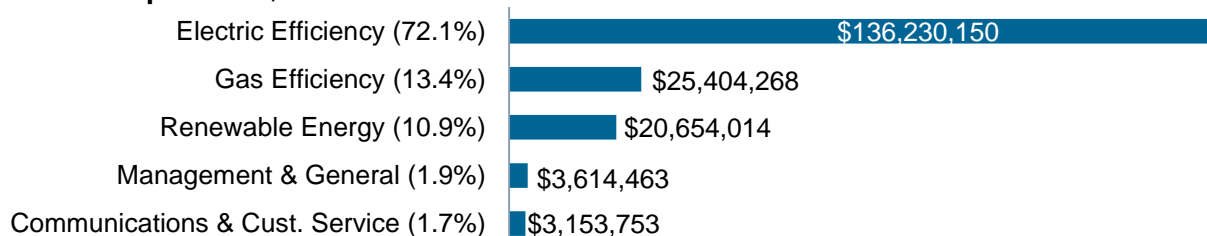
Improving operations—Implement cross-program strategies to reduce costs and improve customer reach. Expand web and automated services to efficiently serve customers and contractors. Further develop data systems and improve internal processes supporting program delivery, positive customer experiences, transparency and accountability. Develop metrics to help manage process improvements and quantify productivity gains. Maintain low staffing and administrative costs.

Revenue and Expenses

Total Revenue: \$154.7 million



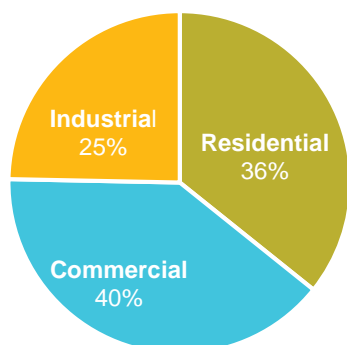
Total Expenses: \$189 million



In agreement with our affiliated utilities, the budget continues to draw down reserves in 2016 to cover planned expenses in excess of anticipated revenue.

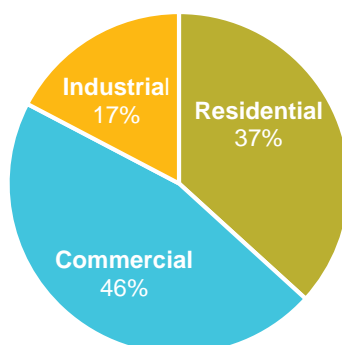
Savings, Generation and Levelized Costs

Electric savings 55.1 aMW



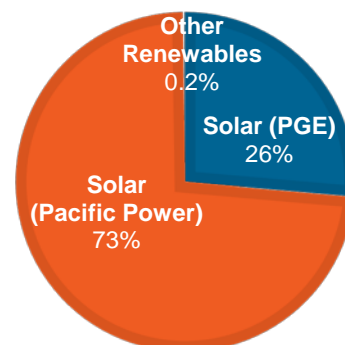
Residential
19.7 aMW; 2.6 cents/kWh
Commercial
21.8 aMW; 3.4 cents/kWh
Industrial
13.6 aMW; 2.8 cents/kWh

Natural gas savings 6 million annual therms



Residential
2.20 million annual therms; 37.5 cents/therm
Commercial
2.75 million annual therms; 34.3 cents/therm
Industrial
1.04 million annual therms; 24.3 cents/therm

Renewable energy generation 4.13 aMW



Solar
4.12 aMW
Other Renewables
0.01 aMW

Summary of Planned Activities by Customer Type

Homeowners and renters: online Home Energy Reviews; referrals to qualified trade ally contractors; equipment, products and solar incentives; EPS™, an energy performance score for new and existing homes; Savings Within Reach on-bill repayment for moderate-income customers

Commercial businesses, public and private institutions and multifamily properties: Energy modeling, design and technical assistance; equipment, lighting and solar incentives; Strategic Energy Management; Path to Net Zero; City of Portland Commercial Property Assessed Clean Energy pilot; “Pay for Performance” pilot for existing buildings; community outreach to drive smaller multifamily participation in rural areas

Industrial and agricultural businesses: Technical assistance, scoping studies and analyses; customized solutions for industrial processes; equipment incentives for industrial and agricultural applications; Strategic Energy Management; expanded outreach to small industries; delivery of measured and calculated savings through trade allies

Renewable energy project developers: Project development assistance for small-scale solar, biopower, wind, hydropower and geothermal systems; solar “soft” cost reduction; support for expected high demand for solar; incentives for completed solar projects and a hydropower project

Energy Trust Investment of \$189 Million to Buy These Benefits

- Future utility bill savings of \$746 million for 2016 participants
- Affordable energy at 2.95 cents/kWh and 33.7 cents/therm, the lowest-cost energy utilities can buy
- Increased customer access and participation throughout Oregon and southwest Washington
- Jobs, wages and business income from bill savings recirculating in our local economy
- Enough clean energy to power 46,000 homes and heat 11,800 homes with natural gas
- Improved air quality by avoiding 281,000 tons of carbon dioxide—equivalent to removing 49,400 cars from our roads for a year
- Training and support for 2,500 local businesses, many of them small companies employing 12,700 people to work on Energy Trust projects
- Continued high customer satisfaction rates and continued public accountability

Budget Comparison—Final Proposed 2016 to 2015

December 11, 2015

The detailed 2016 budget and 2016-17 action plans are posted at www.energytrust.org.

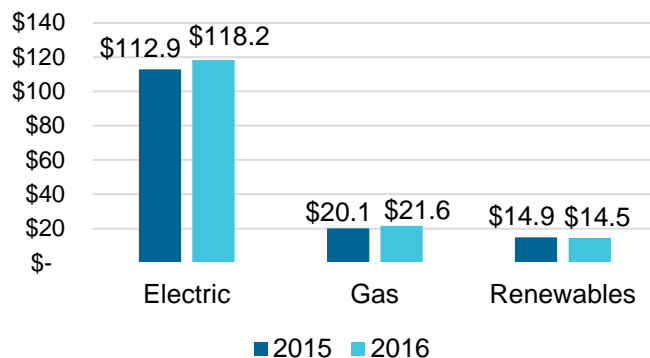
Key Final Proposed 2016 Budget Drivers

- Capture all cost-effective energy efficiency
 - Maximize savings in expanding new construction sector through New Homes and New Buildings
 - Accelerate LED adoption; 25 percent of all lighting incentives will support LEDs
- Serve high volume of customers investing in solar projects
- Use process improvements and metrics to manage costs and minimize FTE additions
- Continue to meet/exceed OPUC performance measures

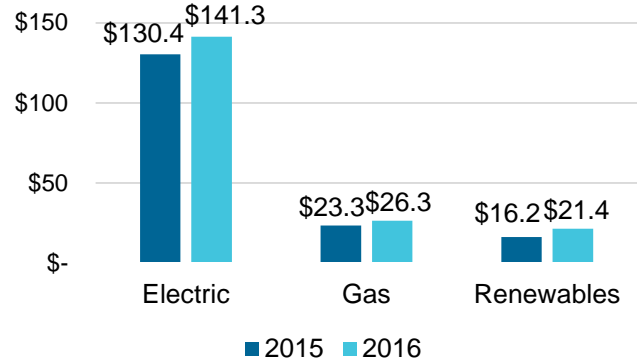
Year-to-year Comparison of Budgeted Revenues and Expenses

- The final proposed 2016 budget increased 11.3 percent over the 2015 budget
- Incentive and delivery costs account for 93 percent of the budget increase
- Internal costs are relatively flat compared to the 2015 budget
- Reserves continue to decline and are forecasted to be close to agreed-upon minimums by year end

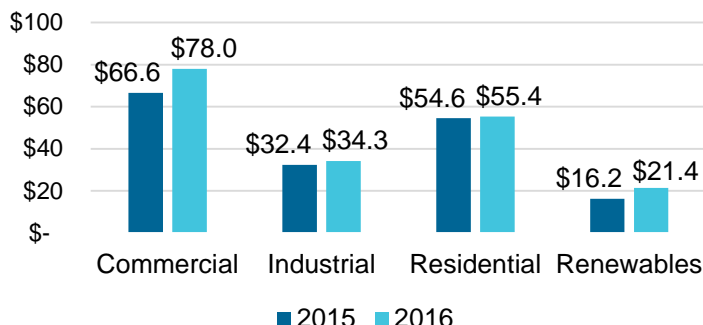
Revenue (\$ millions)



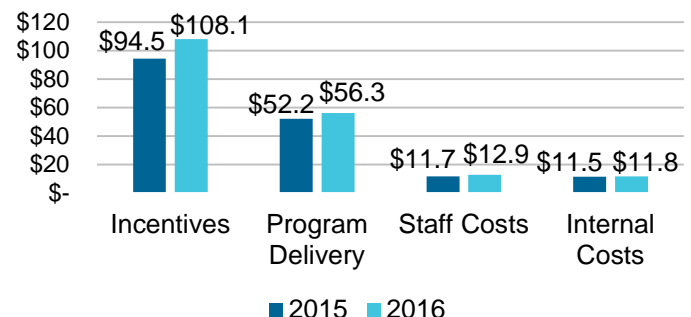
Expenses (\$ millions)



Expenses by sector (\$ millions)



Expenses by category (\$ millions)



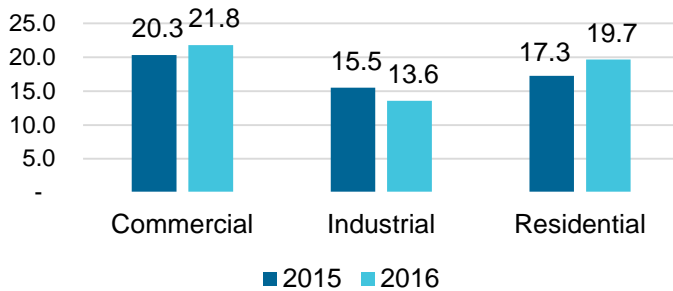
Note: Charts depict approved 2015 budget to final proposed 2016 budget except where noted

Year-to-year Comparison of Budgeted Savings and Generation

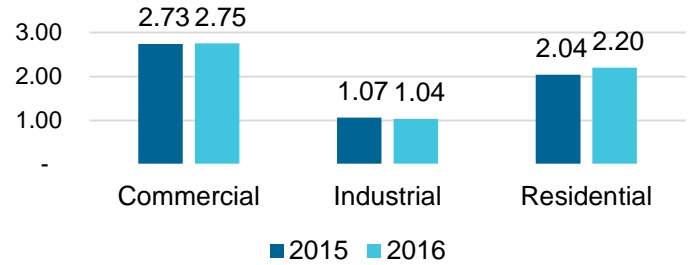
	Savings		Generation
	Electric aMW	Gas MMTh	Electric aMW
2015	53.1	5.59	3.47
2016	55.1	5.99	4.13
% Change	3.7%	2.4%	19.2%

	Savings Levelized Cost	
	Electric cents/kWh	Gas cents/therm
2015	3.1	32.5
2016	2.95	33.7

Electric savings by sector (aMW)



Gas savings by sector (MMTh)



Notes: MMTh (million annual therms), aMW (average megawatt)

Residential

- More electric savings are expected from NEEA and LEDs, and strong gas savings are expected from New Homes. New Homes and Products will deliver the majority of savings in this sector.
- Existing Homes savings have decreased due in part to changes related to OPUC docket UM 1622; the program will transition to more midstream and upstream savings sources over the next few years.

Commercial and multifamily

- Increased electric savings from new construction and lighting, gas savings from new construction and moderate commercial Strategic Energy Management savings.
- Existing Buildings gas incentives will be increased to boost lagging participation and lower project payback periods. For dual-fuel projects, electric incentives will increase to align with gas.

Industrial and agricultural

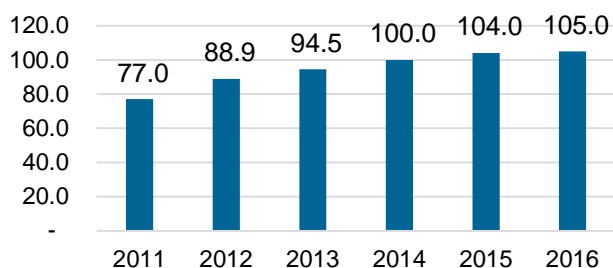
- The sector expects greater demand for custom projects, and is seeing market maturation of industrial Strategic Energy Management. No mega-project is planned in 2016.

Renewable energy

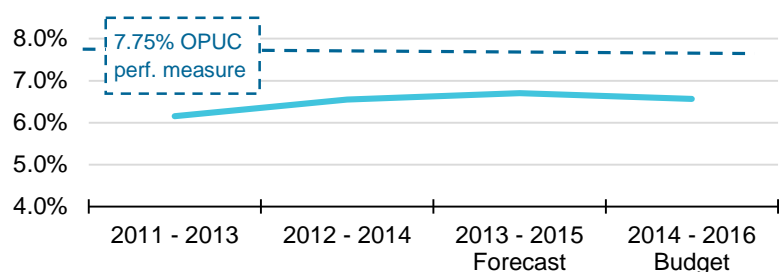
- High solar demand will continue, a result of the 2016 changes in the federal Investment Tax Credit, lower installation costs and high consumer interest.
- Project development assistance for hydropower, biopower, geothermal and wind projects will continue, though the vast majority of generation from these efforts will occur in 2017 and beyond.

Staffing Recap

Regular Full-time Equivalent Employees



3-year Cumulative Average Staffing Costs as % of Total Expense



Frequently Asked Questions: Energy Trust Annual Budget and Two-Year Action Plan

December 11, 2015

How is Energy Trust's budget and action plan developed?

Our annual budget and two-year action plan is developed through a transparent, public process that ensures stakeholder review and input at many stages. Our five-year Strategic Plan and utility Integrated Resource Plans, IRP, serve as primary building blocks for annual budget goals, and are themselves developed through public processes with stakeholder, utility, board and Oregon Public Utility Commission, OPUC, input.

Annually starting in July and continuing through December, we work with Portland General Electric, PGE, Pacific Power, NW Natural, Cascade Natural Gas and our Conservation Advisory Council to build action plans and determine the amount of energy efficiency that can be cost-effectively acquired in the coming year. We also work with our Renewable Energy Advisory Council to determine planned renewable energy generation within PGE and Pacific Power territories. Our budget is submitted for review and comment to the OPUC, is reviewed and approved by our board of directors by December 31 of each year and is publicly available on our website.



Who reviews and approves Energy Trust's budget and action plan?

Budget goals and activities are reviewed by our board of directors, Conservation Advisory Council and Renewable Energy Advisory Council, PGE, Pacific Power, NW Natural, Cascade Natural Gas and the OPUC.

We also engage the public and a variety of stakeholders and utility customers, such as the Citizens' Utility Board of Oregon and Industrial Customers of Northwest Utilities. Broad public comment is sought through our website, outreach meetings with constituents and through a public webinar.

Comments received during the outreach period are summarized, with many incorporated into a final proposed budget and action plan presented to the board at its public meeting in December. The board approves the final proposed budget and action plan.

How can I participate in Energy Trust's budget and action plan development?

Public comments are actively solicited and directly shape our final budget and action plan. Public notices and materials for board, Conservation Advisory Council and Renewable Energy Advisory Council meetings are posted on our website in advance of each meeting and every board meeting invites public comment. The OPUC hearing is also open to the public.

Written public comments were due to Energy Trust by 5 p.m., Friday, November 20, 2015. Comments could be emailed to info@energytrust.org, mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Where can I learn more information about 2016 annual budget and 2016-2017 action plan?

Visit our website at www.energytrust.org for links to the budget and action plan materials.

How are Energy Trust programs and services funded?

Funding for our energy-efficiency and renewable energy programs comes exclusively from customers of PGE, Pacific Power, NW Natural and Cascade Natural Gas in Oregon, and NW Natural customers in Washington.

What are the primary outcomes of Energy Trust's annual expenditures?

The budget and action plan are designed to meet annual energy-saving and renewable energy generation goals, while delivering the low-cost energy efficiency and clean, renewable energy utilities rely on to meet their customers' energy needs. The budget also diversifies Oregon's energy resource mix through small-scale renewable resource project development in PGE and Pacific Power territories. Program and operations strategies are designed to effectively serve different markets and types of customers ranging from small residential to large industrial.

Projects and actions resulting from our budget ultimately reduce participating customer utility bills, help keep energy costs lower for all utility customers, avoid carbon emissions and strengthen local economies.

What performance and accountability measures are in place to ensure funds are expended wisely?

Expenditures must comply with legal requirements guiding our investments and meet minimum annual performance measures established by the OPUC. For instance, administrative and program support costs must be below 8 percent of annual revenues, and we must receive an unmodified financial opinion on annual, independently audited financial statements. In addition, all energy-efficiency investments, excluding pilots and limited activities exempted by the OPUC, are required to be cost effective, meaning that long-term project savings must exceed related costs and be of net financial benefit to the customer.

The board of directors also reviews monthly financial statements, program impact evaluations and program process evaluations, and updated evaluation factors are applied to our results during an annual true-up process.

How does Energy Trust report on expenditures and progress toward goals and performance measures?

We report quarterly and annually to the board and OPUC on progress to goals, revenues and expenditures, and program and operations activities. We also provide information for a public purpose charge report that is submitted to the Oregon Legislature every two years by an OPUC-selected third party.

What does Energy Trust take into account when setting its budget for energy efficiency and renewable energy?

We work closely and continuously with all four utilities to update their plans to meet future energy needs for their customers with the goal of acquiring all available cost-effective energy efficiency. Additional information is drawn from renewable resource assessments and the most recent studies produced by the Northwest Power and Conservation Council, which identify energy efficiency and renewable energy potential throughout the Pacific Northwest. These information sources drive our five-year strategic plan and guide our two-year action plan, annual budgets and individual program strategies and expenditures.

Annual activities are guided by third-party program evaluations, market research, our experience delivering programs, feedback from on-the-ground contractors and customers, and input from our funding utilities, two advisory councils, the OPUC and the board of directors.

What happens when funds are not spent by the end of the year?

At year end, all unspent funds are carried over into the following year's budget and offset future revenue needs. Carryover of unspent funds can be a result of many factors, including meeting our savings goals at lower than expected costs or revenue forecasts being lower than projected due to unexpected weather extremes. Renewable energy project development often occurs over multiple years and requires an upfront funding commitment.

Why does Energy Trust maintain reserves?

Reserves are set aside for unexpected occurrences and emergencies. They help stabilize utility customer rates by mitigating the need for large changes, either up or down, in annual collections. In 2015, in collaboration with our funding utilities and the OPUC, we implemented a planned reduction in revenue collections from utility customers, allowing us to continue acquiring all cost-effective savings on behalf of customers while lowering reserves. By the end of 2016, we plan to have minimum reserve amounts in place for all four utilities.

FINAL PROPOSED 2016 Annual Budget & 2016-2017 Action Plan

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TAB - Overview



Final Proposed 2016 Annual Budget & 2016-17 Action Plan

December 11, 2015


EnergyTrust
of Oregon



Today's presentation

Brief Recap: Draft Budget and Action Plan

Outreach and comment summary

Summary of Final Proposed Budget and Action Plan

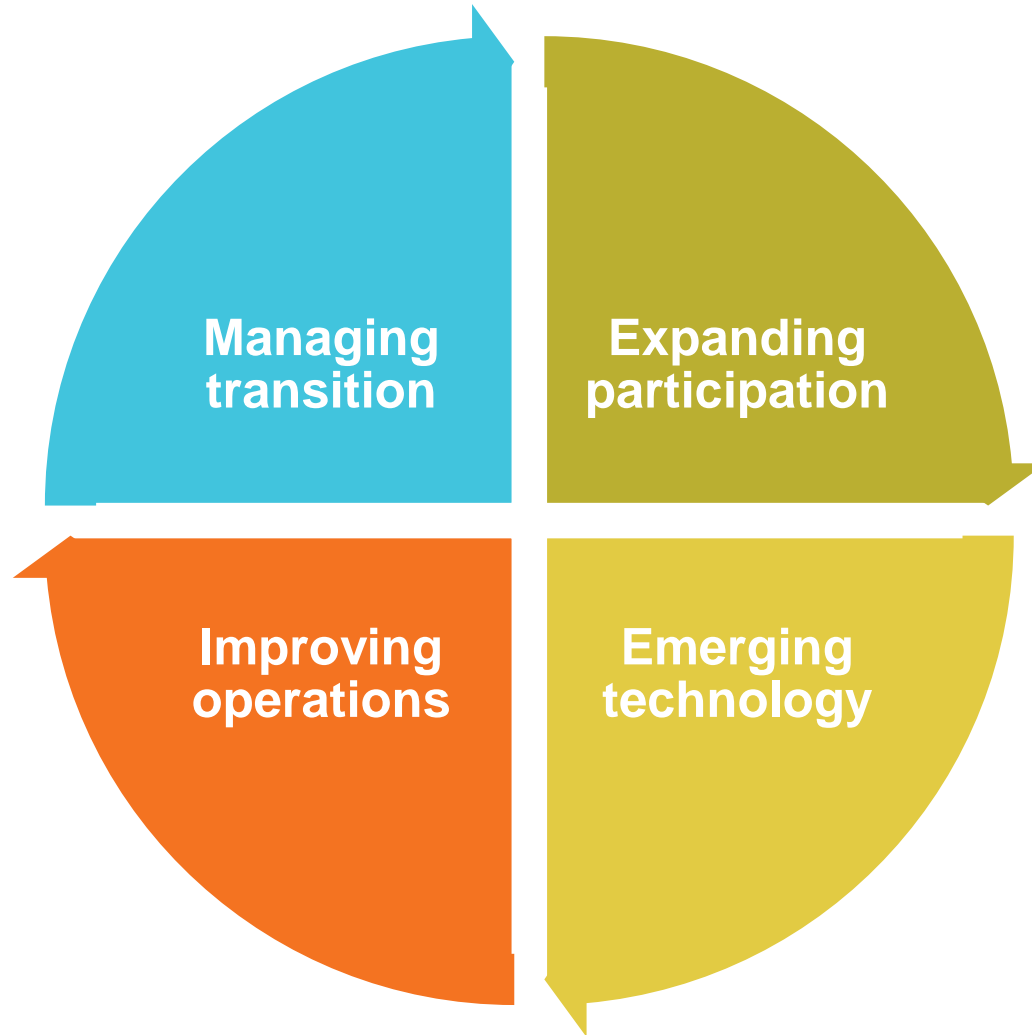
Discussion and action

Recap: 2016 Draft Budget Summary

As presented to board on November 4, 2015

1. Investing **\$187.7 million** to acquire **55.6 aMW** and **5.7 million annual therms** through efficiency, and **2.84 aMW** through renewable generation
2. Electric savings up; gas savings down
3. Delivering highly cost-effective energy at **2.9 cents/kWh** and **34.1 cents/therm** levelized
4. Overall **spending up 10.5%** due to increased project demand, different project mix and corresponding incentive growth
 - **Incentives up 14%** and represent ~58% of total planned expenditures
 - Renewables dominated by solar projects and future investments
5. Program reserves decline
6. Staffing costs at **6.5%**, well below new OPUC performance measure
7. Low administrative and program support costs at **6.3%**

Recap: Action Plan focus areas



Outreach & Comment Summary

Outreach activities completed

Presentations by Audience	Date(s)
PGE, Pacific Power, NW Natural, Cascade Natural Gas	July - Nov
Renewable & Conservation Advisory Councils	Oct. 21
Board of Directors	Nov. 4
Oregon Public Utility Commission workshop	Nov. 5
CUB, OLCV*, Environment Oregon, Drive Oregon	Nov. 6
Pacific Power**	Nov. 11
Public webinar	Nov. 16
Oregon Public Utility Commission public hearing	Nov. 17
Oregon Department of Energy	Nov. 17
Renewable & Conservation Advisory Councils	Nov. 20

*Oregon League of Conservation Voters

**Other utilities will receive a Feb. 2016 presentation

OPUC comments

- Summarized status of last year's comments, noting 6 requests were addressed and one is in progress
 - Requested completion of the in-progress development and tracking of 3-4 administratively focused productivity metrics
 - Requested ongoing annual reports on NEEA activities
- Supported 2016 budget and 2016-17 action plan
- Supported new staff position included in draft budget
- Requested reviewing 2016 reserves and funding assumptions for Pacific Power energy efficiency
- Requested changes to major planning assumptions be shared with OPUC and stakeholders
- Requested gross annual savings be reported in addition to net annual savings
- Requested engaging stakeholders in identifying ways to support demand management

Other comments received

- Overall, support for draft budget and action plan
- Representative sample of written comments:
 - Support for savings goals greater than IRP targets
 - Recommendation to improve alignment between savings targets established through Energy Trust budgeting and utility IRPs
 - Utility interest in being involved in program and measure changes specific to their customers
 - Support for NEEA gas market transformation efforts
 - Interest in coordinating on complementary energy code efforts and state programs, and complying with the federal Clean Power Plan
 - Support for collaboration on demand response offerings
 - Timing and reason behind multifamily windows incentive changes

Summary of final proposed 2016 budget & 2016-2017 action plan

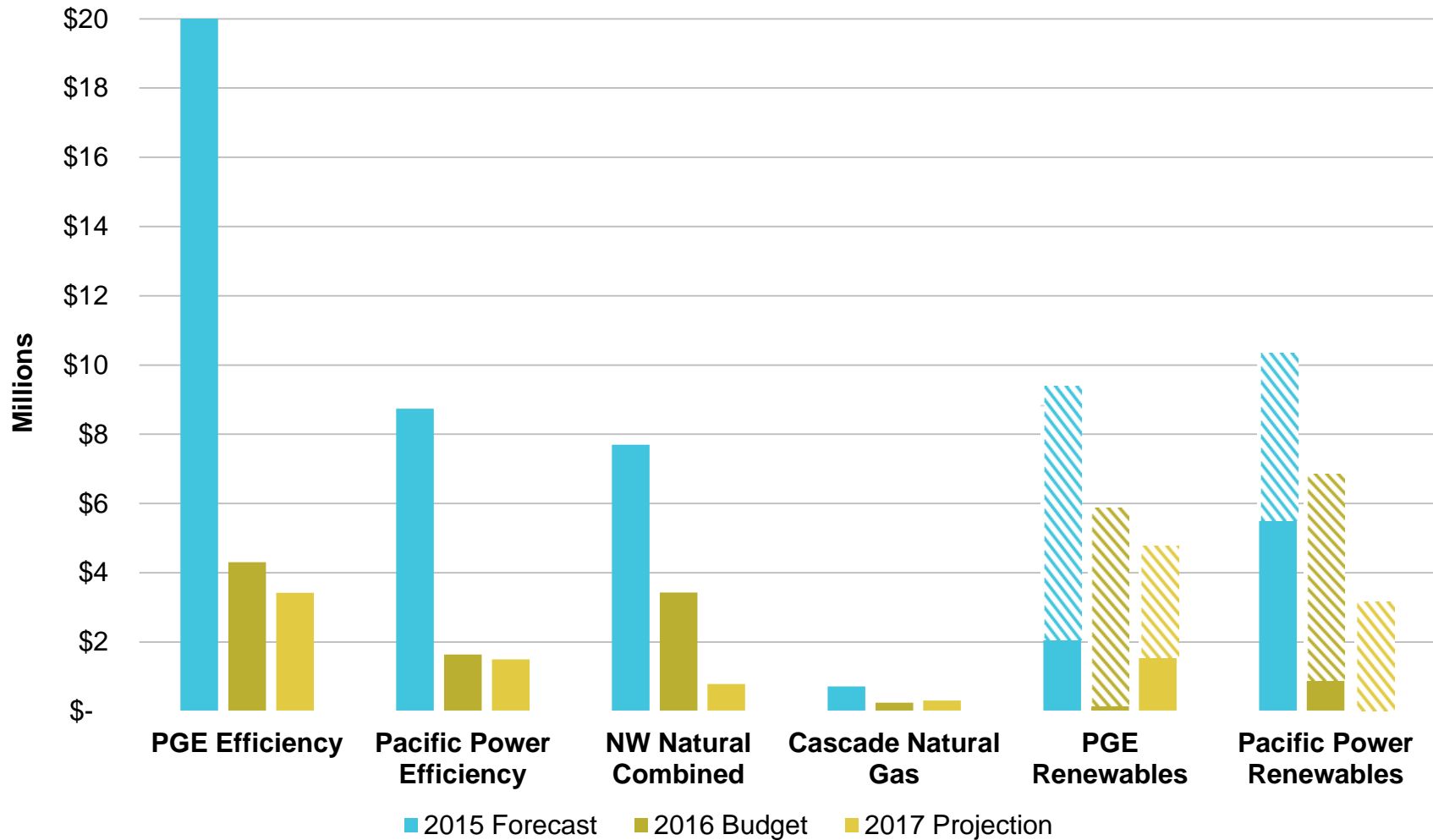
Minor changes between draft and final budgets

- Budgeted revenues increased \$1.9 million = +1.25%
- Expenditures increased \$1.36 million = +0.7%
 - Efficiency +\$1.28 million
 - Renewable Generation +\$0.08 million
- Minor changes in total utility electric and gas savings:
 - Electric Savings -0.6 aMW = -1.1%
 - Gas Savings +300,000 therms = +5.8%
- Generation increased due to project completion shift from 2015 to 2016:
 - Renewable Generation +1.29 aMW = +45%

Final proposed budget summary

1. Revenue increasing by \$5.6 million to a total of **\$154.7 million**
2. Investing \$189 million to acquire **55.1 aMW** and **6 million annual therms** through efficiency, and **4.13 aMW** through renewable generation
3. Delivering all cost-effective energy efficiency at **2.95 cents/kWh** and **33.7 cents/therm** levelized
4. Overall **spending up 11.3%** due to increased project demand, different project mix and corresponding incentive growth
 - **Incentives up 14.4%**, represent 57.2% of total planned expenditures
 - Renewables dominated by solar projects and future investments
5. Program reserves decline as planned
6. Ongoing investments in **operational efficiencies**
7. Staffing costs at **6.6%**, well below new OPUC performance measure
8. Low administrative and program support costs at **6.5%**

Projected year-end reserves



Cross-hatches represent funds committed to renewable energy projects scheduled for completion in future years.

Utility rate information

	PGE	Pacific Power	NW Natural	Cascade Natural Gas
Estimated incremental collection adjustment	\$0	\$5.1M	\$1.7M	\$500K
Estimated PPC* for Energy Trust efficiency only	4.4%	4.2%	2.5%	4.4%
Estimated PPC* for Energy Trust efficiency and renewable generation	4.9%	4.7%	N/A	N/A
Estimated total PPC* <i>(includes schools, low-income and Energy Trust for electric utilities)</i>	5.7%	5.5%	2.5%	4.4%
Anticipated effective date, pending OPUC action	Jan 1	Apr 1	Jan 1	Feb 1

**Public Purpose Charge (PPC) is a percentage charge on utility customer bills.*

Note: PPC rates shown above are based on best available estimates at time of final proposed budget publication. Actual rates may vary.

2016 utility savings & generation summary

	2015 Budget Savings (Net)	2016 Goal (Net)	2016 IRP target (Net)	2016 Budget (\$ Million)	2016 Budget (Levelized Cost)
PGE (Efficiency)	33.19 aMW	33.66 aMW	27.23 aMW	\$86.8	2.9¢/kWh
Pacific Power (Efficiency)	19.93 aMW	21.42 aMW	16.84 aMW	\$54.5	3.0¢/kWh
NW Natural (Oregon)	5.15 MMTh	5.25 MMTh	3.92 MMTh	\$22.1	32.3¢/therm
NW Natural (Washington)	0.26 MMTh	0.27 MMTh	0.26 MMTh	\$1.7	47.2¢/therm
Cascade Natural Gas	0.43 MMTh	0.47 MMTh	0.45 MMTh	\$2.6	41.3¢/therm
PGE (Renewable Energy)	2.72 aMW	1.09 aMW	N/A	\$11.7	N/A
Pacific Power (Renewable Energy)	0.75 aMW	3.04 aMW	N/A	\$9.7	N/A

aMW: average megawatts

MMTh: million annual therms

Customer benefits from 2016 investments

- **\$746 million in future bill savings** from energy improvements made in 2016 with help from Energy Trust
- Enough clean **energy to power 46,000 homes** and **heat 11,800 homes**
- Improved air quality by **avoiding 281,000 tons** of carbon dioxide
- Continued **high customer satisfaction**
- **Expanded access and participation** statewide
- Training and **support for 2,500 local businesses**

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2017 annual budget projection

- Expenditures forecast to decrease slightly
- Electric savings expected to increase by approximately 2 aMW (mega-project)
- Gas savings may decrease by an estimated 500,000+ annual therms (reset after 2016 mega-project)
- Levelized cost projections:
 - Electric 2.7¢/kWh in 2017 vs 2.95¢/kWh in 2016
 - Gas 38¢/therm in 2017 vs 33.7¢/therm in 2016
- Total renewable generation is expected to be similar

Discussion & Action

Discussion and action

Questions/discussion?

Staff recommends the Board of Directors adopt:

The Final Proposed 2016 Annual Budget
2017 Projection, and 2016-2017 Action Plan



Thank you!

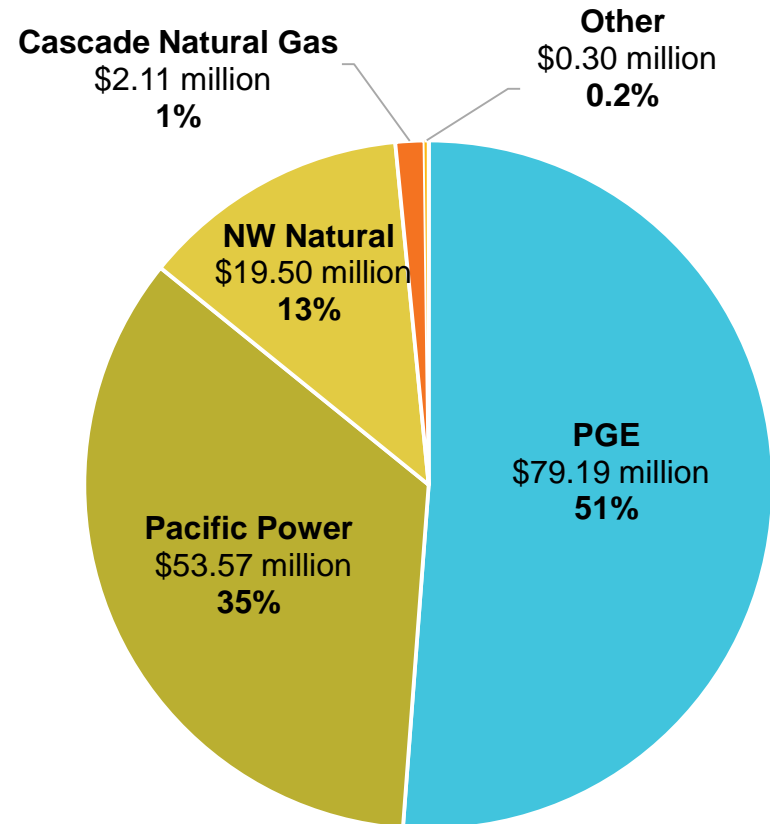
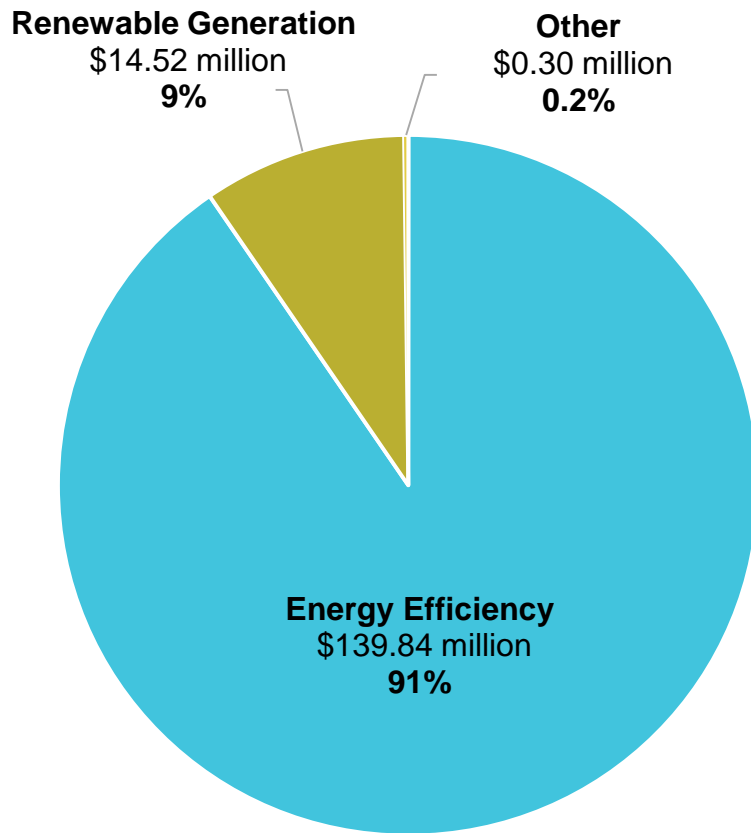


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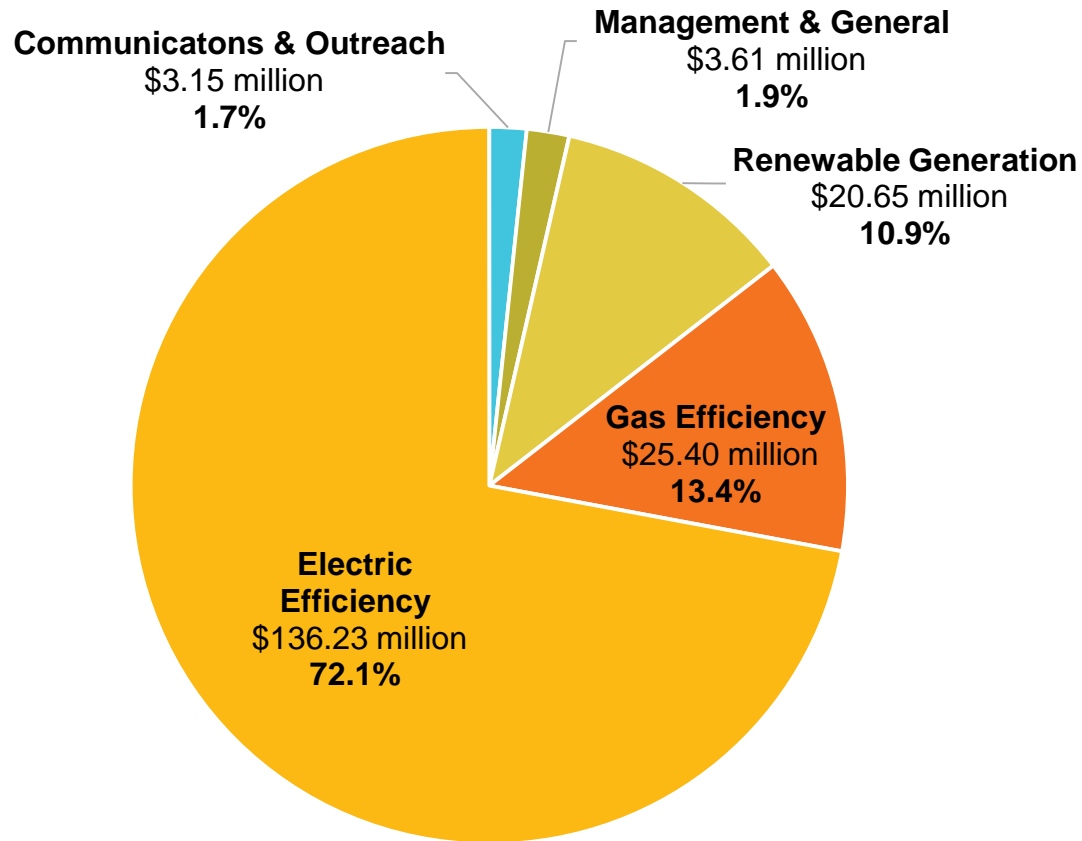
Supplemental Information

2016 budgeted revenues



Total 2016 revenue \$154.7 million
Increase of **\$6.45 million** (+4.4%) from 2015 Budget

2016 budgeted expenditures: minor changes

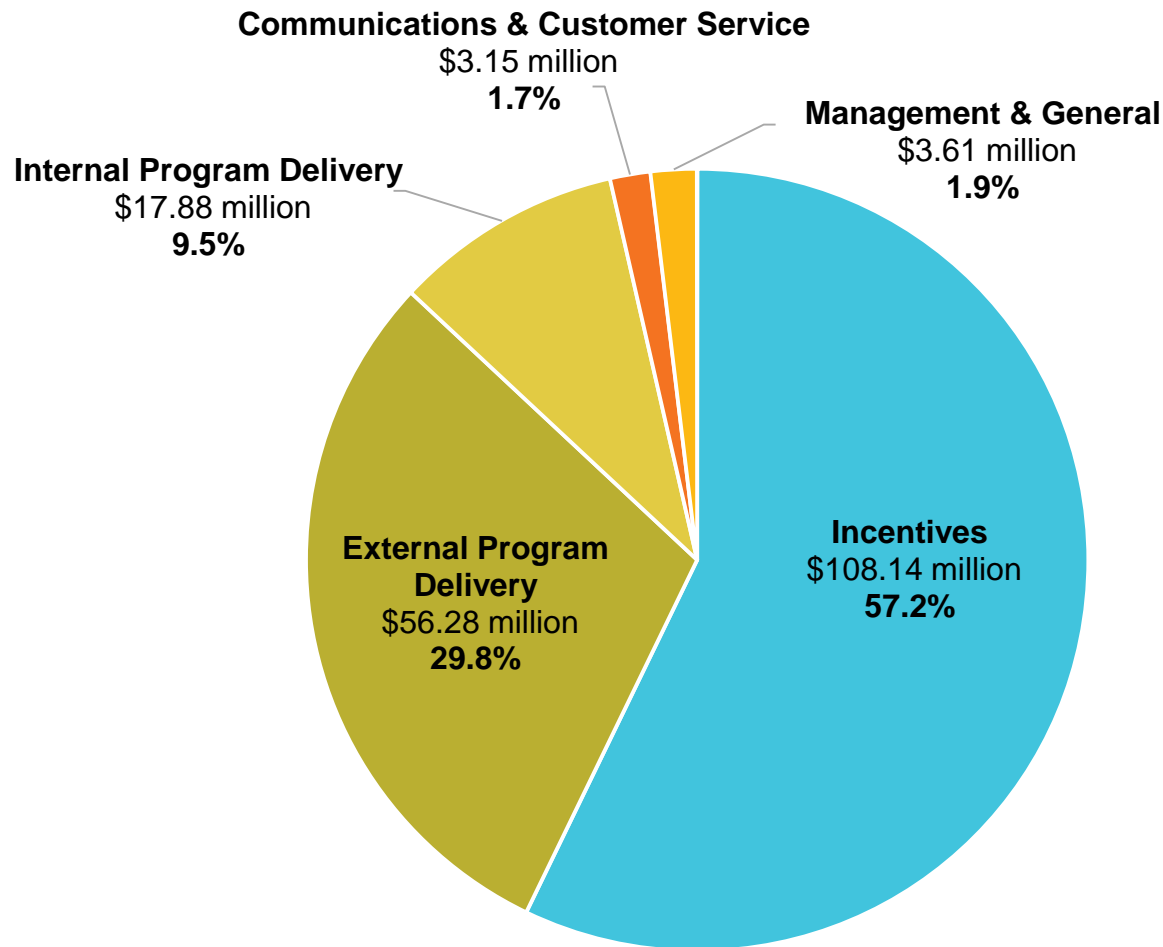


Final Proposed (R2)

Final proposed budgeted expenditures of \$189 million,
up 11.3% from 2015 budget and 0.7% from 2016 R1 Budget

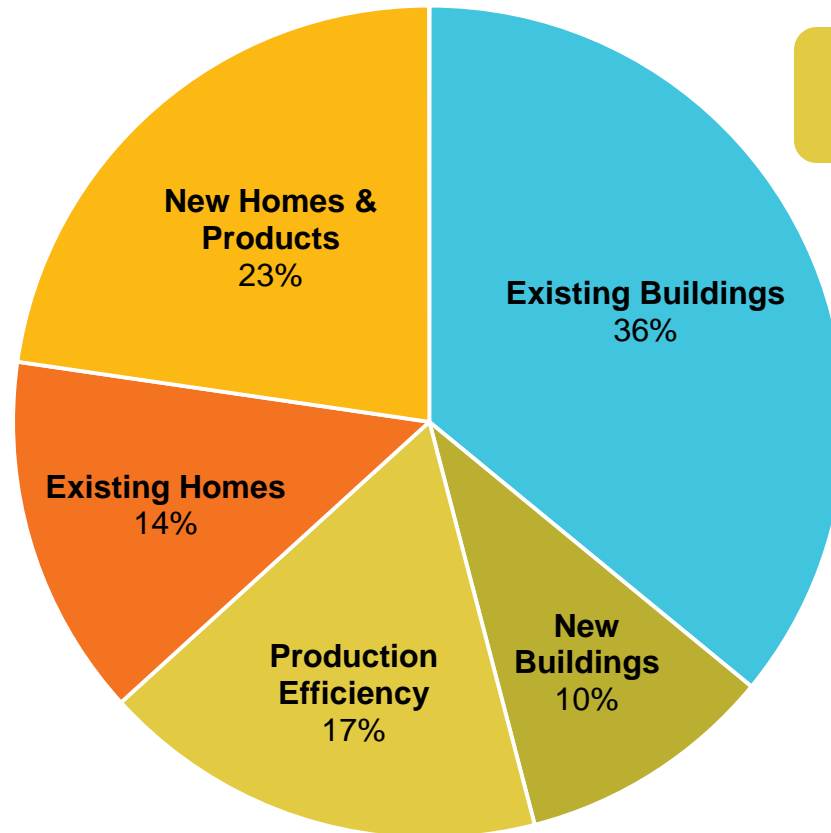
✓ Planned drawdown of reserves will cover expenses in excess of anticipated revenue

2016 total incentives, delivery & other expenditures



Expenses by Category
Total \$189 million

2016 natural gas savings by program

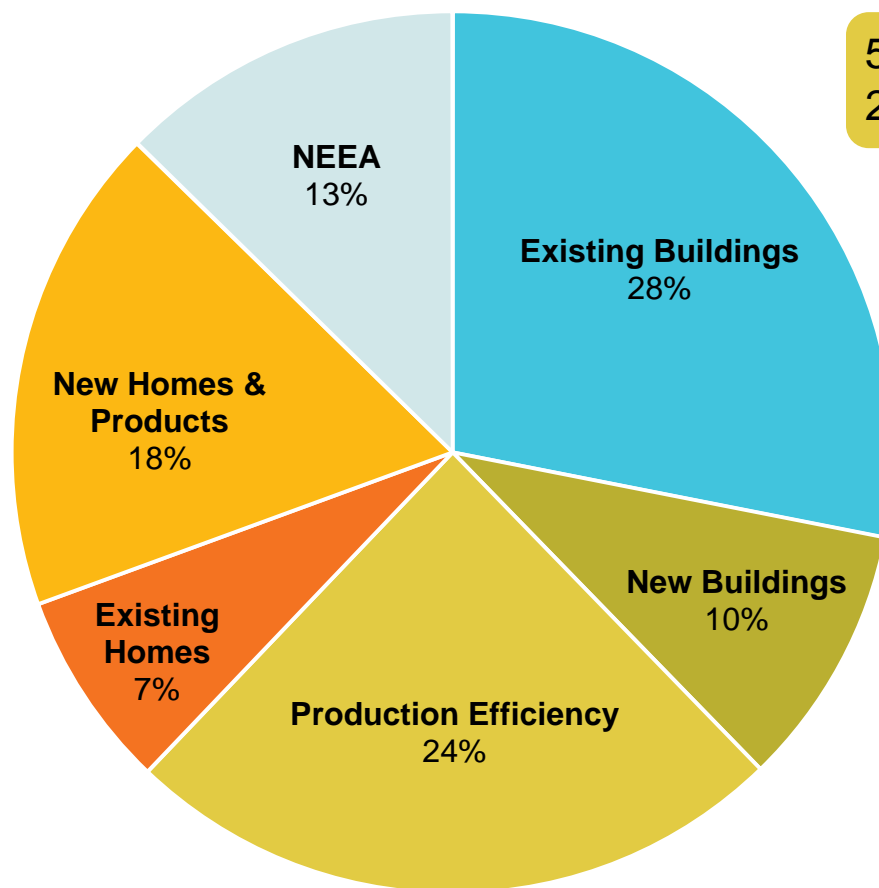


6 million annual therm goal
33.7 cents/therm levelized

A 2.4% increase in natural gas savings over 2015 budget

Investing \$26.3 million in incentives, services and program delivery for residential, commercial, industrial, agricultural and public sector customers

2016 electric savings by program



55.1 aMW goal
2.95 cents/kWh levelized

A 3.7% increase in total electric savings over 2015 budget

Investing approximately \$141.3 million in incentives, services and program delivery for residential, commercial, industrial, agricultural and public sector customers

NEEA goals and budget

	2015 Savings Goal	2015 Savings Re-forecast	2016 Savings Goal	2016 Budget (\$ Million)	2016 Levelized Cost (per kWh)
PGE (aMW)	2.86	4.22	4.12	\$4.3	1.3¢
Pacific Power (aMW)	1.99	2.93	2.86	\$3.0	1.3¢
NW Natural	-	-	-	\$0.83	N/A
Cascade Natural Gas	-	-	-	\$0.09	N/A

2016 renewable energy programs

	Total Budget 2015		Total Budget 2016	
	\$ Million	aMW	\$ Million	aMW
Other Renewables	\$4.7	1.99	\$5.8*	0.01
Solar	\$11.5	1.48	\$15.6	4.12
Total	\$16.2	3.47	\$21.4	4.13

* Other Renewables expenditures include:

- Milestone payments on nine projects completed, with generation claimed in prior years (42%)
- Project development assistance payments for potential generation in future years (34%)
- Staff, professional services, outreach and other allocated costs (23%)
- Commercial operation payment for one project scheduled for completion in 2016 (1%)

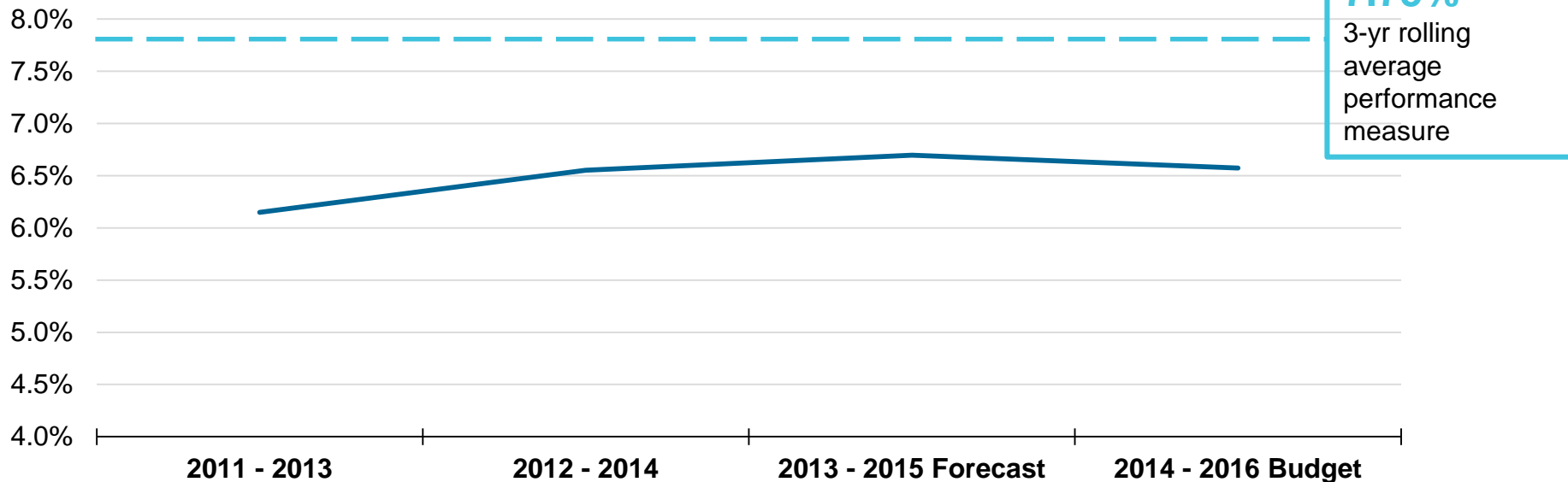
19% more generation than 2015 budget of 3.47 aMW

Investing \$21.4 million in incentives, services & program delivery for clean, renewable power

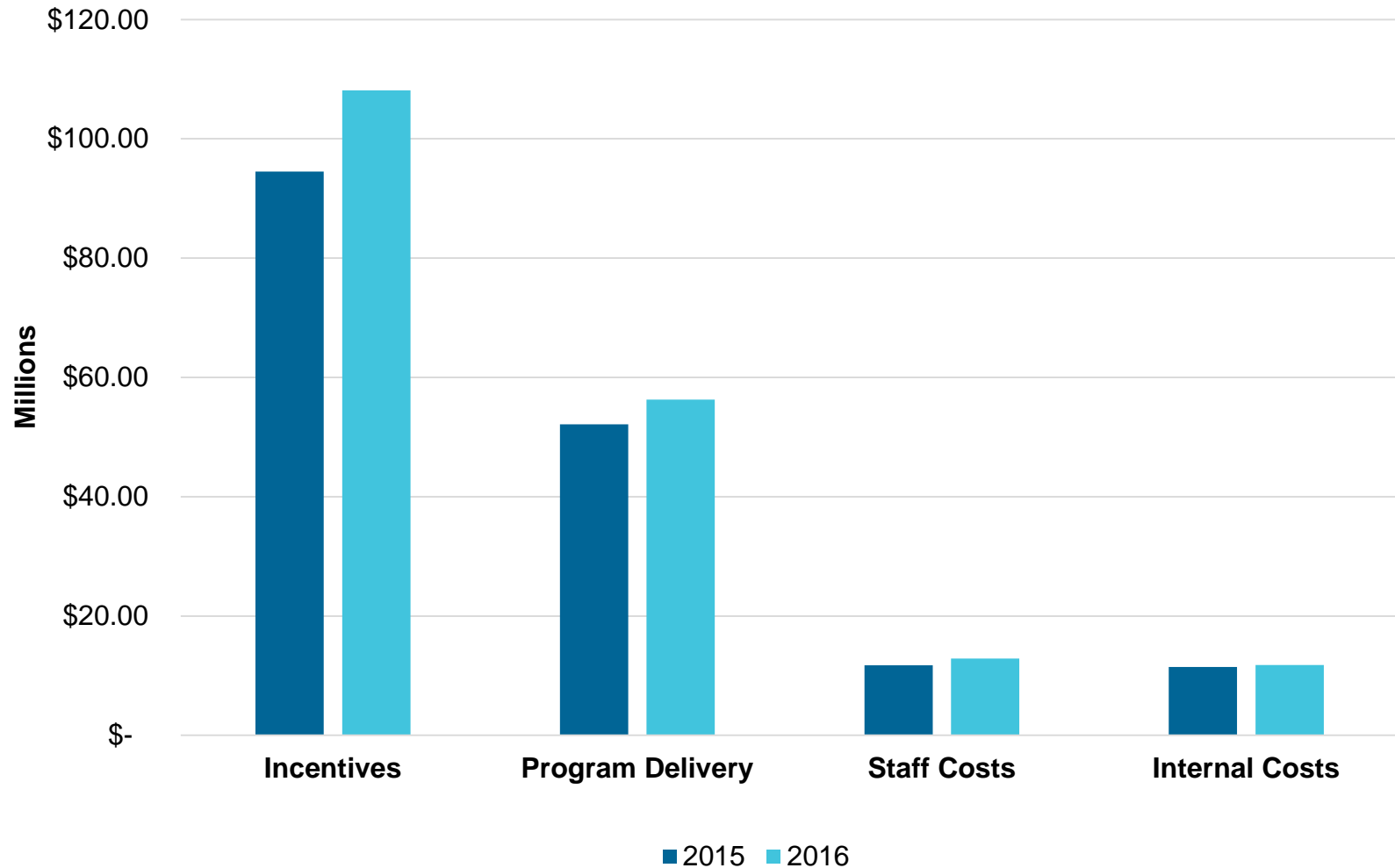
Proposed 2016 staffing

- ✓ Internal re-assignments made
- ✓ Net of one new FTE proposed
- ✓ Well below OPUC performance measure

3-year Cumulative Average
Staffing Costs as % of Total Expense



2015 budget compared to 2016 budget



TAB Outreach

Summary of Outreach Activities and Comments Received on the Energy Trust Draft 2016 Annual Budget and 2016-2017 Action Plan

Outreach Activities

Every year, Energy Trust initiates development of its annual budget and two-year action plan in the summer. Early program concepts are presented to each utility, and program staff share proposed changes and directional information at the Conservation and Renewable Energy Advisory Councils through the fall. Feedback from these meetings is referenced by programs and support groups as the draft budget and action plan are developed. Outreach activities on draft budget and action plans occur in October and continue through November, leading up to board consideration of the final proposed documents in December.

A summary of completed outreach activities is provided below. In past years, individual presentations were made to each utility in November. Because of early and frequent engagement with utility staff on the budget and action plan concepts, PGE, NW Natural and Cascade Natural Gas opted for February 2016 meetings with utility executives to review year-end results and focus on the adopted budget and future opportunities for strategic collaboration. The following draft budget and action plan presentations were made:

July	Energy-efficiency program concepts reviewed in meetings with PGE, Pacific Power, NW Natural and Cascade Natural Gas 7/15: Renewable energy planning and budget considerations reviewed at the Renewable Energy Advisory Council
September	9/9: Renewable energy program concepts reviewed at the Renewable Energy Advisory Council Received detailed written comments, suggestions and requests from utilities on 2016 energy-efficiency program concepts. Feedback incorporated and program plans adjusted; clarified information provided in written responses. Informal discussion continued with utilities throughout preparation of the draft annual budget and action plan.
October	10/21: Conservation and Renewable Energy Advisory Councils 10/30: Oregon Public Utility Commission staff at an informal work session
November	11/4: Energy Trust Board of Directors 11/6: Citizens' Utility Board of Oregon, Oregon League of Conservation Voters, Environment Oregon and Drive Oregon 11/13: Pacific Power 11/16: Webinar open to the public 11/17: OPUC public hearing; Oregon Department of Energy 11/20: Updates to the Conservation and Renewable Energy Advisory Councils

Public Comments

The draft budget and action plan are on the website at www.energytrust.org/about/budget. Budget presentations and action plan documents are also included in the public meeting packets posted online for the Conservation Advisory Council and Renewable Energy Advisory Council meetings, and for the board of directors meetings at www.energytrust.org/about/public-meetings. Public comments on the draft budget and action plan were accepted from October 29 to November 20, 2015. Written comments were invited from all parties engaged in outreach meetings, as well as the public. Comments received are summarized in the table below, followed by copies of actual comments received.

Respondent: Oregon Public Utility Commission (OPUC)**Comment topics****Energy Trust staff responses**

Commission adopted OPUC staff comments on Energy Trust's proposed budget and action plans, with comments and recommendations summarized below.

Energy Trust appreciates the time and effort of OPUC staff and commissioners to review and comment on our draft budget and action plan. We acknowledge OPUC staff member and liaison Elaine Prause for her work to question, understand and thoughtfully comment on the detailed content of our draft budget and action plan.

Summarized Energy Trust follow-up actions on OPUC recommendations provided on the 2015 (current year) budget:

We appreciate OPUC staff acknowledgement of our completed and in-progress activity in responding to budget comments received on the current budget and action plan cycle.

- Document staff and workload reductions and reassignments for 2014 and 2015 (complete)
- Report on efforts to conduct an administrative support staffing level needs assessment that was recommended in the 2014 Management Review (complete)
- Report on efforts to identify and develop an approach for three to four administratively focused productivity metrics as recommended in the 2014 Management Review (in progress)
- Quantify the incremental benefits of each new hire in 2014 and 2015, and provide advance justification for each new proposed FTE (complete)
- Establish an annual performance measure for the ratio of total employee costs to total expenditures (complete)
- Provide annual reports from 2014 and ongoing on Oregon specific and Northwest results for each NEEA core and opt-in program (complete)
- Provide information in each NEEA annual report on new opportunities, project ideas not approved by the Regional Portfolio Advisory Committee, uptake on emerging technologies, results of the take-stock analysis and any mid-course program corrections (complete)

As the OPUC comments note, identification and development of three administratively focused productivity metrics are nearing completion and will be reported in the 2015 annual report. A fourth metric is planned for development in 2016.

Supported the one additional staff position included in the budget.

We acknowledge the OPUC's support for this position request.

Supported higher savings targets for PGE, Pacific Power and NW Natural than the utilities indicate in their current Integrated Resource Plans. Encouraged Energy Trust to work with utilities to see if adjustments to current coordination can be made to better represent short-term market experience in IRP processes.

We appreciate the commission's support of our proposed utility savings goals set at the highest achievable amount, which may not directly align with IRP targets. We will work with each utility going forward to reflect current market conditions in the development of IRP targets.

<p>Requested completion of metric definition for expanding participation and four administratively focused productivity metrics and to begin to track progress against the new metrics.</p>	<p>In response to OPUC comments made on the 2015 budget, Energy Trust committed to developing at least three administratively focused productivity metrics in 2015. Three are currently in development. Initial metrics are nearly complete for measuring improvements made in Energy Trust's project tracking system and for increasing the efficiency, accuracy and customer satisfaction of internal procurement and payment processes. Staff have commenced metrics development in a third area, customer information and customer services by phone. Metrics development for a fourth area, incentive processing, will commence in Q1 2016. In 2016, Energy Trust will track and report on progress against the new metrics.</p> <p>With the Strategic Planning board committee, we are also developing metric(s) for expanding participation. The metric(s) will be presented to the full board at the Board Strategic Planning Workshop in May 2016 and to the OPUC at our 2015 Annual Report and Q1 presentation.</p>
<p>Requested annual reports on NEEA activities continue to be submitted to the OPUC. Energy Trust should make the report available as soon as possible, and present on the report to the commissioners in mid-year 2016.</p>	<p>We will continue to submit an annual report detailing Oregon specific and Northwest results for each NEEA core and opt-in program, as well as information on new opportunities, project ideas not approved by the Regional Portfolio Advisory Committee, uptake on emerging technologies, results of the take-stock analysis and any mid-course program corrections. We will work with NEEA to identify a submission date that will allow for a mid-year presentation to commissioners, and will communicate the submission date to OPUC staff by January 15, 2016.</p>
<p>Requested revisiting 2016 reserves and funding assumptions for Pacific Power energy efficiency by April 2016 to ensure adequate program reserves to meet goals.</p>	<p>Energy Trust and Pacific Power agreed to review year-end carryover in early February to set an appropriate tariff adjustment effective April 1 that allows Energy Trust to meet Pacific Power savings goals identified in the 2016 budget and have adequate reserves at the close of 2016.</p>
<p>Requested changes to major planning assumptions used when developing future budgets be highlighted for the OPUC and stakeholders. The summary should include assumptions like avoided cost updates and any impacts on available measures and anticipated savings, as well as measures that received exceptions or were removed.</p>	<p>Energy Trust updated electric avoided costs in 2015 and presented information about impacts to stakeholders at the November 20 Conservation Advisory Council meeting. In the future, we will look at presenting this type of information earlier in the budget process, if possible. We will also assess how this information, and measure assumptions, can be summarized as part of the draft budget presentation.</p>

Requested reporting gross annual electric and natural gas savings in addition to net savings. Noted levelized costs of savings and OPUC performance measures should only be reported in net.	We acknowledge the request and will begin reporting gross annual electric and natural gas savings starting in 2015 and going forward.
Requested stakeholders be engaged in identifying ways Energy Trust can modify energy use and distributed energy generation impacts to local distribution system constraints and operations costs. Progress on discussions should be reported to the commissioners prior to the next budget cycle.	We will begin conversations with utilities and explore ways we can potentially assist by minimizing costs related to utility systems demand, transmission and distribution. We appreciate input provided regarding phasing of this work and look forward to discussing further with OPUC staff. We will consult with and report progress to the OPUC, stakeholders and utilities as we develop ideas and proposals.
Staff commented that the major drivers behind areas of growth or market contraction are not readily apparent in the standalone budget document. A high level market context setting section would be helpful for future budget documents.	Thank you for this observation and we will address how this information can be made more apparent in future budget documents.
Staff expressed support for continued actions to reduce costs, especially for the Existing Homes program. This is an ongoing effort directly related to Docket No. UM 1622 and gas efficiency cost effectiveness.	We acknowledge the OPUC staff support for this work. We expect to identify design changes in the residential sector in 2016 that will continue cost-reduction objectives and provide new approaches to delivering cost-effective savings. Stakeholders will be engaged through the Conservation Advisory Council.
Staff supported Energy Trust's plans to test some specific residential cross sector strategies for water heating and thermostats in 2016 as they investigate the benefits and costs of a redesign.	We appreciate OPUC staff support for this work and will report on progress.
Staff supported the opportunistic approach related to solar. In 2016, the OPUC will be undertaking a review of all solar programs offered in Oregon, including Energy Trust's, and anticipates next year to be a good opportunity for Energy Trust to reassess market needs for 2017 and 2018.	We will provide information as requested for the OPUC review, and will assess solar market needs for 2017 and 2018.

Respondent: Pacific Power
Comment topics

Energy Trust staff responses

Acknowledged Energy Trust's presentation of the draft budget and action plan to Pacific Power staff on November 13. Recognized Energy Trust work implementing the five-year strategic plan.	Energy Trust appreciates the time and effort of Pacific Power staff to carefully review and discuss our draft budget and action plan throughout the late summer and fall, and the thoughtful feedback provided during our November 13 presentation to Pacific Power officers and staff. We especially value the ongoing collaboration and communication with Kari Greer, Don Jones, Scott Bolton and Cory Scott.
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Acknowledged Energy Trust's forecasted year-end savings for Pacific Power, expected to be greater than the IRP target.	We appreciate this comment and the flexibility to pursue additional cost-effective electric savings greater than originally budgeted for the benefit of Pacific Power and its customers.
Supported and reinforced the OPUC comment on increasing coordination to improve the alignment between savings targets established through the Energy Trust budgeting process and the utility IRP process. Noted enhancing the exchange of information will improve transparency and reinforce the connection between Energy Trust and the IRP process.	We appreciate the comment and will work with Pacific Power staff next year during the IRP update process to identify ways to improve communication of information regarding conservation resource assessments and current market trends.
Acknowledged Energy Trust's willingness to resume near-term revenue adjustment discussions in early 2016, once the 2015 program year has ended.	We appreciate our ongoing collaboration with Pacific Power to appropriately budget for 2016 in a manner that minimizes rate impacts while allowing us to acquire all cost-effective energy efficiency.

Respondent: Cascade Natural Gas
Comment topics

Energy Trust staff responses

Reviewed and supported the draft 2016 budget and 2016-2017 action plan.	Energy Trust appreciates the time and effort of Cascade Natural Gas staff to carefully review and discuss our draft budget and action plan throughout the late summer and fall. We especially value the ongoing contributions from Jim Abrahamson.
Indicated interest in learning about potential changes that may occur throughout the year to gas appliance offerings, enhanced incentives for renters, direct marketing to gas customers and offerings that include gas furnace incentives. Noted willingness to provide comments on any such changes.	We appreciate your interest and will continue regular coordination meetings with Cascade Natural Gas staff to exchange information and collect input on these program activities.

Respondent: Portland General Electric (PGE)
Comment topics

Energy Trust staff responses

Reviewed and supported the draft 2016 budget and 2016-2017 action plan. Recognized Energy Trust's transparency and responsiveness in answering clarification requests.	Energy Trust appreciates the time and effort of PGE staff to review and discuss our draft budget and action plan throughout the late summer and fall. We value and appreciate the work of Garrett Harris, Anne Snyder-Grassmann, Lauren Shapton, Jim Cox and Carol Dillin.
Commented the utility values the opportunity to collaborate with Energy Trust and discuss PGE-specific program plans to increase and enhance customer participation, and meet savings goals.	The collegial interaction with PGE staff is highly appreciated, and we appreciate your willingness to collaborate on designing and enhancing programs to encourage PGE customer participation.

Respondent: NW Natural Comment topics	Energy Trust staff responses
Reviewed the draft 2016 budget and commented on the smooth budget development and review process.	Energy Trust appreciates the time and effort of NW Natural staff to review and discuss our budget and action plan, from budget concepts to the draft budget and action plan. We value and appreciate the work of John Frankel, Gail Hammer, Holly Meyer, Bill Edmonds, Keith White and David Anderson.
Noted the potential water heater market, and the opportunity to research water heater purchases to encourage customers to choose high-efficiency models.	We recognize your perspective on this market. Residential sector staff are exploring strategies for expanding penetration in the water heater market. Market research and engagement with NEEA will be part of this exploration. We will continue discussion with NW Natural on this topic through regular coordination meetings.
Commented the upstream hearth incentive approach is not ready to move forward. Noted the incentive amount is too low to encourage participation and distributors and manufacturers may be dissatisfied with the application process. Expressed concern the approach could lead to subsequent elimination of the incentive offer.	Our 2016 goals are to increase our familiarity with the hearth market retail/distribution actors, while continuing to encourage efficient hearth purchases through a consumer incentive. As we consider how and where to change incentives for hearths in 2016, we will engage with NW Natural.
Noted the amount of savings from Energy Saver Kits will be substantial. Requested to see a long-term plan on kit distribution, savings from kits for the next three years and transitioning eventually to other measures.	At this time, significant gas savings remain for showerheads in Energy Saver Kits. We believe this will continue to be a resource for several years, and we continue to assess other measures as described in our Existing Homes and Products action plans. We will share information with NW Natural on transition plans when they are developed.
Stated support for the new gas market transformation efforts with the Northwest Energy Efficiency Alliance, and noted the effort could lead to incentives for new gas products, including savings opportunities that could replace savings from Energy Saver Kits.	Thank you. We look forward to ongoing engagement and partnership on these and other approaches to acquiring future gas savings.
Commented that the cost-effectiveness requirements guiding Energy Trust's ability to support certain measures are not incorporating the market's perspective, and are hard for customers and contractors to understand. Noted this comment is similar to the utility's comments in past years. Suggested California or Washington approaches should be considered.	We acknowledge your comment. We endeavor to engage stakeholders and understand the market perspective as we make changes to align with state requirements on cost effectiveness. We do share information and learn about approaches in other states. The OPUC oversees our adherence to cost-effectiveness requirements in Oregon.
Commented the New Homes program should be reviewed to determine the appropriate incentive levels, especially given the large number of row houses being constructed.	The New Homes program is reviewing the incentive structure in 2016 as described in the action plan. We will engage NW Natural as a stakeholder in this process.

Stated support for establishing a common baseline for each market segment, including single-family, multifamily, new and existing. Offered to continue collaborating on the approach to ensure sound distribution of incentives in time for development of the 2017 budget.

We acknowledge your interest in this idea. This is a complex issue that requires additional discussion.

Respondent: Oregon Department of Energy

Comment topics

Energy Trust staff responses

Reviewed the draft 2016 budget and 2016-2017 action plan. Noted the department looks forward to working with Energy Trust to implement program enhancements and continue cost-effective energy saving and renewable energy development.

Energy Trust appreciates the time and effort of the Oregon Department of Energy staff to review and discuss our budget and action plan, and to maintain coordination throughout the years. We value and appreciate the input of Warren Cook, special advisor to the board.

Commented demand response can help meet system capacity needs and is the second priority, after energy efficiency, in the Northwest Power and Conservation Council's draft 7th Power Plan. Offered to collaborate on demand response offerings that are explored or developed. Said working together to assess energy use shaping and energy-cost savings from demand response will help utilities, Energy Trust and the department inform customers and encourage participation.

We agree. Energy Trust welcomes collaboration with the Oregon Department of Energy in this area.

Noted the department will continue to work with Energy Trust to advance energy codes in Oregon by offering complementary program offerings to introduce and test potential components of subsequent energy codes, and encouraging customer participation in beyond-code offerings to build industry support and set the stage for code advances.

We appreciate the Oregon Department of Energy's complementary work in this area.

Noted they will coordinate with Energy Trust to gather energy savings data to support efficiency activities toward compliance with the federal Clean Power Plan.

We appreciate the Oregon Department of Energy's coordination as we jointly support compliance with the federal Clean Power Plan.

Commented the department's programs are complementary to Energy Trust programs. There are many opportunities to assess incentives, align measure management to regional standard methodology and collaborate on participant outreach.

We agree and value the department's engagement in our regular program coordination meetings.

The following summarized comments were expressed by trade ally contractors at the Conservation Advisory Council meeting on November 20. See full council meeting notes at www.energytrust.org/About/public-meetings/CACMeetings.aspx.

Contractors providing feedback included Jeremy Anderson, WISE; Mary Mann, Goose Hollow Windows; Danny Defeniks, Discount Windows;

Jerry Page, Total Comfort; Scott Davidson, Enhabit

Comment topic**Energy Trust staff response**

Commented on the change in incentive amounts for windows in multifamily settings as proposed in the draft budget, and the process Energy Trust uses when modifying incentives. Feedback focused on the market's view that Energy Trust incentives are still necessary to drive energy-efficient window installations at multifamily properties.

Thank you for your participation and comments. We value the input of trade ally contractors, particularly as we implement program changes to meet cost-effectiveness requirements. We invite contractors to attend the January trade ally roundtables in Portland, Bend and Medford where staff will provide full information on the issue, review OPUC requirements and answer contractor questions. The topic will also be on the Conservation Advisory Council agenda at the February 10 or March 16, 2016, meeting. Our goal is to work with multifamily stakeholders to determine how the program can be modified to meet state cost-effectiveness requirements.



Oregon

Kate Brown, Governor

Public Utility Commission

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November 17, 2015

Margie Harris, Director
Energy Trust of Oregon
421 SW Oak, Suite 300
Portland, Oregon 97204

Dear Margie,

We appreciate the opportunity to comment on your 2016 Budget and 2016-2017 Action Plan. We adopt the recommendations of the OPUC Staff, summarized in more detail in the attached memo and discussed at today's public meeting.

We applaud the Energy Trust for results achieved for customers in 2015 and look forward to working with the Trust and stakeholders to achieve the targets in the budget.

OREGON PUBLIC UTILITY COMMISSION


Susan Ackerman
Chair


John Savage
Commissioner


Stephen Bloom
Commissioner

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 17, 2015**

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: November 10, 2015

TO: Public Utility Commission

FROM: Elaine Prause *EP*

THROUGH: *I* Jason Eisdorfer and Aster Adams *AA*

SUBJECT: ENERGY TRUST OF OREGON: Presentation of 2016 Draft Budget and 2016-17 Action Plan.

STAFF RECOMMENDATION:

Staff recommends that the Commission adopt Staff's comments as Commission comments on the Draft 2016 Budget and Draft 2016-2017 Action Plan for the Energy Trust of Oregon.

DISCUSSION:

The Oregon Public Utility Commission (PUC or Commission) oversees the Energy Trust of Oregon (Energy Trust) to ensure that it acquires all achievable cost effective conservation savings and accelerates small scale renewable resource generation while keeping its administrative costs down and providing a high level of customer satisfaction. As part of the oversight, the Commission reviews and provides comments on the Energy Trust's action plan and annual budget.

Energy Trust presented the Draft 2016 Budget (Budget) and Draft 2016-2017 Action Plan (Action Plan) to the Conservation and Renewable Energy Advisory Councils (CAC and RAC) on October 21, 2015, for initial review. The same Action Plan and Budget were presented to PUC Staff on October 30, 2015, and to the Energy Trust Board on November 4, 2015. The public meeting scheduled for November 17, 2015, is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the Budget and Action Plan. A final review of the Action Plan and Budget will be made by the CAC and RAC on November 20, 2015. The Energy Trust Board will adopt the final Action Plan and Budget on December 11, 2015.

Summary

There are no major changes in direction or strategy in this Budget and Action Plan. The following are key points about the 2016 budget:

- Total revenue is projected to be \$152.8 million, which is projected to be \$4 million more than last year.
- Total expenditures are projected to be \$187.7 million, up 10.5 percent from the 2015 budget.
- The difference between revenues and expenditures continues to draw down carryover reserves by the end of 2016.
- Total electric savings are projected to be 55.7 aMW, an increase of 5 percent from the 2015 budget.
- Electric savings levelized cost is projected to decrease from 3.1 cents/kWh projected for 2015 to 2.9 cents/kWh in 2016.
- Total gas savings are projected to be 5.7 million annual therms, a decrease of 3 percent from last year's budget.
- Cost of gas savings is projected to decrease slightly from a budgeted 34.4 cents/therm in 2015 to a projected 34.1 cents/therm in 2016.
- The renewables budget for 2016 is dominated by standard solar project incentives, project development assistance for future non solar custom projects, and progress payments incurred in 2016 for custom installations in prior years.
- Renewables generation target in 2016 is 2.84aMW, a decline from 3.47aMW budgeted for 2015.

The table below shows the projected savings targets for Portland General Electric (PGE), PacifiCorp, NW Natural and Cascade Natural Gas (Cascade), along with the most recent approved Integrated Resource Plan (IRP) numbers. Savings targets are different than IRP numbers where more recent market projections were available and the utilities agreed to those updated targets. Savings targets for PacifiCorp and NW Natural increased significantly over the most recent IRP numbers. Additional discussion related to these differences is included in a later section of this memo.

	<i>2016 IRP Number</i>	<i>2016 Goal</i>
PGE (aMW)	27.2	34.1
PacifiCorp (aMW)	16.8	21.6
NW Natural (MMTh)	4.2	5.2
Cascade (MMTh)	0.5	0.5

Energy Trust's budget includes one new full-time equivalent employee (FTE) bringing Energy Trust's total staff count to 105. Inclusive of this new position, 2016 staffing costs

are up slightly from 2015 but budgeted to be well below the new OPUC performance measure¹ at 6.5 percent. Additional details on these staffing issues are described in more detail further in this memo.

Consistent with prior years, administrative and program support is budgeted to be around six percent of revenue.²

The 2016-2017 Action Plan lists the following focus areas for the next two years:

- Managing Transition including changes to how residential programs are structured and hiring a new Executive Director.
- Emerging Technologies and Approaches with expansion of LED applications, Strategic Energy Management, multifamily measures and coordination with PGE on a demand response pilot.
- Expanding Participation starting with research to identify gaps and implementing trade ally development, rental property measures, and pre-packaged measure bundles.
- Efficient and Effective Operations continuing process improvements, administrative efficiency metrics, automated tools, and account management.

Status of Last Year's Recommendations

Below is a summary of last year's Staff recommendations that were adopted by the Commission for the 2015 Budget and 2015-2016 Action Plan. Also below are Staff comments on each recommendation.

Recommendation: Document staff and workload reductions and reassignments that occurred in 2014 in the 2014 annual report. For 2015 document staff and workload reductions and reassignments that occurred during 2015 in the annual budget document.

Comment: *Energy Trust included a report on staff and workload reductions and reassignment for 2014 within Appendix 3 of their 2014 annual report. For 2015, Energy Trust provided a separate report to OPUC staff documenting 2015 workload reductions and reassignments.*

¹ In 2015, Energy Trust staff and the OPUC created a new performance measure for staffing expenses to not exceed 7.75 percent of total expenses, to be calculated on a three year cumulative average.

² In 2015 administrative and program support costs were budgeted to be 6.2 percent of expenses, whereas in 2016 they are budgeted to be 6.3 percent.

Recommendation: Follow through and report back to the Commission at the end of 2015 on the status of Coraggio Group's recommendation #15 (of the 2014 Management Review) which says:

We recommend Energy Trust conduct the administrative support staffing level needs assessment that was recommended in the 2010 Management Review.

Comment: *Energy Trust completed an administrative support staffing level needs assessment in 2015 and reported the results to the Commission during the October 20, 2015, public meeting presentation of second quarter results.*

Recommendation: Share with PUC Staff and the Commissioners prior to next year's budget cycle the results of Energy Trust's efforts to identify and develop an approach for 3-4 administratively focused productivity metrics as identified in the 2014 Management Review.

Comment: *PUC Staff participated in Energy Trust's strategic planning committee in 2015 and was informed of Energy Trust staff and Board progress towards determining 3-4 administratively focused productivity metrics. This work is continuing to progress but is not yet complete. Four target areas have been identified and a consultant has been hired to help train Energy Trust staff in defining and tracking meaningful and measurable metrics. These new metrics will be complete prior to the May 2016 Board Strategic Planning retreat.*

Recommendation: Quantify the incremental benefits of each of the new 2014 hires in the 2014 annual report. For the two new hires proposed in 2015, provide information about the incremental quantitative benefits in Spring 2015, including savings achieved and costs reduced. Going forward for each new proposed FTE, provide justification in advance in terms of benefits to ratepayers from additional savings achieved and/or reduced costs.

Comment: *Benefits related to the 2014 new hires were included in the 2014 annual report and benefits for the 2015 new hires were shared as a separate document to the 2016 draft budget. A separate memo to the 2016 Draft Budget provided justification for the one new FTE requested. Staff requested and Energy Trust provided some additional information used by PUC Staff to review the new position as discussed on page 6 of this memo.*

Recommendation: A new Energy Trust Performance Measure be established for the ratio of total employee costs (including contract staff and benefits) to Energy Trust's total expenditures. Staff recommends this metric be set at 7.75 percent as a three-year

rolling average and the metric be revisited every three years, or sooner if necessitated by a significant shift in Energy Trust's program delivery or other notable market condition or opportunity.

Comment: This metric was established for 2015 Performance Measures.

Recommendation: Energy Trust should provide annual reports on Oregon specific and Northwest results from each of the NEEA core and opt-in programs. Assessments should set forth goals, targets, results, and other salient information and commentary for each of the efforts.

Comment: This recommendation was addressed and will continue going forward as NEEA annual results are provided to the OPUC. In addition, NEEA presented 2014 results to Commissioners at the October 20, 2015 Public Meeting.

Recommendation: As part of Energy Trust's annual report on NEEA activities, Energy Trust should provide information on:

- a. In addition to previously identified emerging and promising technologies, what new opportunities have surfaced in the previous 12 months and what has NEEA done in response to those opportunities;
- b. What project ideas have been rejected by NEEA's Regional Portfolio Advisory Committee (RPAC) and how many votes were for and against the rejected measures;
- c. What is the uptake on identified emerging, promising technologies;
- d. What are the results of the take stock analysis of the budget and the opt-in programs; and
- e. What mid-course corrections have occurred in any of the NEEA programs.

Comment: This recommendation was addressed and will continue going forward as NEEA annual results are provided to the OPUC.

2016 Draft Budget Issues

Staffing

Energy Trust is proposing to add one new FTE position to bring the total Energy Trust FTE count to 105. The need for the new position results after a vacant renewable energy position was reassigned in 2015 to become an Operations Lead, supporting the systems development needs for all energy programs. This position ensures IT business systems are designed to address program specific needs and has added value by

providing clear, effective direction and communication to cross functional teams when implementing business systems projects, leading more efficient implementation.

Although the renewable position was backfilled with some contract assistance, the need for project processing assistance in renewables and commercial programs in support of growing Strategic Energy Management (SEM) efforts is projected to increase in 2016. The solar program anticipates 2016 will see the greatest volume of solar incentives to process yet (an increase of 32 percent over 2015) due to the expected elimination of the 30 percent residential federal investment tax credit by January 1, 2017. Commercial SEM project volume is anticipated to grow 58 percent in 2016. This new position is expected to split hours across the two programs to serve customer demand in both renewables (60 percent) and SEM (40 percent). If not for this new position, other program staff would likely need to shift away from project analysis and outreach functions to process incentives, leading to less savings and generation in the pipeline.

Staff questioned whether the project volume, and thus the position need, is expected to be sustained past 2016. Although there is uncertainty regarding 2017 program needs for standard solar, Energy Trust is confident in their expectation for continued growth in commercial SEM and growth of custom renewable activity in 2017 which would offset any decline in standard solar focused work.

Overall Energy Trust staffing costs in 2015 are projected to increase over 2014 but the three year rolling staffing metric of staffing costs as a percent of expenditures is estimated to be 6.5 percent, well below the 7.75 percent cap.

Staff has reviewed the new position justification and supports including it in the 2016 budget.

Carryover

The percentages in the table on the following page represent the *efficiency revenues* that were carried over compared to the total yearly revenues plus previous year's carryover, for 2011 to 2012, 2012 to 2013, 2013 to 2014, 2014 to 2015 and projected from 2015 to 2016 and 2016 to 2017:

	Carryover from 2011 to 2012	Carryover from 2012 to 2013	Carryover from 2013 to 2014	Carryover from 2014 to 2015	Projected carryover from 2015 to 2016	Projected carryover from 2016 to 2017
PGE	15%	16%	28%	27%	20%	4%
PacifiCorp	0%	7%	24%	25%	15%	1.5%
NW Natural	28%	12%	34%	35%	30%	17%
NW Natural Industrial	46%	37%	13%	17%	23%	5%
Cascade	6%	0%	33%	35%	26%	10%

In 2015, Energy Trust undertook specific actions to reduce the significant level of carryover seen in 2013 and 2014.

- Energy Trust staff were instructed to develop a 2015 budget with minimal cushion and rely on a system wide reserves to cover unforeseen circumstances and acquisition opportunities rather than assume individual program budgets would need to fully cover for these uncertainties.
- Energy Trust worked closely with utilities to identify decreases in incremental funding level collected from ratepayers within 2015. These tariff adjustments were filed with the OPUC in January 2015.

New budgeting practices continued for the 2016 budget process and as a result, by the end of 2016, carryover levels are projected to provide the minimum cushion necessary to absorb possible shortcomings in forecasted revenues and unanticipated cost effective savings acquisition. Staff notes one area of concern related to the projected reserve levels. At 1.5 percent, reserve from 2016 into 2017 for PacifiCorp is below the 3 percent target stakeholders generally agreed upon during 2013 discussions of reserve targets. To ensure Energy Trust has enough funding to acquire all cost effective efficiency as set forth in this budget, Staff encourages Energy Trust and PacifiCorp to revisit key funding assumptions in early 2016, once 2015 books have closed, to consider if additional incremental funding is needed to get closer to the 3 percent reserve target.

Renewable energy funds that were not committed to projects at the end of the year and so carried forward vary by year and utility from 4 percent to 35 percent since 2011. This variance is due to large energy projects not completing within the budgeted year due to business decisions made by project developers or owners. No large renewable projects are anticipated to be completed in 2016, only standard program solar projects and one small hydro project, which will have the effect of minimizing this risk of unspent

carryover. By the end of 2016, Energy Trust is forecasting to have just 2 percent (\$700,000) of renewable energy funds carry over into 2017.

Savings Goals vs. IRP

Energy Trust acquires all cost effective energy efficiency for ratepayers of the four utilities and works closely with all utilities in their long term planning processes to identify achievable efficiency resource over the next 20 years. The timing of utility planning processes and Energy Trust's budgeting are often not aligned, leading to some difference in short term acquisition projects. Currently, as seen in the table below, there is significant discrepancy between 2016 estimated efficiency acquisitions for three of the four utilities.

<i>Utility</i>	<i>2016 Savings from Current IRP</i>	<i>Energy Trust 2016 Budget Savings Goal</i>	<i>Difference</i>
PGE (aMW)	27.2	34.1	6.9
PacifiCorp (aMW)	16.8	21.6	4.8
NW Natural (MMTh)	4.2	5.2	1.0
Cascade (MMTh)	0.5	0.5	-

The main reason for this difference is due to recent changes in the market. Energy Trust is seeing increased demand for efficiency projects as the economy continues to rebound, particularly for new commercial construction and custom industrial project investments. Growth in cost effective LED lighting applications is creating a large opportunity as well. These factors, increasing growth in project demand, were not envisioned one year ago during most IRP planning coordination between Energy Trust and utilities.

Because Energy Trust's budget estimates reflect most current market conditions, these higher savings targets are more representative of all achievable cost effective resources for 2016. As this underestimation of resource can have compounding impacts on utility planning efforts, if large differences continue to persist, Staff encourages Energy Trust staff to work with utilities to see if adjustments to current coordination can be made to better inform the IRP processes with the short term market experience. That being said, these higher savings projections for cost effective resources are good news for the region and it would be a lost opportunity if Energy Trust did not pursue these savings.

Action Plan

Energy Trust is proposing multiple ambitious actions for 2016 to meet goals in this budget. Upon review of these detailed plans, Staff has identified a few areas to highlight and add comment.

Overall Comments:

Context setting – Energy Trust staff presentations on the draft budget clearly frame the context behind the budget, yet when presented as a standalone budget document, the major drivers behind areas of growth or market contraction are not readily apparent. A high level market context setting section would be helpful for future budget documents.

Major planning assumptions – In developing the energy efficiency budget, Energy Trust updated avoided costs for both fuels. Similar to providing more overall context, Staff finds that it would be helpful to include a summary of major planning assumption changes and their impact upon measure availability for the budget. Going forward, Staff recommends Energy Trust summarize and share with OPUC staff and stakeholders major planning assumption changes such as avoided cost updates and report overall impacts, if any, on available measures and anticipated savings within the budget and action plan. Included in the summary should be a list of measures which received exceptions and those measures removed from the portfolio.

Market effects -- Energy Trust has always forecasted and reported net savings³ to show true attribution and impact of ratepayer dollars on the market. Staff supports continuing this practice, but also encourages Energy Trust to engage stakeholders in a discussion in 2016 to consider reporting gross savings as well. There are two reasons for this suggestion: 1.) As Energy Trust's relationships with customers mature, many repeat customers are more likely to be captured as free riders to the program because Energy Trust influenced the way these customers are now thinking about and investing in lowering their energy use. Whether it's truly site transformation or a nuance to the free rider discussion, these incremental savings leading to a more holistic acquisition per site are not appearing in net savings; and 2.) Regional and national tracking of energy efficiency accomplishments are typically shown as gross savings and looking forward, the need to report energy efficiency progress on a national or regional basis will continue.

Demand management – Energy Trust is uniquely positioned to work with utilities and customers to optimize distribution system usage to bring additional value to ratepayers. The Existing Homes program is working with PGE on their NEST demand response pilot in 2016 as a concrete first step towards real collaboration in system optimization. As electric utility smart grid reports and IRPs are

³ Net savings result when market effects of free riders and spillover are applied to estimated savings. Gross savings do not include an adjustment for market effects.

focusing more and more on value in demand management, and Energy Trust continues to work with NW Natural to identify targeting resources to avoid capital investments, engaging with stakeholders in 2016 for a larger conversation around demand management and the role of Energy Trust could result in additional cost saving collaborations and advancements.

Residential Programs – Energy Trust staff outlined specific actions to continue to reduce costs for the Existing Homes program in particular. This is an ongoing effort directly related to Docket No. UM 1622 and gas efficiency cost effectiveness. Staff supports these adjustments including rethinking how the Energy Performance Score (EPS™) supports the program yet acknowledges that balancing the need for cost reductions to the program will involve working with stakeholders on transition plans to new approaches.

Energy Trust's residential sector as a whole is planning to redesign program delivery approaches by sorting strategies by end use and technologies instead of customer type (e.g. existing homes, new homes, retail purchase) to further cost effective investments. Staff is supportive of Energy Trust's plans to test some specific cross sector strategies for water heating and thermostats in 2016 as they investigate the benefits and costs of a redesign.

Renewable Programs – Nearly all 2016 installed generation is anticipated to be in residential and commercial net metered standard solar projects with just one small hydro project expected. This resource mix is due to the large reduction or elimination of the federal investment tax credit for solar projects by January 1, 2016. Solar project demand is expected to peak in spring/summer of 2015 so that projects can be complete by the end of the year. While solar is taking advantage of the heightened interest, the non solar program is focusing on project development assistance needed to fill the pipeline of biopower, hydro, and geothermal projects in 2017 and 2018. This heavy tilt towards solar is unusual and is leading to a much higher cost per aMW acquisition on a calendar year basis than prior years. Nearly half of the \$5.8M non solar budget is dedicated to progress payments for projects completed in prior years.

Staff supports this opportunistic approach. In 2016, the OPUC will be undertaking a review of all solar programs offered in Oregon⁴, including Energy Trust's, and anticipates next year to be a good opportunity for Energy Trust to reassess market needs for 2017 and 2018.

⁴ As per HB 2941, Section (2)

Recommendations

Overall, PUC Staff supports Energy Trust's draft 2016 Budget and 2016-17 Action Plan and commends Energy Trust for its efforts in 2015. Staff recommends the Commission support the budget and action plan subject to the following conditions:

- 1. Include specific actions to complete metric definitions for expanding participation and four administratively focused productivity metrics and begin to track progress against these new metrics.*
- 2. Continue to provide an annual report on NEEA activities as begun in 2015 but share with PUC Staff and Commissioners as a separate document from Energy Trust quarterly reporting when it can be made available and presented to Commissioners (mid-year 2016). OPUC staff will review the annual report and provide an assessment of NEEA's performance against benchmarks to Commissioners during the same public meeting as NEEA's presentation.*
- 3. Revisit 2016 reserves and funding assumptions for PacifiCorp energy efficiency by April 2016, post 2015 closing, to ensure the resulting reserve estimate is sufficient for meeting goals and acquiring all cost effective resources.*
- 4. Going forward, summarize and share with OPUC staff and stakeholders changes to major planning assumptions used to develop the budget, such as avoided cost updates, and report overall impacts, if any, on available measures and anticipated savings within the budget and action plan. Included in the summary should be a list of measures which received exceptions and those measures that were removed.*
- 5. Explore expansion of reporting of net annual electric and gas savings to also provide gross savings. Levelized cost of savings and OPUC performance metrics should continue to incorporate net savings only.*
- 6. Demand management – Engage stakeholders in discussions to identify ways in which Energy Trust can provide further benefit to ratepayers by considering how modifications to energy use and distributed energy generation impacts local distribution system constraints and operations costs. A suggested approach is to break the conversations and resulting actions of this large, broad issue into three categories below. Report back to Commissioners on progress prior to the next budget cycle.*

- *Report the value of current program impacts more broadly, connecting to large grid efficiency contributions made.*
 - *Add expected winter and summer coincident peak capacity contribution estimates expected from energy goals for energy efficiency and renewable generation.*
 - *Work with utilities to identify where and how Energy Trust programs reduce demand on critical elements of the power delivery system.*
- *Assess data and tools needed to link utility grid objectives to specific Energy Trust actions. These might include:*
 - *Actionable information about opportunities to avoid specific grid investments.*
 - *Tools for linking the areas where investments are needed to demographic and load data for program targeting.*
 - *Possible enhancements to cost effectiveness analyses considering capacity value and other values to the grid.*
- *Identify 1-2 possible complementary pilots to achieve energy efficiency and equipment control to meet grid optimization objectives, to be developed in coordination with utilities.*

PROPOSED COMMISSION MOTION:

Staff's comments be adopted as Commission comments on the Draft 2016 Budget and Draft 2016-17 Action Plan for Energy Trust of Oregon.



Portland General Electric Company

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Carol Dillin

*Vice President
Customer Strategies &
Business Development*

November 20, 2015

Margie Harris
Executive Director
Energy Trust of Oregon
421 SW Oak St., Suite 300
Portland, OR 97204

Dear Margie,

Thank you for sharing Energy Trust's 2016 budget and 2016-2017 operational plans. PGE supports your plans without reservation. We appreciate Energy Trust's transparency and responsiveness to our requests for clarification regarding your plans. Specifically, we appreciate the opportunity to discuss goals, strategies and budget implications. We also highly value the opportunity to discuss program specific plans so PGE and Energy Trust continue to effectively collaborate to increase and enhance customer participation in Energy Trust programs. We look forward to a continued strong partnership to help serve our customers and meet savings goals.

Sincerely,

Carol Dillin

November 20, 2015

Margie Harris
Executive Director
Energy Trust of Oregon
421 SW Oak St., Suite 300
Portland, OR 97204

Dear Ms. Harris,

Thank you to you and your staff for presenting Energy Trust of Oregon's (Energy Trust) 2016 draft budget and action plan to PacifiCorp at our offices on November 13, 2015. PacifiCorp d/b/a Pacific Power would first like to recognize the good work Energy Trust has done to begin implementation of the latest strategic plan.

We have the following comments and have identified the following opportunities for the upcoming year:

- PacifiCorp appreciates the close alignment between the 2015 target (included in the funding agreement) and the latest year-end forecast from the Energy Trust. We believe this relatively small variance illustrates effective use of market knowledge and context, which is one of the four Energy Trust budget and action plan building blocks.
- The 2016 savings goal shows a significant variance from the PacifiCorp planning assumptions. The 2016 savings goal exceeds PacifiCorp's 2013 Integrated Resource Plan (IRP) value for 2016 by 45 percent and the 2015 IRP value (published in March of 2015) for 2016 by 25 percent. This observation is provided in support of OPUC staff comments regarding improving alignment between savings targets established through the Energy Trust budgeting process and utility planning efforts, specifically targets generated through the IRP process¹. The Company has worked closely with the Energy Trust's planning team through multiple IRPs, and welcomes the opportunity to improve and enhance exchange of market-based information in real-time for close coordination with our energy efficiency planning team as new resource assessments and conservation potential assessments are developed. Closer alignment between targets generated through the Energy

¹ Public Utility Commission of Oregon, Staff Report, November 10, 2015, page 8.

Trust budget process and targets generated by PacifiCorp's IRP improves transparency and helps reinforce the connection between the Energy Trust and the utility IRP process.

- The Company appreciates the Energy Trust's willingness to shift the near-term revenue adjustment analysis and process into the first quarter of 2016. This timing shift will eliminate the inherent uncertainty in estimating the 2015 close-out numbers and will result in better estimates to base any potential rate adjustments.

PacifiCorp values the resource acquisitions and customer benefits delivered by Energy Trust on behalf of PacifiCorp customers. Speaking on behalf of our team, we are here to help Energy Trust meet their goals for 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "Cory Scott", with a stylized flourish at the end.

Cory Scott
DSM Director
Pacific Power

Email Comments Received on the Draft 2016 Budget Materials

From: [Meyer, Holly](#)

NW Natural Gas

Sent: 11/20/2015 6:59 PM

To: [Steve Lacey](#); [Peter West](#)

Cc: [Edmonds, Bill](#); [Hammer, Gail A.](#); [Frankel, John](#)

Subject: 2016 Budget Comments

Hello gentlemen,

I know it's after 5pm but I assume you'll still accept budget comments so I'm sending over a few thoughts.

Process: Thank you for engaging us in this process – from budget concepts until the final revision we saw this week. I think the process is working smoothly. Hopefully next year we'll be better staffed and a little more organized on our end.

Water heating: It was inspiring to hear the potential in water heating market – 36,000 gas water heater replacements in your service territory each year with only 400 receiving incentives- wow! Of course, some of the gap between 400 and 36,000 might be choosing HE but that's all good info to mine – we look forward to working together to help these customers choose the highest efficient options.

Hearths: We have a few concerns about the upstream hearth incentive approach. First, the amount is so small our dealers have said they likely will not participate- the incentive isn't worth the paperwork hassle. Since the driver of this incentive is really market data, we are concerned the lack of complete data will lead to erroneous conclusions which could eliminate incentives that are valuable to our customers. Secondly, the hearth distribution channels are not fully analogous to the HVAC market- some dealers buy from a distributor and some directly from the manufacturer – we have stated this and the solution has been to deny the second one who applies for that incentive so the distributor and manufacturer won't both be paid for the same unit – this seems messy and will lead to dissatisfaction on an already meager program offering. We think this plan is not ready to move forward.

Energy Saver kits: It appears we are still getting substantial savings from energy saver kits – we want to work long term to find more durable savings. It would be good to see longer term plan around these kits- how many therms you plan to bank from these over the next three years and how these may be able to transition from other measures.

NEEA: We are grateful for the partnership between NWN, ETO and NEEA – thank you for lending your market and program experience into this effort to seed more HE gas products into our market. We are anxious to see and incent new gas products and are hopeful this will help replace some of the savings we have been getting from the energy saver kits.

Market perspective: It came up in the CAC meeting today how odd it is that measures are CE in CA and in WA but not in OR. I don't know how much of that is true but it seemed to point to this idea that we are so academic about EE in OR that sometimes I wonder if we miss the less academic and more psychological/market perspective and hurt ourselves in the process. We've said before that customers don't understand market transformation – they think incentives on heat pumps and not on furnaces must mean only heat pumps are efficient. Trade Allies don't understand it either – they wonder what we did to make you mad and lose our incentive. I know these are old anecdotes but there is a thread

that continues today- we would like to see each of your programs consider the market perspective – removing HE window incentives in MF might be right given certain assumptions in a very sterile academic analysis but understanding actual market factors helps bring real life to the decision - those arguments were very compelling (thank you for inviting the conversation). Similarly we see the market responding to a heat pump incentive and using that for AC because they don't see a similar gas with AC offer. This of course is now being looked at because of the commission order but this is the sort of thing we've been lobbying for, for a long time. Perhaps WA and CA look at programs with more of a market perspective and that's why more measures stay in the portfolio. I'm not sure. (or if the original comment is even true) but I hope you hear my main point.

New Homes: We are anxious to see this program reassessed and determine the appropriate incentive levels. Due to so many row houses coming into the program we understand the savings being incented are not likely being realized and believe this should be a priority in 2016.

Baselines: Finally, we were encouraged by the conversation around establishing a common baseline for each market segment...that we would assess the market reality of equipment being installed and come up with one baseline for SF, MF, new and existing and then develop incentives for gas and electric programs that drive efficient use of BTU's beyond that base. We would like to continue that conversation, understanding it's a bigger lift but critical to the sound distribution of incentives. This likely will not impact 2016 but hopefully the 2017 budget.

Thank you for your collaboration and another solid year of delivering savings and education to our customers,

Holly J. Meyer | Energy Policy & Sustainability Manager | NW Natural 220 NW Second Avenue | Portland, Oregon 97209 | 📞: 503.226.4211 x5717 | 📠: 503.220.2587 | ✉️: holly.meyer@nwnatural.com



From: Jennifer Gross
Received: 11/19/2015 5:36 PM
To: Information - Energy Trust
Cc: Jim Abrahamson; Michael.Parvinen@cngc.com; Monica.Cowlshaw@cngc.com
Subject: Cascade Natural Gas Comments on 2016 ETO budget

Cascade Natural Gas supports Energy Trust's 2016 budget and has no issues with it. From the material presented on planned 2016 activities, we are especially interesting in being apprised of changes to gas appliance offerings, specifically enhanced incentives for renters, direct marketing to gas customers, and offerings that include gas furnace incentives. We appreciate the opportunity to provide comments.

Thank you.

Jennifer Gross
Regulatory Analyst IV
Cascade Natural Gas Company
8113 Grandridge Blvd
Kennewick, Washington 99336
Tel: 509-734-4635
Cell: 509-378-1170
✉ Email: jennifer.gross@cngc.com



"In the Community to Serve"
A subsidiary of MDU Resources Group, Inc

From: Warren Cook

Received: 11/20/2015 12:07 PM

To: Information - Energy Trust

Cc: andy.ginsburg@state.or.us; jess.kincaid@state.or.us; rachel.wray@state.or.us; robin.freeman@state.or.us

Subject: Comments on Budget and Action Plan

Greetings,

Thank you for the opportunity to comment on the Budget and Action Plan. Oregon Department of Energy looks forward to working together with ETO to implement 2016 program enhancements and continued delivery of cost-effective energy savings and renewables development.

Demand Response

As the second priority of the 7th Plan, following energy efficiency, DR offers a mechanism to meet system capacity needs. Oregon Department of Energy looks forward to collaboration with Energy Trust if Demand Response becomes a new offering alongside energy efficiency. Working together to assess energy use shaping and energy cost savings opportunities from DR will help utilities, ETO and ODOE advance offerings to inform customers and encourage participation.

Codes

Oregon Department of Energy will continue to work with Energy Trust to advance energy codes in Oregon. Complementary program offerings that promote implementation of beyond-code measures will be a method to introduce and test potential components of subsequent energy codes. Participation in beyond-code offerings can build industry support and set the stage for code advances.

Clean Power Plan 111(d)

Oregon Department of Energy will coordinate with Energy Trust to gather energy savings data to support efficiency activities toward compliance with the Clean Power Plan.

Complementary Programs

Oregon Department of Energy programs, tax credits and technical support for all sectors can complement Energy Trust efforts to attain cost-effective energy efficiency. ODOE sees many opportunities to assess incentives, align measure management to regional standard methodology and collaborate on participant outreach.

Warren Cook

Manager, Energy Efficiency & Conservation

Oregon Department of Energy

625 Marion Street N.E.

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TAB Budget Detail

2016 Budget Recap Spending and Savings FINAL PROPOSED

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	48.9	8.4	57.3	15.48	3.44	2,001,169	36.33
Business Energy Solutions – New Buildings	15.6	1.6	17.2	5.30	3.17	597,301	22.64
Mkt Transformation (Alliance)	2.5	0.3	2.7	1.02	4.67		
Total Commercial	67.0	10.3	77.2	21.80	3.39	2,598,470	33.99
Industrial							
Production Efficiency	31.0	2.8	33.8	13.45	2.74	1,036,453	24.35
Mkt Transformation (Alliance)	0.5	0.0	0.5	0.15	5.33		
Total Industrial	31.5	2.8	34.3	13.59	2.76	1,036,453	24.35
Residential							
Home Energy Solutions – Existing Homes	15.1	5.0	20.1	4.00	3.79	787,964	45.50
Home Energy Solutions – New Homes & Products	23.4	5.9	29.2	9.88	3.05	1,298,258	28.63
Mkt Transformation (Alliance)	4.4	0.7	5.0	5.81	0.89		
Total Residential	42.8	11.6	54.4	19.69	2.57	2,086,222	36.49
Washington							
Business Energy Solutions – Existing Buildings		0.7	0.7			151,056	37.18
Home Energy Solutions – Existing Homes		0.5	0.5			53,434	59.96
Home Energy Solutions – New Homes & Products		0.4	0.4			60,589	48.34
Mkt Transformation (Alliance)		0.1	0.1			-	0.00
Total Washington		1.7	1.7			265,079	47.31
Total Energy Efficiency	\$141.3	\$26.3	\$167.6	55.08	2.95	5,986,224	33.73

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.8		5.8	2.71	2.52	0.01	624.59
Solar Electric	14.7		15.6	1.74	8.50	4.12	3.78
Total Renewable Resources	\$21.6		\$21.4	4.44	4.86	4.13	5.18

TOTAL BUDGET - ALL

\$189.1

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2016 Final Proposed Annual Budget

	ENERGY EFFICIENCY								
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	Efficiency Total
REVENUES									
Public Purpose Funding	28,325,825	21,476,259	49,802,084	0	14,539,218	2,114,889	66,456,191	0	66,456,191
Incremental Funding	42,525,000	25,902,402	68,427,402	3,215,724			71,643,126	1,741,236	73,384,362
Contributions									
Revenue from Investments									
Gain or Loss on Investments									
TOTAL PROGRAM REVENUE	70,850,825	47,378,661	118,229,486	3,215,724	14,539,218	2,114,889	138,099,317	1,741,236	139,840,553
EXPENSES									
Program Management (Note 3)	3,727,548	2,386,224	6,113,772	219,777	806,125	154,669	7,294,344	107,622	7,401,966
Program Delivery	24,852,947	16,338,712	41,191,658	825,992	4,950,843	741,195	47,709,688	465,052	48,174,740
Incentives	47,466,348	28,829,828	76,296,175	2,462,480	9,799,947	1,331,557	89,890,158	728,469	90,618,627
Program Eval & Planning Svcs.	2,520,855	1,587,294	4,108,148	95,010	457,061	60,939	4,721,159	114,052	4,835,211
Program Marketing/Outreach	2,710,484	1,789,557	4,500,042	42,499	830,584	88,427	5,461,549	85,982	5,547,531
Program Quality Assurance	27,082	15,586	42,668	1,591	4,757	984	50,000	0	50,000
Outsourced Services	699,902	458,097	1,157,999	23,516	196,588	53,259	1,431,365	42,550	1,473,915
Trade Allies & Cust. Svc. Mgmt.	349,045	253,464	602,509	5,739	137,312	12,854	758,415	33,533	791,948
IT Services	1,055,367	681,077	1,736,441	29,862	300,335	37,978	2,104,616	33,502	2,138,118
Other Program Expenses - all	293,169	187,570	480,738	15,158	62,491	8,117	566,504	35,860	602,364
TOTAL PROGRAM EXPENSES	83,702,747	52,527,409	136,230,150	3,721,624	17,546,043	2,489,979	159,987,798	1,646,622	161,634,420
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	1,659,679	1,041,527	2,701,208	73,793	347,908	49,373	3,172,279	32,651	3,204,930
Communications & Customer Svc (Notes 1 & 2)	1,448,133	908,771	2,356,903	64,388	303,561	43,078	2,767,932	28,488	2,796,420
Total Administrative Costs	3,107,812	1,950,298	5,058,111	138,181	651,469	92,451	5,940,211	61,139	6,001,350
TOTAL PROG & ADMIN EXPENSES	86,810,559	54,477,707	141,288,261	3,859,805	18,197,512	2,582,430	165,928,009	1,707,761	167,635,770
TOTAL REVENUE LESS EXPENSES	(15,959,734)	(7,099,046)	(23,058,775)	(644,081)	(3,658,294)	(467,541)	(27,828,692)	33,475	(27,795,217)
NET ASSETS - RESERVES									
Forecast Carryover at 12/31/15	20,265,947	8,736,703	29,002,650	844,081	6,786,041	715,602	37,348,374	66,524	37,414,898
Change in net assets this year	(15,959,734)	(7,099,046)	(23,058,775)	(644,081)	(3,658,294)	(467,541)	(27,828,692)	33,475	(27,795,217)
Ending Net Assets - Reserves	4,306,213	1,637,657	5,943,875	200,000	3,127,747	248,061	9,519,679	100,000	9,619,681
Ending Reserve by Category									
Program Reserves (Efficiency and Renewables)	4,306,213	1,637,657	5,943,875	200,000	3,127,747	248,061	9,519,679	100,000	9,619,681
Assets Released for General Purpose									
Emergency Contingency Pool									
TOTAL NET ASSETS CUMULATIVE	4,306,213	1,637,657	5,943,875	200,000	3,127,747	248,061	9,519,679	100,000	9,619,681

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profits does not allow allocation of admin costs to programs.
Note 3) Program Management costs include both outsourced and internal staff.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2016 Final Proposed Annual Budget

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,334,826	6,187,922	14,522,748	0	80,978,939
Incremental Funding					73,384,362
Contributions					
Revenue from Investments				300,000	300,000
Gain or Loss on Investments					
TOTAL PROGRAM REVENUE	8,334,826	6,187,922	14,522,748	300,000	154,663,301
EXPENSES					
Program Management (Note 3)	573,015	539,761	1,112,776		8,514,742
Program Delivery	249,500	170,500	420,000		48,594,740
Incentives	9,778,565	7,739,431	17,517,996		108,136,623
Program Eval & Planning Svcs.	68,610	53,485	122,095		4,957,306
Program Marketing/Outreach	128,914	101,586	230,500		5,778,031
Program Quality Assurance	0	0	0		50,000
Outsourced Services	204,512	476,988	681,500		2,155,415
Trade Allies & Cust. Svc. Mgmt.	34,486	24,394	58,880		850,828
IT Services	119,080	113,339	232,418		2,370,536
Other Program Expenses - all	151,427	126,421	277,849		880,213
TOTAL PROGRAM EXPENSES	11,308,109	9,345,905	20,654,014	0	182,288,434
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	224,221	185,313	409,533		3,614,463
Communications & Customer Svc (Notes 1 & 2)	195,640	161,693	357,333		3,153,753
Total Administrative Costs	419,861	347,006	766,866		6,768,216
TOTAL PROG & ADMIN EXPENSES	11,727,970	9,692,911	21,420,880		189,056,650
TOTAL REVENUE LESS EXPENSES	(3,393,144)	(3,504,989)	(6,898,132)	300,000	(34,393,349)
NET ASSETS - RESERVES					
Forecast Carryover at 12/31/15	9,214,346	10,326,868	19,541,214	8,608,804	65,564,916
Change in net assets this year	(3,393,144)	(3,504,989)	(6,898,132)	300,000	(34,393,349)
Ending Net Assets - Reserves	5,821,202	6,821,879	12,643,082	8,908,804	31,171,563
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	5,821,202	6,821,879	12,643,082	3,908,804	
Assets Released for General Purpose					
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	5,821,202	6,821,879	12,643,082	8,908,804	31,171,567

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.
Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profits does not allow allocation of admin costs to programs.
Note 3) Program Management costs include both outsourced and internal staff.

Energy Trust of Oregon
Statement of Functional Expenses
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	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	146,463,837	17,947,996	164,411,833				164,411,833
Payroll and Related Expenses	3,599,027	1,102,776	4,701,803	2,398,506	1,549,352	3,947,858	8,649,661
Outsourced Services	5,593,415	952,000	6,545,415	370,500	1,093,000	1,463,500	8,008,915
Planning and Evaluation	2,445,712	82,095	2,527,807	1,804		1,804	2,529,611
Customer Service Management	457,143	45,275	502,418				502,418
Trade Allies Network	334,806	23,604	358,410				358,410
Total Program Expenses	158,893,940	20,153,747	179,047,687	2,770,810	2,642,352	5,413,163	184,460,849
Program Support Costs							
Supplies	12,132	3,782	15,914	12,293	5,766	18,059	33,973
Postage and Shipping Expenses	4,424	1,503	5,927	2,759	1,894	4,653	10,581
Telephone	12,655	1,802	14,456	1,656	1,136	2,792	17,249
Printing and Publications	77,498	8,479	85,977	5,746	3,055	8,802	94,778
Occupancy Expenses	220,175	74,794	294,969	137,314	94,256	231,570	526,539
Insurance	31,399	10,666	42,066	19,582	13,442	33,024	75,090
Equipment	12,738	121,949	134,687	3,578	2,456	6,034	140,721
Travel	65,250	12,000	77,250	47,950	45,000	92,950	170,200
Meetings, Trainings & Conferences	54,750	10,700	65,450	143,790	16,000	159,790	225,240
Interest Expense and Bank Fees				4,000		4,000	4,000
Depreciation & Amortization	44,767	15,207	59,974	27,919	19,164	47,084	107,058
Dues, Licenses and Fees	65,790	6,700	72,490	9,880	16,000	25,880	98,370
Miscellaneous Expenses	785	267	1,052	490	336	826	1,877
IT Services	2,138,118	232,418	2,370,536	426,695	292,895	719,591	3,090,127
Total Program Support Costs	2,740,481	500,267	3,240,748	843,652	511,401	1,355,054	4,595,802
TOTAL EXPENSES	161,634,421	20,654,014	182,288,435	3,614,462	3,153,754	6,768,216	189,056,651

OPUC Measure vs. 9% 6.48%

Energy Trust of Oregon
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	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings	31,049,063	17,868,655	48,917,719	1,818,043	5,434,177	1,123,815	8,376,034	57,293,753	714,629	58,008,382
New Buildings	9,960,359	5,636,737	15,597,096	50,812	1,305,344	260,044	1,616,201	17,213,297		17,213,297
NEEA	1,453,267	1,009,898	2,463,164		245,640	27,293	272,933	2,736,097	27,760	2,763,857
Total Commercial	42,462,689	24,515,290	66,977,979	1,868,855	6,985,161	1,411,152	10,265,168	77,243,147	742,389	77,985,536
Industrial										
Production Efficiency	19,050,904	11,956,831	31,007,735	1,990,951	720,880	104,575	2,816,406	33,824,141		33,824,141
NEEA	268,401	186,517	454,918					454,918		454,918
Total Industrial	19,319,306	12,143,347	31,462,653	1,990,951	720,880	104,575	2,816,406	34,279,059	0	34,279,059
Residential										
Existing Homes	7,861,131	7,244,476	15,105,607	0	4,778,098	254,863	5,032,960	20,138,567	465,239	20,603,806
New Homes/Products	14,590,724	8,784,003	23,374,727	0	5,126,050	746,577	5,872,626	29,247,353	433,759	29,681,112
NEEA	2,576,708	1,790,594	4,367,301		587,326	65,258	652,585	5,019,886	66,374	5,086,260
Total Residential	25,028,563	17,819,072	42,847,635	0	10,491,473	1,066,698	11,558,171	54,405,806	965,372	55,371,178
Energy Efficiency Program Costs	86,810,557	54,477,709	141,288,266	3,859,806	18,197,514	2,582,425	24,639,746	165,928,012	1,707,761	167,635,773
Renewables										
Solar Electric (Photovoltaic)	9,337,001	6,244,782	15,581,783					15,581,783		15,581,783
Other Renewable	2,390,968	3,448,129	5,839,097					5,839,097		5,839,097
Renewables Program Costs	11,727,969	9,692,911	21,420,880	0	0	0	0	21,420,880	0	21,420,880
Cost Grand Total	98,538,526	64,170,620	162,709,146	3,859,806	18,197,514	2,582,425	24,639,746	187,348,892	1,707,761	189,056,653

Energy Trust of Oregon, Inc
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COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	New											
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	2,898,014	667,780	-	1,442,512	-	908,062	1,377,975	-	107,622	621,096	491,680	8,514,741
Program Delivery:	15,359,399	5,028,083	2,606,871	9,642,718	407,358	5,108,563	4,747,797	4,808,900	465,052	420,000	-	48,594,741
Incentives:	32,758,309	9,143,625	-	19,470,290	-	10,008,058	18,509,878	-	728,469	13,043,909	4,474,087	108,136,625
Program Eval & Planning Svcs.:	1,558,489	721,674	31,274	1,022,564	31,274	787,647	536,963	31,274	114,052	88,563	33,532	4,957,306
Program Marketing/Outreach:	1,567,273	540,078	-	262,001	-	1,496,245	1,595,954	-	85,982	188,500	42,000	5,778,033
Program Quality Assurance:	50,000	-	-	-	-	-	-	-	-	-	-	50,000
Outsourced Services:	280,399	196,714	-	344,999	-	216,250	393,000	-	42,550	269,000	412,500	2,155,412
Trade Allies & Cust. Svc. Mgmt.:	118,553	42,814	-	31,074	-	364,904	201,069	-	33,533	54,680	4,200	850,827
IT Services:	493,074	214,929	-	228,624	-	433,232	734,760	-	33,502	126,008	106,411	2,370,540
Other Program Expenses	159,131	41,365	-	168,457	-	94,647	102,905	-	35,860	212,201	65,647	880,213
TOTAL PROGRAM EXPENSES	55,242,641	16,597,062	2,638,145	32,613,239	438,632	19,417,608	28,200,301	4,840,174	1,646,622	15,023,957	5,630,057	182,288,438
ADMINISTRATIVE COSTS												
Management & General	1,095,366	329,090	52,310	646,664	8,697	385,018	559,162	95,973	32,651	297,899	111,635	3,614,465
Communications & Customer Svc	955,747	287,144	45,643	564,237	7,588	335,942	487,891	83,739	28,488	259,928	97,405	3,153,752
Total Administrative Costs	2,051,113	616,234	97,953	1,210,901	16,285	720,960	1,047,053	179,712	61,139	557,827	209,040	6,768,217
Total Program & Admin Expenses	57,293,754	17,213,296	2,736,098	33,824,140	454,917	20,138,568	29,247,354	5,019,886	1,707,761	15,581,784	5,839,097	189,056,655
Energy Savings (kwh)	135,571,330	46,466,623	8,953,066	117,786,538	1,294,470	35,046,864	86,527,198	50,877,852				482,523,941
Energy Savings (therms)	2,001,169	597,301	-	1,036,453	-	787,964	1,298,258		265,079			5,986,224
Energy Generation (kwh)										36,121,600	81,895	36,203,495

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ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	1,570,857	386,841		732,035		334,383	703,432		3,727,548
Program Delivery:	8,466,839	2,912,805	1,382,788	5,128,864	240,341	1,992,319	2,262,981	2,466,010	24,852,947
Incentives:	17,607,399	5,282,315		11,331,639		3,945,398	9,299,597		47,466,348
Program Eval & Planning Svcs.:	859,511	421,971	18,452	593,603	18,452	312,735	277,679	18,452	2,520,855
Program Marketing/Outreach:	861,097	313,080		147,493		577,872	810,942		2,710,484
Program Quality Assurance:	27,082								27,082
Outsourced Services:	127,242	113,774		194,218		68,750	195,918		699,902
Trade Allies & Cust. Svc. Mgmt.:	64,215	24,762		17,493		142,338	100,237		349,045
IT Services:	267,073	124,308		128,704		168,990	366,292		1,055,367
Other Program Expenses	86,193	23,924		94,833		36,919	51,300		293,169
TOTAL PROGRAM EXPENSES	29,937,508	9,603,780	1,401,240	18,368,882	258,793	7,579,704	14,068,378	2,484,462	83,702,747
ADMINISTRATIVE COSTS									
Management & General	593,609	190,426	27,784	364,223	5,131	150,292	278,951	49,263	1,659,679
Communications & Customer Svc	517,946	166,154	24,243	317,798	4,477	131,136	243,396	42,983	1,448,133
Total Administrative Costs	1,111,555	356,580	52,027	682,021	9,608	281,428	522,347	92,246	3,107,812
Total Program & Admin Expenses	31,049,063	9,960,360	1,453,267	19,050,903	268,401	7,861,132	14,590,725	2,576,708	86,810,559
Energy Savings (kwh)	88,491,630	29,533,390	5,282,309	70,863,310	763,737	19,310,086	50,636,500	30,017,933	294,898,895

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ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	911,087	218,919		501,912		317,869	436,437		2,386,224
Program Delivery:	5,040,304	1,648,392	960,921	3,648,736	167,017	1,879,663	1,280,011	1,713,668	16,338,712
Incentives:	9,938,818	2,989,368		6,652,377		3,595,231	5,654,034		28,829,828
Program Eval & Planning Svcs.:	494,647	238,800	12,822	360,008	12,822	288,203	167,170	12,822	1,587,294
Program Marketing/Outreach:	497,749	177,176		92,571		519,871	502,190		1,789,557
Program Quality Assurance:	15,586								15,586
Outsourced Services:	90,510	64,386		121,896		63,357	117,948		458,097
Trade Allies & Cust. Svc. Mgmt.:	36,955	14,013		10,979		131,172	60,345		253,464
IT Services:	153,700	70,348		80,778		155,734	220,517		681,077
Other Program Expenses	49,604	13,539		59,520		34,023	30,884		187,570
TOTAL PROGRAM EXPENSES	17,228,960	5,434,941	973,743	11,528,777	179,839	6,985,123	8,469,536	1,726,490	52,527,409
ADMINISTRATIVE COSTS									
Management & General	341,620	107,765	19,308	228,596	3,566	138,503	167,936	34,233	1,041,527
Communications & Customer Svc	298,076	94,029	16,847	199,458	3,111	120,849	146,531	29,870	908,771
Total Administrative Costs	639,696	201,794	36,155	428,054	6,677	259,352	314,467	64,103	1,950,298
Total Program & Admin Expenses	17,868,656	5,636,735	1,009,898	11,956,831	186,516	7,244,475	8,784,003	1,790,593	54,477,707
Energy Savings (kwh)	47,079,700	16,933,233	3,670,757	46,923,228	530,732	15,736,778	35,890,699	20,859,919	187,625,046

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ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	80,470	915		138,392					219,777
Program Delivery:	186,624	6,785		632,583					825,992
Incentives:	1,386,251	37,540		1,038,689					2,462,480
Program Eval & Planning Svcs.:	44,351	1,915		48,744					95,010
Program Marketing/Outreach:	26,624	368		15,507					42,499
Program Quality Assurance:	1,591								1,591
Outsourced Services:	2,514	583		20,419					23,516
Trade Allies & Cust. Svc. Mgmt.:	3,773	127		1,839					5,739
IT Services:	15,693	637		13,532					29,862
Other Program Expenses	5,065	123		9,970					15,158
TOTAL PROGRAM EXPENSES	1,752,956	48,993	-	1,919,675	-	-	-	-	3,721,624
ADMINISTRATIVE COSTS									
Management & General	34,758	971		38,064					73,793
Communications & Customer Svc	30,328	848		33,212					64,388
Total Administrative Costs	65,086	1,819	-	71,276	-	-	-	-	138,181
Total Program & Admin Expenses	1,818,042	50,812	-	1,990,951	-	-	-	-	3,859,805
Energy Savings (therms)	709,032	9,600	-	700,716	-	-	-	-	1,419,348

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ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	284,868	50,955		54,699		207,455	208,148		806,125
Program Delivery:	1,334,915	383,677	236,846	196,156		1,183,542	1,049,407	566,300	4,950,843
Incentives:	3,232,352	695,780		404,385		2,362,327	3,105,103		9,799,947
Program Eval & Planning Svcs.:	132,565	49,189		17,649		177,254	80,404		457,061
Program Marketing/Outreach:	153,626	41,239		5,615		382,272	247,832		830,584
Program Quality Assurance:	4,757								4,757
Outsourced Services:	23,227	14,986		7,393		81,908	69,074		196,588
Trade Allies & Cust. Svc. Mgmt.:	11,278	3,262		666		86,766	35,340		137,312
IT Services:	46,907	16,374		4,899		103,013	129,142		300,335
Other Program Expenses	15,138	3,151		3,610		22,505	18,087		62,491
TOTAL PROGRAM EXPENSES	5,239,633	1,258,613	236,846	695,072	-	4,607,042	4,942,537	566,300	17,546,043
ADMINISTRATIVE COSTS									
Management & General	103,893	24,956	4,696	13,782		91,350	98,002	11,229	347,908
Communications & Customer Svc	90,650	21,775	4,098	12,025		79,706	85,510	9,797	303,561
Total Administrative Costs	194,543	46,731	8,794	25,807	-	171,056	183,512	21,026	651,469
Total Program & Admin Expenses	5,434,176	1,305,344	245,640	720,879	-	4,778,098	5,126,049	587,326	18,197,512
Energy Savings (therms)	1,098,008	518,170	-	300,722	-	752,193	1,166,128	-	3,835,220

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ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	50,732	10,150		15,474		48,355	29,958		154,669
Program Delivery:	330,717	76,424	26,316	36,379		53,039	155,398	62,922	741,195
Incentives:	593,489	138,622		43,200		105,102	451,144		1,331,557
Program Eval & Planning Svcs.:	27,415	9,799		2,560		9,455	11,710		60,939
Program Marketing/Outreach:	28,177	8,215		815		16,230	34,990		88,427
Program Quality Assurance:	984								984
Outsourced Services:	36,906	2,985		1,073		2,235	10,060		53,259
Trade Allies & Cust. Svc. Mgmt.:	2,332	650		97		4,628	5,147		12,854
IT Services:	9,701	3,262		711		5,495	18,809		37,978
Other Program Expenses	3,131	628		524		1,200	2,634		8,117
TOTAL PROGRAM EXPENSES	1,083,584	250,735	26,316	100,833	-	245,739	719,850	62,922	2,489,979
ADMINISTRATIVE COSTS									
Management & General	21,486	4,972	522	1,999		4,873	14,273	1,248	49,373
Communications & Customer Svc	18,747	4,338	455	1,744		4,251	12,454	1,089	43,078
Total Administrative Costs	40,233	9,310	977	3,743	-	9,124	26,727	2,337	92,451
Total Program & Admin Expenses	1,123,817	260,045	27,293	104,576	-	254,863	746,577	65,259	2,582,430
Energy Savings (therms)	194,129	69,532	-	35,015	-	35,771	132,130	-	466,577

Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	28,696		64,640	14,286		107,622
Program Delivery:	135,392	26,766	109,336	129,560	63,998	465,052
Incentives:	398,050		153,761	176,658		728,469
Program Eval & Planning Svcs.:	36,651		43,456	33,945		114,052
Program Marketing/Outreach:	52,982		20,000	13,000		85,982
Program Quality Assurance						
Outsourced Services:	1,000		6,000	35,550		42,550
Trade Allies & Cust. Svc. Mgmt.:	11,396		15,077	7,060		33,533
IT Services:	10,956		22,125	421		33,502
Other Program Expenses	13,921		14,188	7,751		35,860
TOTAL PROGRAM EXPENSES	689,044	26,766	448,583	418,231	63,998	1,646,622
ADMINISTRATIVE COSTS						
Management & General	13,663	531	8,293	8,895	1,269	32,651
Communications & Customer Svc	11,921	463	7,236	7,761	1,107	28,488
Total Administrative Costs	25,584	994	15,529	16,656	2,376	61,139
Total Program & Admin Expenses	714,628	27,760	464,112	434,887	66,374	1,707,761
Energy Savings (therms)	151,056	-	53,434	60,589		265,079

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RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	371,684	201,331	573,015
Program Delivery:	249,500		249,500
Incentives:	7,818,909	1,959,656	9,778,565
Program Eval & Planning Svcs.:	53,069	15,541	68,610
Program Marketing/Outreach:	112,954	15,960	128,914
Program Quality Assurance:			-
Outsourced Services:	161,192	43,320	204,512
Trade Allies & Cust. Svc. Mgmt.:	32,766	1,720	34,486
IT Services:	75,507	43,573	119,080
Other Program Expenses	127,156	24,271	151,427
TOTAL PROGRAM EXPENSES	9,002,737	2,305,372	11,308,109
ADMINISTRATIVE COSTS			
Management & General	178,509	45,712	224,221
Communications & Customer Svc	155,755	39,885	195,640
Total Administrative Costs	334,264	85,597	419,861
Total Program & Admin Expenses	9,337,001	2,390,969	11,727,970
 Energy Generation (kwh)	 9,565,600	 -	 9,565,600

Energy Trust of Oregon, Inc
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RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	249,412	290,349	539,761
Program Delivery:	170,500		170,500
Incentives:	5,225,000	2,514,431	7,739,431
Program Eval & Planning Svcs.:	35,494	17,991	53,485
Program Marketing/Outreach:	75,546	26,040	101,586
Program Quality Assurance:			-
Outsourced Services:	107,808	369,180	476,988
Trade Allies & Cust. Svc. Mgmt.:	21,914	2,480	24,394
IT Services:	50,501	62,838	113,339
Other Program Expenses	85,045	41,376	126,421

TOTAL PROGRAM EXPENSES	6,021,220	3,324,685	9,345,905
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ADMINISTRATIVE COSTS

Management & General	119,390	65,923	185,313
Communications & Customer Svc	104,173	57,520	161,693

Total Administrative Costs	223,563	123,443	347,006
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Total Program & Admin Expenses	6,244,783	3,448,128	9,692,911
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Energy Generation (kwh)	26,556,000	81,895	26,637,895
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MEMO

Date: December 3, 2015
To: Board of Directors
From: Margie Harris, Executive Director
Subject: Staffing for the Final Proposed 2016 Budget and 2016-2017 Action Plan

In developing the Final Proposed 2016 Annual Budget and 2016-2017 Action Plan, Energy Trust identified ways to manage increased workload through a combination of work reassignments among existing staff, benefits from efficiency gains and specific outsourced contract assistance. In addition, one vacant staff position in the Renewable Energy sector was re-assigned to support systems development needs for all energy programs.

As a result, Energy Trust proposes to add one full-time equivalent staff position (FTE) in 2016, increasing from the current approved level of 104 to 105. This marks the lowest annual staff FTE growth in Energy Trust history, reflective of efforts to minimize new staff requests while also addressing workload demands and retaining focus on achieving goals.

The recommended new staff position serves customer demand in the commercial and renewable energy groups, with a focus on solar project processing (approximately 60%) and customer support and incentive processing to address growth in the commercial Strategic Energy Management (SEM) initiative (40%). The tasks completed by this proposed staff position correlate directly with the acquisition of additional renewable energy generation and efficiency savings, streamlining services to customers, closing projects and delivering incentive payments.

Additional Background

During 2015, a series of changes were made among existing energy program staff to address Strategic Plan goals and organizational efficiency priorities. New roles and responsibilities were assigned to existing staff. A vacant renewable energy position was leveraged to enable an expanded focus on business systems development needed to serve programs. These changes, along with limited expansion of external contracting, resulted in a net overall decrease in renewable energy sector staffing, while enabling sustained support for renewable energy project development and expanded focus on business systems development needed to serve programs.

The following sections summarize these changes and provide detail on the 1 FTE being proposed for 2016:

1. **Operations Lead**—In early 2015, multifamily program manager Scott Swearingen was temporarily reassigned to a new role as operations lead. The role was established to represent and ensure IT business systems are designed and enhanced to address program-specific needs. The position proved essential during the replacement of the FastTrack project tracking system.

Agreement was reached to retain and expand this critical cross-organization function working across program groups and IT, adding management of a team or “pool” of operations analysts utilizing IT business systems to support sector data collection, analysis and reporting needs. This approach is providing much needed flexibility to efficiently balance program activities and provide strategic guidance on business systems operations and enhancements.

For example, the operations lead serves as the owner for the “Year-End Incentive Changes” project, helping address capacity issues when multiple operations activities occur within condensed timeframes to support program changes. Providing senior leadership for ongoing business systems projects and prioritization, such as contractor- and customer-facing portals and utility customer information (UCI) data improvements, are also elements of this new role.

A vacant renewable energy management position was converted to create the operations lead position as a regular staff position. This downsized the number of Other Renewables program project managers from three to two, who in turn have assumed greater outreach and project development roles and also support project tracking of Renewable Energy Certificates (RECs).

2. **Part-time staff to support both renewable energy and commercial Strategic Energy Management (SEM) projects**—The proposed new single staff position for 2016 is to be allocated between the renewable energy programs (.60 FTE) and the commercial SEM initiative (.40 FTE). For renewable energy programs, the individual will focus on reviewing solar project applications, supporting a high volume of customer projects through to completion and incentive processing. For commercial SEM projects, the individual will focus on data entry, project tracking, reporting and incentive processing through to project completion and customer service. Both programs are internally managed. The effect of additional resources in these two important areas is responsive customer service, including payment and incentive processing.
3. **Contract services**—As a way to flexibly address renewable energy program needs with fewer staff, Energy Trust plans to contract for more engineering and technical analysis services. Of all the possibilities examined, this is the most manageable and least disruptive approach. We have a precedent of contracting for potential renewable energy project analyses and this outsourced approach is used elsewhere within the organization, including in the evaluation group.

We anticipate issuing a Request for Qualifications (RFQ) to create a qualified pool of contractors to be available to analyze renewable energy projects and assist staff with project development and readiness for project approval. Staff will still need to perform contract oversight and quality control of any outsourced work.

Energy Trust of Oregon
Capital Purchase budget
Final Proposed Budget
2016 - 2017

	Q1	Q2	Q3	Q4	budget
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2016 Capital Acquisitions					
Capital Items - infrastructure					
Hyper V Servers	26,000	26,000			52,000
disk space for Growth		23,000			23,000
New Phone System			60,000		60,000
subtotal	26,000	49,000	60,000	-	135,000
Capital Items - Software Development					
Trade Ally Enrollment	171,000				171,000
Procurement and AP automation		50,000			50,000
Business customer portal			100,000		100,000
	171,000	50,000	100,000	-	321,000
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TOTAL	197,000	99,000	160,000	-	456,000
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TAB Action plans

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Existing Multifamily

Program Description

The Existing Multifamily program serves all existing multifamily structures with two or more units in Energy Trust's service territory in Oregon. Owners and managers have a menu of offerings available to them, including financial incentives and services, for both in-unit and common-area improvements. The program provides expertise to help customers identify a comprehensive set of savings opportunities, including lighting site analyses, custom energy analysis studies, and tablet-based walkthrough surveys.

The program is designed to reach six types of multifamily market segments, including affordable, assisted living, attached residential owners, campus living, home owners associations, and market rate. An account manager approach is utilized to cultivate and maintain long-term relationships and foster participation across tracks.

Existing Multifamily consists of five primary savings tracks:

1. Buy-Down Promotions incentives are available to distributors through a mid-stream approach to encourage sales of efficient equipment and lighting to eligible customers.
2. Common-Area Lighting incentives are designed to address lighting and controls in non-tenant spaces. The program provides expertise to help participants identify these opportunities through on-site scoping studies.
3. Custom financial incentives are offered for measures that are shown to be cost-effective in a specific application, but do not fit within the scope of current standard financial incentives. The program provides funding for Allied Technical Assistance Contractors (ATACs) to conduct energy analysis studies and offers incentives for custom-analyzed measures based on modeled savings.
4. Direct Install instant-savings measures are available at no cost to participants, and include the installation of high-efficiency LED light bulbs, showerheads, shower wands and aerators as well as leave-behind energy saving power strips in tenant dwelling units.
5. Prescriptive incentives are available for water heaters, HVAC equipment, weatherization, appliances and foodservice equipment.

The program is delivered via a PMC contract with Lockheed Martin, and sub-contracts with Evergreen Consulting to deliver common area lighting services, and CLEAResult to conduct direct-installation services in tenant units.

2016 Strategic Focus

1. Deliver program to multifamily entities through Program Management Contractor Lockheed Martin, Inc., subcontractors and a statewide network of trade allies specializing in this market, and continue to expand services to customers who have not yet engaged with the program.
2. Continue to focus on delivering tailored program services to property owners, tenants, property management companies, trade allies and contractors, distributors, and manufacturers.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Multifamily

3. Diversify measure mix and identify new savings opportunities to ensure a comprehensive suite of offerings to help participants save energy, as well as reduce reliance on direct-install measures for program savings to adapt to potential future challenges in delivering this offering.
4. Continue to expand program engagement throughout the state to reach new customers and go deeper with existing customers in all four utility service territories.
5. Build and leverage long-term relationships to help established customers implement energy savings strategies over time and across multiple capital budget cycles.

2016 Activities

Initiatives and focus areas for 2016 incorporate elements of the Strategic Plan including; expanding customer participation, replenishing energy efficiency resources through development of new measures and approaches, and continuously improving program design and services.

1. Continue to offer free in-unit direct installation of LEDs, showerheads and faucet aerators, and leave-behind advanced power strips during direct-install visits. The program will also launch an initiative conducting common area direct-install services in small multifamily properties (2-4 units) to obtain “stranded” savings not typically achieved through our standard lighting track.
2. Build upon learnings and continue research on 2015 pilots including: advanced power strip technologies as a leave-behind measure, (Q1); ductless heat pumps (billing data results anticipated December 2015 to inform 2016 measure continuation), Cadet Energy Plus space heating (continuation of the current pilot in 2015-16 heating season to test a buy-down model as a means to drive technology adoption); and water sub-metering in collaboration with the Portland Water Bureau (pilot launch anticipated in Q1 2016; final results not anticipated until 2017; pilot is planned for PGE customers),.
3. Identify potential new savings opportunities for further research, which could potentially include: heat pump clothes dryers, ventilation and infiltration optimization, low-e storm windows, building energy management and controls commissioning, and behavioral energy savings initiatives.
4. Recruit multifamily customers to participate in Energy Trust’s Strategic Energy Management offering.
5. Incorporate new program and customer facing tools to facilitate customer participation and leverage data for targeting new projects. These activities include PMC launch of an enhanced project tracking system, launch of an online auction tool to enable participants to solicit multiple contractor bids online, development of streamlined ways of filling out forms and uploading data into Energy Trust systems.
6. Streamline delivery by bringing certain aspects of the program delivery in-house to the PMC to reduce delivery costs, including site assessments and bringing on a lighting specialist dedicated to serving small and medium sized lighting projects.
7. Expand on mid and upstream buy down offerings, conducting outreach to suppliers and manufacturers of energy efficiency appliances and equipment and broadening the list of measures offered.
8. Continue to offer free technical expertise, including walk-through surveys and site assessments to help customers identify and prioritize energy savings opportunities.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Multifamily

9. Continue to utilize past participant walkthrough surveys to re-engage with customers and drive deeper energy savings per property.
10. Drive gas savings through potential enhanced incentives for select measures and maintain momentum in uptake of steam traps and TRVs as highly cost-effective prescriptive gas savings measures for participants.
11. Provide deeper level of coordination support for affordable market customers and collaborate with affordable housing market actors, such as OHCS, to help customers maximize energy efficiency improvement opportunities.
12. Deploy grass-roots community outreach tactics to drive program participation and help tenants save energy, with a focus on non-Metro regions and smaller properties which are typically less engaged with our programs in those areas. Nine “Community Blitz” events and follow-ups are planned for 2016 in PAC and CNG territory
13. Explore potential behavioral initiative(s) to engage tenants to save energy.

Key Assumptions for 2016 Budget

1. While efforts will continue to be made to diversify the program savings mix, direct-install will continue to make up a significant portion if not the majority of savings in 2016. However, continued assessment of current measures which may be faced with cost-effectiveness challenges in the near-term future further drives the need to identify new savings opportunities to maintain a robust portfolio of offerings.
2. Savings in PGE are anticipated to plateau or see slight declines beginning in 2016. This is due to strong market saturation in the Portland-metro area, especially with the larger multifamily properties in this territory. Consistent with trends over the last several years, PAC is expected to see strong growth in savings in 2016 in all savings tracks. NWN is also anticipated to increase in savings in 2016 with strong momentum in buy-down and prescriptive tracks. In 2015, CNG has faced challenges which are expected to continue in 2016, with an estimated drop in savings by nearly half of the 2015 goal, due to having achieved a large portion of the opportunity in this territory. Remaining opportunity in CNG is largely in smaller properties, mainly through direct-install although it is hoped the program will gain traction through additional gas buy-down measures in 2016.
3. There will be a continued need to increase outreach to continue to achieve savings goals, with increasing costs per lead. Several factors contribute to this trend:
 - a. As the metro region becomes increasingly saturated, more emphasis is needed in non-metro areas;
 - b. While project counts have trended upward year-over-year, savings per project have declined, as many projects with the largest savings opportunities have been completed;
 - c. Focus will continue to increase on addressing participation gaps in customer segments historically not engaged with the program.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN
Existing Multifamily

2017 Strategic Focus

1. Maintain focus on program outreach to customer groups who historically have not had high levels of participation, as well as continued engagement with past participants to drive deeper energy savings improvements.
2. Continue to identify new savings opportunities to maintain a robust portfolio of program offerings.

Financial and savings information for the Multifamily Program is combined with the Existing Buildings Program

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Existing Buildings

Program Description

Energy Trust's Existing Buildings program provides electric and gas energy-efficiency solutions for existing commercial buildings of all sizes throughout Energy Trust service territory. The board-approved program consists of three components: 1) management and delivery of the program for existing commercial customers via a Program Management Contractor contract with ICF International, 2) delivery of the Strategic Energy Management portion of the program via contracts with two Program Delivery Contractors, and 3) management and delivery of the Multifamily portion of the program via a PMC contract with Lockheed Martin. This document outlines activities consistent with components #1 and #2 above. The Multifamily portion is addressed in a separate document.

The ICF-managed portion of the program provides a comprehensive set of services through three primary program delivery tracks to help customers in all commercial market sectors achieve their energy efficiency goals.

1. The **Custom Track** enables the program to address customer-specific measure to acquire electric and gas savings from energy-efficient capital project installations and operations and maintenance, O&M. The program uses account managers and engineering firms to identify and promote customer opportunities. The program pays a group of qualified Allied Technical Assistance Contractors, ATACs, to conduct energy studies to assess the potential energy savings from specific custom measure installations. Program representatives work with customers to identify and install the measures that best meet their needs to acquire energy savings.
2. Through the **Prescriptive Track**, the program provides a variety of prescriptive measures with predetermined savings and incentives engineered to meet customer needs in a variety of different market sectors for buildings of all sizes. The program goes to market with these measures through a combination of direct outreach and nurturing a network of trade ally contractors to promote, sell and install the measures. The program will continue to expand collaboration efforts with trade allies to further leverage them as an effective sales force to increase uptake with previously unserved customers throughout Energy Trust service territory.
3. The program goes to market with the **Lighting Track** via a combination of direct program outreach and a well-developed network of trade allies. Lighting is typically an excellent first efficiency step for many customers. In addition to the traditional lighting track, the program developed mid-stream offerings that buy down the price of lighting products for small commercial customers and Oregon state agencies. Furthermore, ICF has contracted with an installation contractor to identify and install energy-efficient lighting applications for small commercial customers in predetermined geographic territories.

Strategic Energy Management, SEM, is delivered by two PDCs: Strategic Energy Group and CLEAResult. The PDCs provide training, tools and technical assistance to enable customers to save energy by establishing or improving energy management practices in their portfolio of buildings. SEM offerings aim to secure and deepen customer commitment to energy management, and improve customer capability to drive persistent, measureable improvements in the energy intensity of their operations.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Buildings

2016 Strategic Focus

1. Continue to focus on delivering tailored program services to business owners, property owners, tenants, property management companies, trade allies and electrical/mechanical contractors, distributors, manufacturer representatives and manufacturers.
2. Maintain statewide program reach and develop opportunities to reach customers in under-participating areas.
3. Continue approach to develop and grow the Trade Ally Network to more effectively sell energy-efficiency projects of all types and sizes.
4. Adapt lighting program offerings to respond to changing market conditions and more stringent codes and standards.
5. Refine program offerings to drive customers to the most cost-effective measure applications in response to reduced gas and electric avoided costs.
6. Expand opportunities for customers to leverage operations and maintenance measures to capture low-cost energy savings opportunities.
7. Streamline program approaches to improve customer experience and capture efficiencies in implementation costs.

2016 Activities

1. Continue to provide direct outreach and technical services to help key customers maximize their energy savings, and use SEM as a key account management tool for targeted customers groups.
2. Explore higher custom incentive offerings to attract more customers to implement measures that will result in significant gas and electric savings.
3. Support and enhance program coordination with trade allies throughout the state to continue to sell lighting measures and expand sales opportunities for non-lighting measures. Deliver trainings on how to sell and install new technologies and how to identify other program opportunities and cross-sell measures within different end uses.
4. Continue to provide direct installation applications for small commercial customers, including expanding the offering for lighting and possibly expanding the list of eligible measures.
5. Provide incentives for technically sound and cost-effective LED lighting applications to adapt to rapidly changing LED technologies and their respective pricepoints.
6. Continue and possibly expand mid-stream incentives for targeted customer groups to serve customers that have not historically participated in Energy Trust programs.
7. Provide incentives to encourage customers to achieve energy savings through retrocommissioning. This offering will be targeted at buildings >20,000 sq.ft. and will provide custom incentives for first-year savings achieved by using qualified engineering firms to implement specific cost-effective O&M measures.
8. Expand Pay for Performance pilot to a standard offering to support operational and behavioral savings.
 - a. There is one building presently enrolled in the pilot. Based on lessons learned in this pilot, the program will launch an expanded offering targeting a limited set of customers that are required to comply with the City of Portland's benchmarking initiative.
 - b. This offering will be targeted at three to five buildings >50,000 sq.ft., and will provide incentives each year for three years for savings achieved from O&M and behavioral actions.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Buildings

9. Increase custom track participation and enhance the customer experience by streamlining the application process and customer engagement. Activities include updating participant-facing forms to reduce the number of signatures required and developing stronger modeling and calculation guidelines for ATACs to expedite technical reviews.
10. Work with other efficiency organizations to achieve regional economies to reduce product costs and ensure supply.
11. Support customers to help them meet city benchmarking requirements through training and tailored program offerings.
12. Coordinate with Northwest Energy Efficiency Alliance and other NEEA funders to leverage regional lighting coordination opportunities such as upstream buy-downs and contractor training.
13. Continue to develop tools to enhance the business case for energy efficiency investments, including updating existing program sales tool and leveraging other efforts such as NEEA's Existing Building Renewal Tool.
14. Continue to work with stakeholders to develop financing options through lending allies, leasing options and new financing mechanisms such as Property Assessed Clean Energy, PACE.
15. Continue to promote Building Operator Certification by providing incentives for customers to enroll in the course.
16. Continue to enhance SEM:
 - a. Encourage current participants to enroll in SEM Continuation offering.
 - b. Roll out new standardized curriculum and tools to streamline program delivery and enhance customer experience.
 - c. Expand delivery to customer subsets categorized by market, size, geography, etc.
17. Continue ductless heat pump pilot with modifications made in 2014 to allow multiple indoor heads to increase the number of enrolled projects.
18. Adjust custom incentive offering to encourage throughput on custom projects with gas savings.

2016 Assumptions

Overarching

1. 2016 budget and goals assume that spending on large energy users (who do not pay supplemental 838 charges) will remain under the incentive cap used to administer requirements that large energy users do not benefit directly from 838 funding. If analysis of 2015 spending (to be completed in Q2 2016) finds us over the cap in PGE territory, the program will need to act to reduce spending on these customers, and this would impact both savings and spending.
2. 2016 planned actions assume that the economic and policy environment that commercial customers and the program are operating in do not change in significant ways compared to 2014 and 2015.
3. Lighting will continue to play a large part in delivering electric savings, and LEDs will be the focus of most lighting projects.

Delivery

4. Large energy-saving projects will be less common than they have been in the past. The trend of needing to serve more small projects to make savings goals will continue and the average

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Buildings

savings per project will continue to decline. This requires expanding the outreach and delivery team to serve an increasing project base, an enhanced focus to work with Trade Allies to sell program offerings, and a need to develop offerings to reach customers that have historically under-participated in the program.

2017 Strategic Focus

1. Serve all eligible commercial customers through a combination of outreach to customers and contractors and program offerings and incentives to influence customers to make significant investments in energy efficiency.
2. Expand on the portfolio of program offerings with a continued focus on SEM, Pay for Performance and other O&M-related offerings.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Existing Buildings

	Annual Expense			Electric		Gas	
				Savings	levelized cost	Savings	levelized cost
Year	Electric	Gas	Total	aMW	(cents / KWh)	therms	(cents / therm)
2015 Forecast	\$43.8	\$5.2	\$49.0	14.3	3.7	1,693,226	34.5
2016 Budget	\$48.9	\$8.4	\$57.3	15.5	3.4	2,001,169	36.3
2017 Projection	\$48.5	\$8.1	\$56.7	15.2	3.4	1,743,236	39.4

2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
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Incentives **29,643,312** **29,344,461** **32,758,308** **32,907,403**

Delivery Costs

Program Management	702,000	702,000	1,403,579	821,631
Program Delivery	13,523,171	13,281,402	15,359,399	15,691,307
Marketing-PMC	944,936	944,936	1,098,273	1,124,115
Performance Comp	420,000	201,075	442,500	451,250
Total Delivery Costs	15,590,107	15,129,413	18,303,751	18,088,303

ETO expenses

Staffing	679,919	861,472	1,051,935	1,001,315
Marketing	370,644	338,644	433,000	435,250
Other Services	1,300,012	859,437	1,256,400	808,000
General	122,500	43,500	75,550	71,088
Allocations	1,063,437	926,007	1,363,696	1,373,387

Sub-Total before Admin Costs **48,769,931** **47,502,934** **55,242,640** **54,684,746**

Administrative Costs **1,711,457** **1,501,838** **2,051,113** **1,969,544**

TOTAL EXPENSE **50,481,388** **49,004,772** **57,293,753** **56,654,290**

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

New Buildings

Program Description

Energy Trust New Buildings serves new construction, major renovations and tenant improvements, including multifamily and some new industrial core and shell. Working directly with building owners, developers, business owners and design professionals, New Buildings targets and delivers technical and financial resources to accelerate market adoption of high-performance equipment, buildings, advanced technologies and building design practices. The program team engages with projects in early design, working directly with the project team, owners and allies to incorporate energy efficiency early in the building design and development process. New Buildings will continue to drive significant changes to how buildings are designed and constructed, resulting in sustained market practices that promote high-performance buildings and the benefits of energy-efficient places to live, work and do business in Oregon.

Aggressive energy savings targets are feasible in today's market, creating one of the greatest market advantages for major initiatives aimed at deep energy-efficiency. This long-term strategic vision guides energy program savings goals, market development, innovation in delivery and the development of cost-effective measures and decision-making tools to transform the market.

New Buildings will drive deeper savings by deploying program resources in three delivery methods, or tracks:

1. **System-based measures**
2. **Custom modeled savings**
3. **Packaged incentives**

Three initiatives will be continued: Path to Net Zero, Market Solutions targeted to 8 small commercial markets, and Allies for Efficiency for program training and education. Achievement of deep savings and the delivery of simple solutions will be supported with early design assistance, technical assistance, installation incentives and building commissioning.

With a mature program and ally network, paired with a strong economy, New Buildings plans to deliver increased project activity and savings over the next two years. To achieve utility-specific savings goals in 2016, and lay the foundation for future savings in 2017-2018, New Buildings will use the following strategies, delivered by Program Management Contractor, CLEAResult, and subcontractors.

2016 Strategic Focus

1. New Buildings' goal is to transform building design and construction practices for low-energy and net-zero building to become commonplace. Two critical pilots—Path to Net Zero and Small Commercial Efficiency—led to two innovative program offerings now standardized in the program, and these pilots helped shape how to deliver savings opportunities to a wide range of building owners and project teams and how to target deep energy savings. As some building owners lead with advanced designs and technologies, program staff capture early learnings then incorporate the emerging savings opportunities into approachable standard offerings for many market actors to adopt. This connection allows new Path to Net Zero design strategies to transfer to projects taking a prescriptive approach and that need simple, packaged solutions. Since the launch of Path to Net Zero and Market Solutions, New Buildings has begun to

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

New Buildings

capture the synergies occurring in the market, leveraging net-zero strategies and solutions to further serve under-participating market segments, helping these customers make bigger leaps and save more energy.

2. Build a market advantage for advanced buildings and enable broad adoption of advanced design strategies and technologies. With the emergence of net-zero design practices on a national level, there is greater interest in Path to Net Zero and energy-efficiency. However, achieving net-zero goals will remain a challenge for most projects and allies in these early stages of market adoption. Many owners and allies need increased familiarity with how to approach a net-zero design, energy modeling and systems selection before applying these strategies to their projects, but many are beginning to emerge and embrace net zero.
3. Increase owners' ability to target, achieve and sustain deep energy savings. To expand the application of net zero design strategies across a wide range of building types, sizes and climate zones, New Buildings will build capacity and knowledge among owners and developers to create high-performance buildings that achieve deep energy savings. This requires deploying more tactics that support owners, including: high-level, easy-to-use tools that support early decision making and help them set requirements for their building; case studies of building strategies and occupant satisfaction; and recognition and reward for their accomplishments. But the program will also help owners and professionals address challenges with value-engineering by providing owners with examples of performance-based contracting alternatives. Introduce and begin to standardize energy modeling and analysis tools that inform early design decisions, and empower allies designing next-generation buildings with better analytic tools that support the business case for owner-driven decision making.
4. Build knowledge and market momentum to accelerate the adoption of Path to Net Zero, putting Architecture 2020 milestones within reach for customers. Continue with two long-running training series building upon the Allies for Efficiency and the Building Energy Simulation Forum, and add Allies for Efficiency Level II trainings to provide in-depth lessons on technologies and tools and resources on complex analysis and decision-making. The program will continue to use the forums to build better bridges between contractors, designers and owners. As awareness of high-performance building design grows, empowering allies to successfully design and construct becomes critical. To encourage greater understanding and application of design and savings strategies, research on high-priority topic areas will be supported and results shared with the design community, through Allies for Efficiency and disseminated to project teams. As the number of buildings grows, the program will promote higher-level achievements through Allies for Efficiency and enhance the successful long-term training and education initiative to expand learnings.
5. Continue supporting small commercial building owners and businesses with streamlined building-type-specific incentive packages, called Market Solutions, that make it easy to participate. Eight Market Solutions, each with a Good/Better/Best incentive options, are available to customers and allies including office, retail, primary schools, small multifamily, large multifamily, grocery, restaurant and office tenant improvements. The program will support business owners occupying very small spaces with tips and guidance to access services through the Trade Ally Network.
6. Maintain and grow opportunities for core savings in buildings related to lighting, building controls, heating, cooling and ventilation, and IT equipment. Continue support for advanced lighting design and lighting controls, with the objective of driving reductions in lighting power

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

New Buildings

density across a wide range of buildings and applications. Update the lighting calculator to include new controls. Collaborate with Northwest Energy Efficiency Alliance on their Luminaire Level Lighting Controls work. Retool HVAC savings approaches to address the decline in rooftop HVAC units that are now becoming code baseline. Identify advanced savings measures that need to be piloted or made prescriptive for small businesses. Continue to support data centers, adjust baselines and identify market transformation activities targeting equipment sizing in facilities.

2016 Activities

1. Continue building market demand among commercial building owners and developers increasingly on the Path to Net Zero, and provide them with recognition and rewards in the early design phase as projects are getting underway. Work with current Path to Net Zero project teams to achieve their energy-savings targets, reward their success and begin to advance the program's community building strategy.
2. Grow the number of advanced energy savings measures available to the market. Aggressively standardize innovative savings measures into simple solutions ready for market adoption.
3. Pilot technologies and strategies that are viable and increasingly appealing to the market, but it has been difficult to determine their costs and savings.
4. Continue to couple early design assistance with Market Solutions Good/Better/Best packages targeting grocery, small multifamily, office, retail, restaurant and schools, large multifamily and office tenant improvement.
 - Expand the retail package to include a pathway for retail tenant improvements focused on lighting and control strategies
 - Examine ways to leverage the Best and Very Best options toward net zero energy design.
5. Continue regional program delivery to Eastern Oregon, Central Oregon, Southern Oregon and the Willamette Valley, and increase outreach activities to building owners along the coast and Columbia corridor. Expand project support in Southern Oregon and Central Oregon.
6. Continuously improve how customers tap into services and incentives, leveraging online processing and enrollment.
7. Expand delivery of training and education—under the umbrella of Allies for Efficiency—to reach new audiences, technical specialists, construction contractors and trades with enhanced content.
8. Update the data center offering to be more streamlined and design-focused. Develop training and education materials with the objective of shifting IT design practices and deliver content through new market channels.
9. Update solar and solar ready offering and market engagement strategy.
10. Adapt to reduced gas and electric avoided costs to provide cost-effective measures, providing more services as necessary to aid the customer's decision making and redefining recommendations to limit marginally cost-effective measures.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

New Buildings

Program Description

Energy Trust New Buildings serves new construction, major renovations and tenant improvements, including multifamily and some new industrial core and shell. Working directly with building owners, developers, business owners and design professionals, New Buildings targets and delivers technical and financial resources to accelerate market adoption of high-performance equipment, buildings, advanced technologies and building design practices. The program team engages with projects in early design, working directly with the project team, owners and allies to incorporate energy efficiency early in the building design and development process. New Buildings will continue to drive significant changes to how buildings are designed and constructed, resulting in sustained market practices that promote high-performance buildings and the benefits of energy-efficient places to live, work and do business in Oregon.

Aggressive energy savings targets are feasible in today's market, creating one of the greatest market advantages for major initiatives aimed at deep energy-efficiency. This long-term strategic vision guides energy program savings goals, market development, innovation in delivery and the development of cost-effective measures and decision-making tools to transform the market.

New Buildings will drive deeper savings by deploying program resources in three delivery methods, or tracks:

- 1. System-based measures**
- 2. Custom modeled savings**
- 3. Packaged incentives**

Three initiatives will be continued: Path to Net Zero, Market Solutions targeted to 8 small commercial markets, and Allies for Efficiency for program training and education. Achievement of deep savings and the delivery of simple solutions will be supported with early design assistance, technical assistance, installation incentives and building commissioning.

With a mature program and ally network, paired with a strong economy, New Buildings plans to deliver increased project activity and savings over the next two years. To achieve utility-specific savings goals in 2016, and lay the foundation for future savings in 2017-2018, New Buildings will use the following strategies, delivered by Program Management Contractor, CLEAResult, and subcontractors.

2016 Strategic Focus

1. New Buildings' goal is to transform building design and construction practices for low-energy and net-zero building to become commonplace. Two critical pilots—Path to Net Zero and Small Commercial Efficiency—led to two innovative program offerings now standardized in the program, and these pilots helped shape how to deliver savings opportunities to a wide range of building owners and project teams and how to target deep energy savings. As some building owners lead with advanced designs and technologies, program staff capture early learnings then incorporate the emerging savings opportunities into approachable standard offerings for many market actors to adopt. This connection allows new Path to Net Zero design strategies to transfer to projects taking a prescriptive approach and that need simple, packaged solutions. Since the launch of Path to Net Zero and Market Solutions, New Buildings has begun to

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New Buildings

capture the synergies occurring in the market, leveraging net-zero strategies and solutions to further serve under-participating market segments, helping these customers make bigger leaps and save more energy.

2. Build a market advantage for advanced buildings and enable broad adoption of advanced design strategies and technologies. With the emergence of net-zero design practices on a national level, there is greater interest in Path to Net Zero and energy-efficiency. However, achieving net-zero goals will remain a challenge for most projects and allies in these early stages of market adoption. Many owners and allies need increased familiarity with how to approach a net-zero design, energy modeling and systems selection before applying these strategies to their projects, but many are beginning to emerge and embrace net zero.
3. Increase owners' ability to target, achieve and sustain deep energy savings. To expand the application of net zero design strategies across a wide range of building types, sizes and climate zones, New Buildings will build capacity and knowledge among owners and developers to create high-performance buildings that achieve deep energy savings. This requires deploying more tactics that support owners, including: high-level, easy-to-use tools that support early decision making and help them set requirements for their building; case studies of building strategies and occupant satisfaction; and recognition and reward for their accomplishments. But the program will also help owners and professionals address challenges with value-engineering by providing owners with examples of performance-based contracting alternatives. Introduce and begin to standardize energy modeling and analysis tools that inform early design decisions, and empower allies designing next-generation buildings with better analytic tools that support the business case for owner-driven decision making.
4. Build knowledge and market momentum to accelerate the adoption of Path to Net Zero, putting Architecture 2020 milestones within reach for customers. Continue with two long-running training series building upon the Allies for Efficiency and the Building Energy Simulation Forum, and add Allies for Efficiency Level II trainings to provide in-depth lessons on technologies and tools and resources on complex analysis and decision-making. The program will continue to use the forums to build better bridges between contractors, designers and owners. As awareness of high-performance building design grows, empowering allies to successfully design and construct becomes critical. To encourage greater understanding and application of design and savings strategies, research on high-priority topic areas will be supported and results shared with the design community, through Allies for Efficiency and disseminated to project teams. As the number of buildings grows, the program will promote higher-level achievements through Allies for Efficiency and enhance the successful long-term training and education initiative to expand learnings.
5. Continue supporting small commercial building owners and businesses with streamlined building-type-specific incentive packages, called Market Solutions, that make it easy to participate. Eight Market Solutions, each with a Good/Better/Best incentive options, are available to customers and allies including office, retail, primary schools, small multifamily, large multifamily, grocery, restaurant and office tenant improvements. The program will support business owners occupying very small spaces with tips and guidance to access services through the Trade Ally Network.
6. Maintain and grow opportunities for core savings in buildings related to lighting, building controls, heating, cooling and ventilation, and IT equipment. Continue support for advanced lighting design and lighting controls, with the objective of driving reductions in lighting power

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New Buildings

density across a wide range of buildings and applications. Update the lighting calculator to include new controls. Collaborate with Northwest Energy Efficiency Alliance on their Luminaire Level Lighting Controls work. Retool HVAC savings approaches to address the decline in rooftop HVAC units that are now becoming code baseline. Identify advanced savings measures that need to be piloted or made prescriptive for small businesses. Continue to support data centers, adjust baselines and identify market transformation activities targeting equipment sizing in facilities.

2016 Activities

1. Continue building market demand among commercial building owners and developers increasingly on the Path to Net Zero, and provide them with recognition and rewards in the early design phase as projects are getting underway. Work with current Path to Net Zero project teams to achieve their energy-savings targets, reward their success and begin to advance the program's community building strategy.
2. Grow the number of advanced energy savings measures available to the market. Aggressively standardize innovative savings measures into simple solutions ready for market adoption.
3. Pilot technologies and strategies that are viable and increasingly appealing to the market, but it has been difficult to determine their costs and savings.
4. Continue to couple early design assistance with Market Solutions Good/Better/Best packages targeting grocery, small multifamily, office, retail, restaurant and schools, large multifamily and office tenant improvement.
 - Expand the retail package to include a pathway for retail tenant improvements focused on lighting and control strategies
 - Examine ways to leverage the Best and Very Best options toward net zero energy design.
5. Continue regional program delivery to Eastern Oregon, Central Oregon, Southern Oregon and the Willamette Valley, and increase outreach activities to building owners along the coast and Columbia corridor. Expand project support in Southern Oregon and Central Oregon.
6. Continuously improve how customers tap into services and incentives, leveraging online processing and enrollment.
7. Expand delivery of training and education—under the umbrella of Allies for Efficiency—to reach new audiences, technical specialists, construction contractors and trades with enhanced content.
8. Update the data center offering to be more streamlined and design-focused. Develop training and education materials with the objective of shifting IT design practices and deliver content through new market channels.
9. Update solar and solar ready offering and market engagement strategy.
10. Adapt to reduced gas and electric avoided costs to provide cost-effective measures, providing more services as necessary to aid the customer's decision making and redefining recommendations to limit marginally cost-effective measures.

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New Buildings

11. Work with other organizations to build market momentum for net-zero energy, advanced design and construction.
12. Increase code knowledge and compliance through training, education and project support, and increase access to resources that can be used by code officials to increase compliance of energy codes.
13. Coordinate with NEEA to leverage regional activity and content, and prepare for code updates.

2016 Assumptions

1. Statewide growth in construction will continue steadily and vacancy rates for large market segments are low, causing across-the-board demand for new construction and major renovation space. The program will manage to historically high levels of statewide construction activity and plans to deliver 70% more energy savings compared to 2015. Program staff assume that the program will continue to influence the market to build energy-efficient buildings when the pace of construction is so fast it may crowd out energy-efficiency.
2. Large volumes of projects from two market segments will close: multifamily pipeline contains 100 buildings that we assume will close in 2016 with significant electric and gas savings, and that distribution centers will continue to expand in 2016, tapering off in 2017. We anticipate that several significant distribution center projects will enroll and close in 2016.
3. The 2014 Oregon Energy Efficiency Specialty Code was not widely reflected in program offerings, but will limit available prescriptive HVAC offerings, which could have a ripple effect on market solutions packaged incentives.
4. Growth in major market segments will continue, including office, retail, schools and multifamily segments. Projects will complete within the timelines projected.
5. Project teams strive to reach deeper energy savings goals, tapping into program offerings such as Path to Net Zero and Market Solutions Good/Better/Best.
6. The state's first 30 Path to Net Zero projects will be successful as they undergo design and completion.
7. Large Projects: One large commercial project in Pacific Power territory will close in 2016, completing with today's projected savings estimates. Another large project in PGE territory is assumed to close in 2016, which presents a slight risk to our goal if delayed. As in past years, large projects could enroll in 2016 and close in 2016, but this scenario is unlikely and therefore it is assumed no unenrolled projects will close in 2016.

2017 Strategic Focus

1. Continue to implement strategies that support our goal to transform building design and construction practices for low-energy and net-zero building to become commonplace.
2. Continue to fine tune and adjust program offerings and approaches to drive energy-efficiency in the market, leveraging much of the program's 2016 activities and new developments toward deep savings, and increasing program reach.
3. Continue to focus on identifying the next-in-line energy saving strategies and measures – in particular program staff will focus on applications for small commercial buildings.
4. Prepare for possible changes to Oregon Energy Efficiency Specialty Code in 2017.

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New Buildings

	Annual Expense			Electric		Gas	
				Savings	levelized cost	Savings	levelized cost
Year	Electric	Gas	Total	aMW	(cents / KWh)	therms	(cents / therm)
2015 Forecast	\$12.5	\$1.5	\$14.0	4.8	3.0	492,229	93.6
2016 Budget	\$15.6	\$1.6	\$17.2	5.3	3.2	597,301	22.6
2017 Projection	\$15.7	\$1.8	\$17.4	6.4	2.3	609,692	26.2

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	5,608,266	7,268,439	9,143,625	9,270,619
Delivery Costs				
Program Management	212,540	212,540	229,092	229,092
Program Delivery	4,262,395	4,262,395	5,028,083	5,150,075
Marketing-PMC	326,245	326,245	416,078	416,078
Performance Comp	120,000	117,500	130,000	130,000
Total Delivery Costs	4,921,180	4,918,680	5,803,253	5,925,245
ETO expenses				
Staffing	333,895	260,509	308,688	329,393
Marketing	129,500	113,500	123,000	123,000
Other Services	412,512	384,926	593,715	500,000
General	11,000	8,500	14,500	3,000
Allocations	623,922	535,927	610,281	614,191
Sub-Total before Admin Costs	12,040,275	13,490,481	16,597,062	16,765,448
Administrative Costs	481,363	487,329	616,235	649,508
TOTAL EXPENSE	12,521,638	13,977,810	17,213,297	17,414,956

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Production Efficiency

Program Description

Energy Trust's industry and agriculture sector provides electric and gas energy-efficiency solutions for all sizes and types of eligible industrial and agricultural businesses through the Production Efficiency program. The program provides a robust set of services and incentives through three primary delivery tracks to help these energy-intensive businesses achieve cost-effective savings on an ongoing basis. The program is designed and managed in-house by industry and agriculture sector staff, and is delivered to market through the support of a large number of contractors and other market actors.

1. The **Custom Track** allows for a comprehensive approach to gas and electric process efficiency projects, retrofits and operations and maintenance, O&M. Custom Program Delivery Contractor industrial efficiency experts act as long-term energy efficiency account managers for industrial customers of all sizes and types in their assigned geographic territory. PDCs provide turnkey support to participants in their assigned geographic territories, helping participants identify specific efficiency opportunities and facilitating their ongoing participation in Energy Trust programs. They achieve savings goals through developing and delivering custom projects, which represent more than one-half of Production Efficiency program savings. Allied Technical Assistance Contractors, ATACs, provide analysis for custom projects to support customer and program investment decisions.
2. **Strategic Energy Management, SEM**, provides training, tools and the technical support of SEM coaches to enable customers to save energy by establishing or improving energy management practices in the workplace. SEM offerings aim to secure and deepen customer commitment to energy management and improve their capability to drive persistent, measureable improvements in the energy intensity of their operations.
3. The **Streamlined Tracks** focus on simpler, more common equipment measures, typically installed through Energy Trust trade allies and other vendors. The Streamlined Tracks are delivered by specialized PDCs who focus on trade ally outreach and training, project verification and delivery of savings from streamlined measures, and new measure and tool development. The trade ally delivery channel leverages long-term vendor relationships as a primary influence on customer decision-making. The lighting Trade Ally Network delivers all types of lighting projects at industrial sites. The Streamlined Industrial and Agricultural Initiative, SI, delivers savings from irrigation measures, small compressed air, variable frequency drives and other prescriptive and calculated measures.

2016 Strategic Focus

1. Continue to implement and continuously improve current, effective Custom, Streamlined and SEM offerings.
2. Provide more outreach, technical services and other support to increase savings from the agriculture sector and small- to medium-sized industrial customers.
3. Redesign and implement an SEM offering for industrial sites that have previously participated in the program's first year SEM offering, and recruit new SEM participants.
4. Increase gas savings and the number of gas projects completed in all tracks.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

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Production Efficiency

5. Working with other organizations such as Northwest Energy Efficiency Alliance, Pacific Northwest National Laboratory and others, provide information and help deploy emerging technologies. More commonly in industry, this involves more unusual, rarely deployed applications of existing technology, such as smart manufacturing controls, energy information systems and Performance+ lighting design.
6. Continuously improve internal processes and systems, including use of data and information to support program activities and technical management of all tracks.

2016 Activities

Ongoing

1. Continue to use Custom PDCs as long-term energy efficiency account managers and technical consultants for all types and sizes of industrial customers.
2. Continue to use Streamlined PDCs to develop new streamlined and lighting measures and to recruit, train and support trade allies.
3. Achieve greater geographic diversity of both gas and electric savings by improving outreach efforts to trade allies across the state. Continue to develop and support their use of the streamlined industrial calculator tools for small compressed air, irrigation and other measures.
4. Promote uptake and increase volume of refrigeration-related streamlined measures, particularly fast-acting doors and refrigeration controls.
5. Diversify and increase SEM participation by offering the one-year, introductory Core SEM offering to 25 to 30 new sites in 2016.
6. Drive integration of lighting controls and other best practices in comprehensive lighting projects through ongoing promotion of Performance+ and other advanced lighting strategies.
7. Working with utilities and other industry partners, improve awareness of the benefits of efficiency and services available for small- to medium-sized industrial customers.

In Development and New Initiatives

8. Develop tools that reduce PDC effort and cost associated with providing custom engineering services at smaller industrial sites, beginning in 2016 with a tablet-based tool to support site walk-throughs and quickly generate scoping studies for energy-efficiency opportunities.
9. Develop and launch a multiyear Continuous SEM offering for the 130+ customers who have previously participated in introductory SEM offerings.
10. Provide outreach, technical services and incentives to reduce the energy use of new or expanding cannabis production facilities. Engage with local market actors and peers in other states to accelerate understanding of technical solutions for this sector and inform planning and program strategies.
11. Enable customer self-service for information about historical participation in Energy Trust programs and the status of projects in process through development of an online Business Customer Portal.

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ENERGY TRUST 2016-2017 FINAL PROPOSED PLAN

Production Efficiency

2016 Assumptions

Overarching

1. 2016 budget and goals assume that spending on large energy users (who do not pay supplemental 838 charges) remains under the incentive cap used to administer requirements that large energy users do not benefit directly from 838 funding. If analysis of 2015 spending (to be completed in Q2 2016) finds us over the cap in PGE territory, the programs will need to act to reduce spending on these customers, and this would impact both savings and spending.
2. 2016 planned actions assume that the economic and policy environment that manufacturers and the program are operating in do not change in significant ways compared to 2014 and 2015.

Delivery

3. Delivery costs for 2016 continue to scale predictably with working (gross) savings goals, with only very minor adjustments in the run rate on two of the five delivery contracts. Despite this, delivery costs will show a perceptible upward trend compared to 2015 due to changes in the free ridership evaluation factor that resulted in a loss of 8 percent of savings net-to-gross compared to 2015. This change simply means that the PDCs have to pursue more working savings in order for the program to reach the same reportable savings goals.

Incentives and Savings

4. Most incentive levels appear to be optimized now and are working to successfully bring in savings. No major incentive changes will be proposed for Custom incentives in 2016, but some calculated and prescriptive measures may be adjusted, as needed.
5. The program did not budget for a bonus incentive in 2016, but may implement a well-defined bonus if savings forecasts in 2016 show significant gaps in the project pipeline. In the event this were to occur, we assume that existing, uncommitted incentive budgets would be sufficient to support targeted additional spending toward reaching goal.
6. The budgeted cost (run rate) for lighting incentives has been increased slightly, by less than one cent/ kWh, in accordance with recent spending trends. This increase is reflective of the higher cost of LEDs, but LEDs also benefit from longer measure life and a better levelized cost.
7. Gas incentive run rate assumptions have been decreased slightly to better reflect recent acquisition costs.
8. More savings are expected to come from Custom projects in 2016 than in recent years, and less from relatively low-cost SEM. The increased acquisition cost per kWh is balanced by the much longer measure life of Custom projects.
9. Layered on to this shift from SEM savings to more Custom projects is the cost associated with the net-to-gross factor on all electric projects, which has the single biggest impact on the program's increasing incentive costs in 2016.

2017 Strategic Focus

1. Use, maintain and improve mature and developing program strategies, relationships, offerings, initiatives and tools.

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Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Production Efficiency

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2016 Strategic Focus

1. Continue to implement and continuously improve current, effective Custom, Streamlined and SEM offerings.
2. Provide more outreach, technical services and other support to increase savings from the agriculture sector and small- to medium-sized industrial customers.
3. Redesign and implement an SEM offering for industrial sites that have previously participated in the program's first year SEM offering, and recruit new SEM participants.
4. Increase gas savings and the number of gas projects completed in all tracks.

ENERGY TRUST 2016-2017 FINAL PROPOSED PLAN

Production Efficiency

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6. Continuously improve internal processes and systems, including use of data and information to support program activities and technical management of all tracks.

2016 Activities

Ongoing

1. Continue to use Custom PDCs as long-term energy efficiency account managers and technical consultants for all types and sizes of industrial customers.
2. Continue to use Streamlined PDCs to develop new streamlined and lighting measures and to recruit, train and support trade allies.
3. Achieve greater geographic diversity of both gas and electric savings by improving outreach efforts to trade allies across the state. Continue to develop and support their use of the streamlined industrial calculator tools for small compressed air, irrigation and other measures.
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Production Efficiency

2016 Assumptions

Overarching

1. 2016 budget and goals assume that spending on large energy users (who do not pay supplemental 838 charges) remains under the incentive cap used to administer requirements that large energy users do not benefit directly from 838 funding. If analysis of 2015 spending (to be completed in Q2 2016) finds us over the cap in PGE territory, the programs will need to act to reduce spending on these customers, and this would impact both savings and spending.
2. 2016 planned actions assume that the economic and policy environment that manufacturers and the program are operating in do not change in significant ways compared to 2014 and 2015.

Delivery

3. Delivery costs for 2016 continue to scale predictably with working (gross) savings goals, with only very minor adjustments in the run rate on two of the five delivery contracts. Despite this, delivery costs will show a perceptible upward trend compared to 2015 due to changes in the free ridership evaluation factor that resulted in a loss of 8 percent of savings net-to-gross compared to 2015. This change simply means that the PDCs have to pursue more working savings in order for the program to reach the same reportable savings goals.

Incentives and Savings

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5. The program did not budget for a bonus incentive in 2016, but may implement a well-defined bonus if savings forecasts in 2016 show significant gaps in the project pipeline. In the event this were to occur, we assume that existing, uncommitted incentive budgets would be sufficient to support targeted additional spending toward reaching goal.
6. The budgeted cost (run rate) for lighting incentives has been increased slightly, by less than one cent/ kWh, in accordance with recent spending trends. This increase is reflective of the higher cost of LEDs, but LEDs also benefit from longer measure life and a better levelized cost.
7. Gas incentive run rate assumptions have been decreased slightly to better reflect recent acquisition costs.
8. More savings are expected to come from Custom projects in 2016 than in recent years, and less from relatively low-cost SEM. The increased acquisition cost per kWh is balanced by the much longer measure life of Custom projects.
9. Layered on to this shift from SEM savings to more Custom projects is the cost associated with the net-to-gross factor on all electric projects, which has the single biggest impact on the program's increasing incentive costs in 2016.

2017 Strategic Focus

1. Use, maintain and improve mature and developing program strategies, relationships, offerings, initiatives and tools.

ENERGY TRUST 2016-2017 FINAL PROPOSED PLAN

Production Efficiency

	Annual Expense			Electric		Gas	
				Savings	levelized cost	Savings	levelized cost
Year	Electric	Gas	Total	aMW	(cents / KWh)	therms	(cents / therm)
2015 Forecast	\$28.0	\$2.4	\$30.4	11.8	3.2	1,577,919	14.3
2016 Budget	\$31.0	\$2.8	\$33.8	13.4	2.7	1,036,453	24.3
2017 Projection	\$31.2	\$2.8	\$34.0	15.6	2.3	1,036,453	24.2

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	18,348,595	16,723,611	19,470,290	19,918,266
Delivery Costs				
Program Management				
Program Delivery	9,513,155	9,683,155	9,642,718	9,642,718
Marketing-PMC				
Performance Comp	330,000	205,000	325,000	325,000
Total Delivery Costs	9,843,155	9,888,155	9,967,718	9,967,718
ETO expenses				
Staffing	1,085,455	946,917	1,117,512	1,192,075
Marketing	234,000	222,000	259,000	259,000
Other Services	952,852	1,067,714	1,007,000	735,500
General	62,500	62,900	60,500	60,500
Allocations	663,521	580,287	731,219	731,610
Sub-Total before Admin Costs	31,190,078	29,491,584	32,613,239	32,864,669
Administrative Costs	1,081,503	928,009	1,210,902	1,165,401
TOTAL EXPENSE	32,271,581	30,419,593	33,824,141	34,030,070

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Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Existing Homes

Program Description

The Existing Homes program provides customer service, technical assistance and financial incentives for residents of single-family and manufactured homes. The program encourages efficient space heating, water heating, weatherization, lighting, water conservation and behavioral actions through incentives, education, trade ally support and market interventions through the following program tracks or key initiatives:

1. **Single Family Prescriptive** acts as the foundation for Existing Homes program tracks. The availability of cash incentives allows customers to have an à la carte option for energy-efficiency upgrades and provides trade allies with a basis for helping customers who do not qualify for or are not interested in multiple improvements. Available incentives must be cost-effective with both Utility and Societal Benefit Cost Ratios over 1.0. Incentive levels are adjusted in response to market conditions, which in some cases include the desire to stimulate the market to install energy-efficient measures and encourage market transformation for certain measures.
2. **Home Performance with ENERGY STAR®** is a residential whole-house energy-efficiency program for the existing homes market, delivered exclusively by contractor firms employing Building Performance Institute-certified field staff. Home Performance with ENERGY STAR is founded on the “house as a system” approach to building functionality, which integrates progressive concepts of building science and places a strong emphasis on health and safety as well as building durability. The U.S. Department of Energy began to administer the Home Performance with ENERGY STAR program in October 2011 and works in conjunction with the U.S. Environmental Protection Agency to support local program sponsors. Energy Trust is Oregon’s statewide sponsor and manages trade ally involvement, program promotion, project verification, incentive processing and reporting. The incentives and measures within the Single Family Prescriptive track are the basis of the measures implemented through Home Performance with ENERGY STAR.
 - Enhabit (formerly Clean Energy Works) is a nonprofit that provides customers with a comprehensive list of energy-savings measures and opportunities to finance selected upgrades. Enhabit began as a pilot program with Energy Trust and the City of Portland, and evolved within the Home Performance with ENERGY STAR track. In April 2010, the U.S. Department of Energy invested in the pilot to advance the model statewide. Now, Enhabit functions as an independent nonprofit and maintains strong partnerships with utility companies, local lenders, local governments, Energy Trust, the Oregon Department of Energy and the U.S. Department of Energy.
 - Enhabit provides eligible customers with free home energy assessments and dedicated Energy Advisors to help homeowners through every step of the energy-efficiency retrofit process, including coordinating contractor involvement and choosing financing and upgrade options. The program offers no-money-down financing to customers, reducing the financial barriers to investing in energy-efficiency upgrades.
3. **Savings Within Reach** addresses barriers to moderate-income households by providing higher incentives paid directly to the contractor, lowering costs and reducing out-of-pocket expenses for participants. This incentive track is not a program, but rather a set of enhanced incentives

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Existing Homes

designed to improve accessibility and affordability of home energy improvements. An on-bill loan repayment product has been available for Savings Within Reach customers of Portland General Electric, Pacific Power and NW Natural gas since 2014.

4. The **Existing Manufactured Homes track** promotes energy savings in the manufactured housing sector by offering select single-family prescriptive measures and Savings Within Reach incentives to income-eligible occupants and providing no-cost air sealing, duct sealing and repair, and direct installation of light bulbs, faucet aerators and showerheads. The no-cost weatherization services are designed to provide accessibility of home energy improvements for a demographic that may be underserved due to supposition of lower income level association. The PMC creates and maintains relationships with participating contractors, Oregon Department of Housing and Community Services, community action programs and other relevant stakeholders to identify outreach opportunities, key communities and eligible customers unaware of program benefits.
5. **Energy Saver Kits** and **LivingWise Kits** deliver savings for the Existing Homes program through two pathways:
 - Energy Saver Kits, including energy-saving water and lighting products, are offered at no cost to homeowners and renters. They can be ordered online and shipped to the recipient's home. Each kit contains a combination of LED light bulbs, bathroom and kitchen faucet aerators and showerheads determined by the customer's responses to an online questionnaire. The PMC contracted with Energy Federation, Inc. in 2015 to provide customer service for the Energy Saver Kit phone line, manage and order the kit inventory, and assemble and ship Energy Saver Kits.
 - The LivingWise Kit curriculum focuses on energy education opportunities aimed at 6th grade students and their families. Students are provided with energy- and water-saving devices, which are taken home and installed with family members. Students and teachers work to understand and appreciate the value of natural resources in everyday life. The PMC contracts with Resource Action Programs for implementation and delivery of LivingWise curriculum through Oregon schools.

2016 Strategic Focus

1. Deliver program through PMC CLEAResult, subcontractors, trade allies and market actors.
2. Redesign program offers to further cost-effective delivery approaches and maximize returns for participating customers and the utility customer base as a whole.
3. Establish thresholds of portfolio savings achieved through instant savings measures while continuing to grow savings from heating and water heating equipment.
4. Streamline program touch points and guide customers to relevant resources and support, based on customer disposition, utility consumption and housing characteristics.
5. Maintain statewide program reach while seeking out opportunities to partner with jurisdictions and market actors to reach customers in under-participating areas.
6. Develop new market interventions aimed at leveraging opportunities within existing supply chains and market actors.
7. Implement targeted and cross-sector marketing strategies to support equipment installations and promote offerings for residential customers, ensuring that eligible customers continue to see

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Existing Homes

incentives and offers available to them as program designs change.

2016 Activities

1. Accelerate adoption of efficient gas and electric water heaters, leveraging the results of 2015 market research, education of trade allies and participation within the distribution chain. Expand on agreements with distributors and supply chain actors to increase market share of efficient heating and water heating equipment.
2. Improve customer and trade ally experiences through continued focus on ease of participation and offering instant incentives.
3. Deliver instant savings measures savings through LivingWise Kit curriculum in schools, capturing site data to re-engage participating parents with energy-saving opportunities.
4. Collaborate with the Products program to increase customer adoption and installation of self-installed, web-enabled smart thermostat controls.
5. Drive customer awareness of home energy use by integrating EPS™ into customer engagement pathways.
6. Expand and streamline financing options for homeowners to broaden eligible measures in the market-rate and moderate-income tracks and improve pre-approval and application processes.
7. Continue to evolve program quality assurance processes to reduce administrative impacts and leverage technology innovations, program partners and available data resources.
8. Implement pilots to discover new cost-effective electric savings drivers in anticipation of reduced savings from lighting measures and lower electric avoided costs.
9. Expand on program efforts to promote gas furnaces in single-family rental homes and electric heating system retrofits in manufactured homes.
10. Offer weatherization incentives to gas and electric customers, with specific efforts to target resource achievement in moderate-income homes and single-family rental properties.
11. Evaluate existing manufactured homes free service track and provide recommendations for 2017 program design.

New Delivery Concepts

1. Drive an increase above the 2 percent of domestic water heater savings in the portfolio. The program will restructure contractor-installed domestic water heater incentives to an upstream model and collaborate with Products to incorporate self-installed domestic water heaters to the Products program through retailer strategies—final design based on domestic water heater market research.
2. Offer program incentive to maintain gas hearth baseline for electronic ignition paired with a Market Actor Performance Incentive allocated across New and Existing Homes to drive gas hearth savings across residential sector.
3. Explore option to extend the kit ordering process to include a partial pay option to maximize savings and ease of participation with each customer touch point. This could include products like advanced power strips and smart thermostats with a bulk buy-down reduced rate and instant incentive, which would add value for customers and increase administrative efficiencies. This

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Existing Homes

supports diversification of kit savings in anticipation of LED cost-effectiveness constraints in 2017.

4. As an outcome of the 2015 EPS™ concept map project, transition focus from building a network that delivers scores to driving awareness and demand for EPS with our customers. This will integrate with program customer engagement platforms and create a streamlined, comprehensive customer engagement approach.
5. Collaborate with the Portland General Electric behavioral demand response pilot to evolve crossover and impact of energy savings and implement a behavior energy-efficiency pilot to leverage PGE pilot components to test behavioral energy efficiency savings opportunity.
6. Explore opportunity to collaborate with regional community action agency service delivery channels to support HVAC installations and acquire heating savings.
7. Support the NW Natural Clean Heat initiative to ensure installation of-high efficiency gas furnaces through the targeted offering.

Program Enhancements

- Customer Experience
 - Support systems enhancements to improve customer experience and application processing based on identified business systems priorities including web form enhancements, improved email communication, on-bill repayment processing and the Trade Ally Portal.
 - Continue to implement customer engagement strategies and reduce barriers to participation by simplifying messaging, streamlining customer engagement touchpoints and aligning customer-facing promotional channels.
 - Reduce processing timeline per project with streamlined processes, upstream designs, trade ally-based incentives and bulk processes.
- Regional Delivery
 - Regional account managers will collaborate to represent Energy Trust across New Homes, Existing Homes and New Buildings programs based on specific initiatives and market actor relationships across programs.
 - Support region-specific initiatives, including, but not limited to, NW Natural Clean Heat, wood stove replacement programs with South Central Oregon Economic Development District in Southern Oregon and Washington county, and local coordination with community action agencies.
 - Support the Georgetown Energy Prize projects through direct installation of energy-efficient products and community engagement.
 - Focus promotional Energy Trust offers to moderate-income residents and rental property owners in under-participating regions.
- Market Engagement
 - Continue account manager customized outreach and relationship development with key trade ally and market actors to drive participation and regional savings.
 - Continue to increase participation and impact of distributor SPIFs.

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Existing Homes

- Collaborate with utilities to drive program participation with trade allies and customers.
- Design a media plan that focuses on customer benefits of working with trade allies, supporting the customer call to action of hiring a trusted trade ally.
- Use business development funds to design a campaign ally model to drive core measure savings for Existing Homes.
- Collaborate with Products to align retail and targeted marketing to residential customers with products that cross over both programs.
- Collaborate with regional initiatives including NEEA Hot Water Solutions and NW Ductless Heat Pump Project to support cost-effective program delivery and savings acquisition.
- Analysis and Evaluation
 - Conduct new measure research supported by CLEAResult in 2016, including Low-E storm windows for electrically heated manufactured homes.
 - Define analytics and baselines to measure impact of program design changes over time prior to the launch of new initiatives.
 - Support the sorting of residential savings across multiple programs/channels (Nest, advanced power strips, hearths, domestic water heating).

Marketing Activities

- Drive conversion rates from Energy Saver Kits and online Home Energy Reviews to core measures through tailored communications and targeted marketing efforts.
- Design and implement a campaign ally marketing effort for 3-star trade allies to promote specific core measures using lessons learned from the success of the Existing Buildings effort in 2015.
- Continue to build customer awareness of Energy Trust offerings and energy-saving opportunities as the program works upstream with market actors to drive savings.
- Reduce focus on broad marketing, and design targeted marketing campaigns and refined media buys that drive core measure savings.

2016 Pilots

- Pilot concepts are under review for 2016 and will be selected in collaboration with Energy Trust residential team and Planning.

2016 Assumptions

1. Staff will manage budget to comply with program-level cost-effectiveness goals.
2. Hearth distributors and manufacturers will support strategies and share data as part of a transition of hearth incentives to both consumers and retailers/distributors.
3. Opportunities exist to partner with utilities to promote data-driven behavior messaging.
4. Gas avoided costs will remain consistent with 2015 levels.
5. There will be new water heater upstream incentives designed to support stocking of qualifying products and recognize savings at time of install.
6. LED A-Lamp incentives will decrease in 2016, reducing the Energy Saver Kit incentive expenditure

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Existing Homes

by approximately \$500,000, and the savings per A-Lamp bulb will decrease from 15 to 10 kilowatt hours.

7. An increase in electric equipment projects will offset a significant reduction in domestic water heating savings and implementation of a minimum 9.0 HSPF requirement.
8. Inclusion of Nest thermostats across fuel types will result from two past pilots. Nest savings and incentive spending are conservative in the budget, as the measure is new. However, the program sees high potential for heating savings through this channel.
9. Reduction in weatherization savings, including reduced project volume from Enhabit.

2017 Strategic Focus

1. Further refinement and development of 2016 strategic focus areas, with a goal of increasing portfolio Benefit Cost Ratios while continuing to acquire cost-effective efficiency resources.
2. Build on mid-stream designs established for lighting and showerheads to encourage the adoption of efficient technologies by residential ratepayers.
3. Facilitate sector sorting and redesign of program delivery approaches to further cost-effective investments among the residential sector as a whole.

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Existing Homes

	Annual Expense			Electric		Gas	
				Savings	levelized cost	Savings	levelized cost
Year	Electric	Gas	Total	aMW	(cents / KWh)	therms	(cents / therm)
2015 Forecast	\$15.9	\$5.7	\$21.6	4.7	3.5	885,386	46.1
2016 Budget	\$15.1	\$5.0	\$20.1	4.0	3.8	787,964	45.5
2017 Projection	\$13.2	\$5.0	\$18.3	3.7	3.6	794,745	45.1

2015	2015	2016 R2	2017 R2
Budget	Forecast	Budget	Projection

Incentives	11,158,110	10,898,253	10,008,058	8,725,956
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Delivery Costs

Program Management	408,090	389,555	278,167	260,980
Program Delivery	5,312,690	5,147,620	5,108,563	4,659,549
Marketing-PMC	1,341,471	1,334,670	1,201,245	1,139,992
Performance Comp	200,000	200,000	200,000	200,000
Total Delivery Costs	7,262,251	7,071,845	6,787,975	6,260,521

ETO expenses

Staffing	460,699	394,626	429,894	458,755
Marketing	393,250	343,250	290,000	290,000
Other Services	711,512	574,495	526,250	400,750
General	73,500	48,500	54,250	54,250
Allocations	1,733,000	1,554,041	1,321,179	1,336,397

Sub-Total before Admin Costs	21,792,322	20,885,010	19,417,606	17,526,629
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Administrative Costs	866,172	747,861	720,960	729,541
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TOTAL EXPENSE	22,658,494	21,632,871	20,138,566	18,256,170
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Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Products

Program Description

The Products program provides prescriptive financial incentives to customers for the purchase and installation of energy-efficient products. The program is comprised of five components:

- 1. Retail lighting and showerheads**
- 2. New appliances**
- 3. Kits and giveaways**
- 4. New manufacture homes**
- 5. Appliance recycling**

Appliance recycling is managed by a subcontractor responsible for scheduling appointments, picking up and decommissioning of appliances. The Products program aims to acquire cost-effective electric and gas savings through implementation of program efficiencies, targeted outreach, innovative program offerings and marketing, as well as expanded focus on retailers and the retail channel. Leveraging data analytics and flexible incentive levels in tandem with increased retailer and consumer education maximizes uptake of energy-efficient products and sustained energy savings.

For new manufactured homes, the program provides prescriptive financial incentives to retailers for the sale of energy-efficient home models and ductless heat pumps installed in those homes.

2016 Strategic Focus

1. Deliver program through Program Management Contractor Ecova, subcontractors and an expanded statewide network of retailers.
2. Educate retailers and consumers about the benefits and features of energy-efficient lighting, showerheads and appliances through targeted marketing strategies to support specific Products program offerings. Targeted marketing strategies could include digital ads, email or direct mail with targeting based on geographical location, consumer context or past behavior.
3. Implement delivery improvements to gain program efficiencies and reduce costs. This will include a continued focus on driving customers to apply online, simplification of participation requirements for the recycling program offer and increased collaboration with Simple Steps, Smart Savings™ to reduce administrative burden on Energy Trust and Bonneville Power Administration. The cost versus benefit of updating qualified product lists and maintaining appliance point of purchase in stores on a monthly basis will also be assessed. There will be a focus on streamlining processes and gaining efficiencies across all residential programs.
4. Increase participation of manufacturers and retailers.
5. Use market data and analytics to drive targeted marketing strategies.
6. Address participation gaps by offering incentives at a wide range of retail types and increase presence in rural communities.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Products

7. Explore product recycling offer to include clothes washers. Ensure products are safely decommissioned and recycled.
8. Align program specification for new clothes washers with ENERGY STAR® version 7.0.
9. Pursue potential new savings opportunities to expand program portfolio. Continue to foster regional collaboration by partnering with key industry partners such as Northwest Energy Efficiency Alliance, Regional Technical Forum and Bonneville Power Administration.

2016 Activities

1. Maintain lighting and showerhead program design that uses data analytics and incentive level flexibility to maximize energy savings potential across the entire territory.
2. Incorporate new measures into the program portfolio such as clothes washer recycling and additional LED lighting applications.
3. Maintain current retail lighting promotions with incentive and savings changes. Expand promotions through partnerships with new manufacturers and expanded product lists with existing manufacturers.
4. Monitor shift in lighting sales mix from CFLs to qualified and non-qualified LEDs, and respond with incentive adjustments throughout the year.
5. Maintain refrigerator and freezer recycling program offer with incentive and savings changes. A single incentive level will be offered regardless of age of unit to simplify participation.
6. Maintain new clothes washer program offer with incentive and savings changes.
7. Conduct market test of mid-stream incentive model for refrigerators.
8. Expand participation and influence to customer groups and geographic areas with lower levels of program participation, working to reach customers through online offerings and community- or employer-hosted events.
 - Program is exploring a partnership with NEEA to pilot Enervee's "online closed loop retail marketing platform."
 - Review results of 2015 TechniArt pop-up promotions and online product promotions. If successful, maintain and expand program model to reach additional customers.
 - Continue working with independent and discount retailers.
9. Increase cross-program collaboration to increase program efficiency and savings. Cross collaborate in joint program measures and other areas, including advanced power strips tier 2, advanced thermostats and water heaters.
10. Provide EPS™ score sheets to new manufactured homes retailers for use as a sales tool in driving customers to purchase the most efficient electric models.
11. Work with regional partners to update assumptions on fuel allocation methodology for dual fuel measures, such as showerheads and clothes washers.
12. Coordinate with NEEA to accelerate the commercialization of high-efficiency dryers.
13. Update marketing point of purchase materials for lighting in retail locations during Q1.

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Products

2016 Assumptions

1. LEDs will continue to increase market share and CFLs will trend downward.
2. Savings from appliances, such as refrigerators and clothes washers, will decline. National efficiency standards for appliances are becoming more stringent, raising market baselines.

2017 Strategic Focus

1. Continue to focus on lighting sales. The volume of lighting sales is projected to decrease, however the program portfolio is projected to acquire more electric savings due to greater savings from LED sales. More products will also become ENERGY STAR® certified and prices will drop due to increased demand.
2. Facilitate sector sorting and redesign of program delivery approaches to further cost-effective investments for the residential sector as a whole.
3. Build on mid-stream designs established for lighting and showerheads to encourage the adoption of efficient technologies by residential ratepayers.

Financial and Savings information for the Products Program is included with New Homes Program

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New Homes

Program Description

Energy Trust's New Homes program focuses on acquiring electric and gas savings in Energy Trust service territory by supporting a network of trade ally builders, subcontractors and verifiers to build energy-efficient homes that extend above code requirements in three separate tracks. New Homes incentive tracks are based on performance-based EPS-rated homes, stand-alone measures and efficiency improvements in small multifamily dwellings. All three tracks require the participant or trade ally to install equipment that is above the current Oregon Residential Specialty Code. The program is managed by a program management contractor, CLEARResult, which contracts with local home builder associations and Earth Advantage to help deliver consistent program information and training throughout the Energy Trust territory to builders, subcontractors, verifiers and real estate allies.

1. **Performance incentives (whole home track)** enable trade ally builders to receive incentives for building at least 10 percent above the Oregon Residential Specialty Code. Incentives range from \$600 to -\$5,000 based on the overall performance improvement of the home compared to the same home if built to code. Home data is collected by third-party verifiers who are hired as subcontractors by the trade ally builder to consult, inspect and model the home in REM/Rate[®] software. Verifiers are partially subsidized by the program to help offset the cost of participation for the trade ally builder.
2. **Prescriptive incentives (stand-alone track)** allow builders or subcontractors to qualify for incentives for installing high-efficiency equipment in non-EPS[™] homes, such as a qualifying heat pump water heaters, gas water heaters, ductless heat pumps, alternative technology treatment waste water systems, showerheads, hearths and air sealing. New Homes uses stand-alone incentives to engage potential customers not currently participating in the program.
3. **Small multifamily incentives** are a new offering for New Homes in 2016. In coordination with the New Buildings program, New Homes will bring to market a prescriptive incentive package. Incentive packages will consist of some combination of the following measures: high-efficiency lighting, exterior lighting, energy-efficient water fixtures, water heater, bathroom fans, ductless heat pumps, high-efficiency gas furnaces, packaged terminal heat pumps and gas hearths. Bringing small multifamily projects of 12 units or fewer into the New Homes program will allow for single-family home builders to work with the same program team as they expand into small multi-unit projects.

The program also claims gas market transformation savings for influencing the 2008 and 2011 Oregon Residential Specialty Code. The method for claiming market transformation savings will undergo a full evaluation in 2016 to prepare for the upcoming 2017 code change.

2016 Strategic Focus

- Deliver program through Program Management Contractor CLEARResult, subcontractors and a statewide comprehensive network of trade allies.
- Sustain and grow market share of EPS-rated New Homes within Energy Trust service territory, including enhanced regional field support outside of the Portland Metro region.

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New Homes

- Expand program reach to capture savings in new and existing market segments. This includes working with affordable housing organizations, targeting new housing types such as accessory dwelling units and small multifamily.
- Leverage forthcoming code change to engage non-program builders with stand-alone measures driving future code compliance.
- Continue to explore opportunities to partner with developers and city planners to drive energy efficiency at earlier junctures in the development cycle.
- Coordinate with regional organizations and other programs, such as Northwest Energy Efficiency Alliance, Oregon Home Builders Association and Existing Homes, across various program opportunities.
- Continue to implement a five-year strategic solar plan.

2016 Activities

1. Offer EPS incentives to trade ally builders and verifiers to gain a 10 percent increase in the total number of homes submitted in 2015.
2. Provide timely and engaged service to program stakeholders in rural and under-participating regions.
3. Recruit new builders and continue to provide direct outreach and technical services to help participating builders maximize their energy savings.
4. Continue to support and deliver trainings on EPS to industry actors in including real estate brokers, appraisers, lenders and home inspectors.
5. Work with the Existing Homes team to recruit new Construction Contractors Board credentialed home energy assessors to expand the EPS network.
6. Support NEEA's development of a regional standard protocol for performance-based residential new construction efficiency programs. This will allow neighboring PUDs to offer additional incentives to EPS builders, creating more uptake of EPS homes in gas-only territories.
7. Support Colombia Basin Student Homebuilder's Program, increasing awareness of EPS in Eastern Oregon.
8. Further the program's role in regional market transformation by driving early uptake of anticipated future code requirements. Engage code builders with technical and, if cost-effective, financial assistance in meeting future code requirements.
9. Continue to improve the Axis platform to enhance the participant user experience and add functionality that will improve program efficiencies for a more cost-effective delivery model.

2016 New Delivery Concepts

1. Evaluate the program's cost of savings acquisition for specific pathways and by housing type (townhomes, accessory dwelling units, small homes). Use this data to revise the builder and verifier incentive structure in 2017.
2. Explore a dedicated track for large-scale projects where incentive payments may exceed \$500,000.

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New Homes

3. Transition the location of a current account manager to Bend (region 8)—an area of potential growth for the program. The account manager will also serve regions 2, 6, 9, 10, and 11 (Southern and Eastern Oregon), acting as the first full-time New Homes account manager to be located outside of Portland Metro area.
4. Support NEEA's feasibility study and potential market-test of an automated "Simple Score" using publically available datasets to establish a performance rating or score on all residential structures within the selected test market.
5. Support U.S. Department of Energy Home Energy Information Accelerator, enhancing the availability and use of reliable home energy information at relevant points in residential real estate transactions.
6. Reconfigure participation pathways for electric zonal heated homes, tailoring offers to meet the needs of affordable housing developers, providing options for participation that encourage (but do not require) heat pump water heaters, and implement in Axis.
7. Work with the Hillsboro, Beaverton and other cities to advance opportunities for energy efficiency in new housing developments prior to the building permitting process, providing incentives for commitments to set performance targets. Explore incorporating energy performance standards into master land use development plans submitted by developers to municipal planning commissions.
8. Launch suite of measures (including shell, HVAC, lighting and domestic hot water) tailored to the unique building characteristics and load profiles of small multifamily dwellings.
9. Partner with Existing Homes implementation team to launch a mid-stream hearth initiative promoting alternatives to standing pilot light ignition systems.
10. Determine next steps for implementing findings of a New Homes process evaluation to improve program design and services.

Marketing Activities

1. Retool builder messaging to expand engagement with builders through advertising, newsletters, public relations and email blasts, urging potential trade allies to build EPS homes or install stand-alone measures.
2. Expand relationships with participating builders and leverage existing trade allies to promote EPS and stand-alone measures through cooperative marketing, social media, earned media and advertorial content.
3. Continue to advertise to and engage with consumers to raise awareness of EPS and support builders. Revise materials (print collateral, EPS web page, etc.) to make EPS more accessible to consumers.
4. In partnership with Earth Advantage, engage real estate allies with new and existing materials, curriculum and trainings that provide clear action items for participants that are designed to keep allies engaged with Energy Trust. Identify and train real estate allies to act as ambassadors for Energy Trust offerings, with a focus on using EPS during the sale of a home. Grow the real estate ally network with an emphasis on training allies in under-participating regions, providing consistent support throughout the state.

2016 Assumptions

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New Homes

1. Manage budget to comply with program incentive and delivery goals.
2. Areas of high activity for new construction will sustain production, including the Portland Metro and Bend areas. Overall EPS activity is forecasted to increase by 10 percent, with greater gains possible in the Bend and Salem markets contingent on emerging partnerships with production builders.
3. The program developed production goals assuming the continuation of historical single-family splits between gas and electric heated homes at 85 percent gas and 15 percent electric. Production goals may be influenced by the participation of new builders, and market shifts to different housing types and system configurations.
4. Verifier network remains intact or experiences little impact as a result of House Bill 2801 additional fees, licensing and bonding requirements.
5. Small multifamily initiative goes to market in Q3 2016.

2017 Strategic Focus

1. The program will conduct forward planning activities in anticipation of an update to the Oregon Residential Specialty code. These include revisiting assumed installed costs and savings values for common measures, refreshing common market baselines for component efficiency values and evaluating the cost effectiveness of individual measures and common configurations of measures, or EPS pathways.
2. Further the program's role in regional market transformation by driving early uptake of anticipated future code requirements. Model costs and benefits under the new 2017 Oregon Residential Specialty Code. Work to transition the program into the next code cycle.

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New Homes

New Homes and Products combined financial and savings information

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2015 Forecast	\$22.1	\$5.3	\$27.4	9.2	3.2	1,057,671	32.8
2016 Budget	\$23.4	\$5.9	\$29.2	9.9	3.0	1,298,258	28.6
2017 Projection	\$22.9	\$6.0	\$28.9	10.0	2.9	963,999	40.0

2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
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Incentives **16,263,966** **17,653,639** **18,509,877** **17,815,690**

Delivery Costs

Program Management	520,541	556,176	593,546	593,703
Program Delivery	4,836,449	4,763,461	4,747,797	4,742,868
Marketing-PMC	1,055,593	1,059,214	1,093,953	1,093,953
Performance Comp	155,000	155,000	155,000	155,000
Total Delivery Costs	6,567,583	6,533,851	6,590,296	6,585,524

ETO expenses

Staffing	553,334	514,065	629,430	671,354
Marketing	320,500	301,500	497,000	497,000
Other Services	697,512	524,648	487,500	640,000
General	53,500	47,500	44,500	44,500
Allocations	963,140	860,528	1,441,698	1,465,852

Sub-Total before Admin Costs **25,419,535** **26,435,731** **28,200,301** **27,719,920**

Administrative Costs **1,056,095** **984,208** **1,047,053** **1,156,893**

TOTAL EXPENSE **26,475,630** **27,419,939** **29,247,354** **28,876,813**

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Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Northwest Energy Efficiency Alliance

Program Description

Northwest Energy Efficiency Alliance identifies and drives market transformation programs to accelerate and sustain market adoption of energy- efficient products, services and practices across commercial, industrial and residential sectors, working in coordination with Energy Trust.

NEEA researches and assesses emerging energy-efficiency opportunities and facilitates coordinated regional strategies to permanently remove market barriers and leverage the collective scale and power of the region. NEEA's role in market transformation efforts varies by program, but generally focuses on activities with market participants upstream from Energy Trust and utility customers.

2016 Strategic Focus

1. Fill the energy efficiency market transformation pipeline with new products/services/practices, including:
 - Identify new opportunities through scanning, research and market partner engagement.
 - Assess the potential and confirm the viability of newly identified emerging technologies including technical analysis and assessment of market barriers.
 - Screen, select and prepare technologies to enter the market transformation pipeline in collaboration with Energy Trust and other stakeholders.
2. Create market conditions that will accelerate and sustain the market adoption of emerging energy efficiency products, services and practices, including:
 - Influence market actors to increase availability of energy-efficient products and services.
 - Improve and ensure product quality.
 - Build market knowledge and capability to support new products, services and practices.
 - Identify and develop market resources that capitalize on the compelling value proposition for a new product, service or practice.
 - Increase product awareness.
 - Develop strategies to address price and first cost issues.
 - Influence and support the successful implementation of more stringent building codes and appliance standards.
3. Accelerate and sustain market adoption of efficient natural gas products, practices and services, resulting in increased consumer choice and efficiency of natural gas use in the Northwest.

2016 Activities

Fill the pipeline with new energy efficiency products, services and practices:

1. Explore advancement of an initiative to drive new manufactured homes products to meet or exceed the Northwest Energy Efficient Manufactured Home 2.0 performance specification.

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Northwest Energy Efficiency Alliance

2. Explore advancement of an initiative to drive enhanced commercial new construction practices and building codes.
3. Explore advancement of an initiative to drive market adoption of secondary-glazing window attachments for existing commercial buildings.
4. Identify and explore the potential of additional emerging technology opportunities.

Accelerate and sustain market adoption of the following energy-efficient products, services and practices:

1. Heat pump water heaters—Increase product availability, supply channels and market adoption of efficient products through advertising and upstream/midstream incentives; advance federal standard for small tanks through research, data collection and partner engagement.
2. Ductless heat pumps—Improve cost-effectiveness through strategies to adopt tiered incentives and reduce installed costs; increase product availability in retail settings and direct non-contractor channels.
3. Retail product platform—Expand relationships and leverage with retailers and extra-regional partners; deploy a robust, automated data administration tool and process to support a variety of retail partners and products.
4. Super-efficient heat pump dryers—Improve product quality and availability via upstream engagement and incentives; leverage retail product platform for data administration; advance dryer standards through research, testing and partner engagement.
5. Efficient homes—Engage and educate regional real estate professionals to increase awareness and perceived value of energy-efficient building practices and products, including heat pump water heater and ductless heat pumps; analyze and evaluate pilot homes and align modeling guidelines with regional green building programs; educate market actors on advanced practices and improve compliance with building codes.
6. Reduced wattage replacement lamps—Achieve 40 percent market share penetration for low-wattage T8 replacement sales through distributor and manufacturer incentives; deploy robust automated data administration tool and process to support multiple products and stakeholders.
7. Luminaire level lighting controls—Finalize unified product specifications and drive adoption by major manufacturers; develop case studies and business case for target audiences to drive market awareness and demand.
8. Certified Refrigeration Energy Specialist—Build market demand and adoption; develop partnerships, case studies, tools and resources to drive demand and ease adoption.
9. Commercial infrastructure programs—Develop, deploy and track two top tier trade ally advanced training programs; increase and measure influence of lighting resources on utility programs; leverage commercial real estate firm leaders for advancement of all NEEA commercial programs; drive adoption of Building Renewal Spark tool; create a research-informed infrastructure plan for small commercial markets.
10. Commercial and industrial infrastructure programs—Support development and uptake of online Strategic Energy Management and Energy Management Assessment resources.

Accelerate and sustain market adoption of efficient natural gas products, practices and services:

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Northwest Energy Efficiency Alliance

1. Advance pilot programs for gas fired heat pump water heaters, combination space and water heating systems, hearth products, gas dryers and rooftop HVAC systems.

2017 Strategic Focus

1. Maintain focus on filling the energy-efficiency market transformation pipeline with new products, services, practices and approaches.
2. Continue creating market conditions to accelerate and sustain the market adoption of emerging energy-efficiency products, services and practices.

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings	levelized cost	Savings	levelized cost
				aMW	(cents / KWh)	therms	(cents / therm)
2015 Forecast	\$6.9	\$0.6	\$7.5	7.1	\$0.012	0.0	\$0.000
2016 Budget	\$7.3	\$1.0	\$8.3	7.0	\$0.013	0.0	\$0.000
2017 Projection	\$7.3	\$1.2	\$8.5	6.3	\$0.015	0.0	\$0.000

2015	2015	2016 R2	2017 R2
Budget	Forecast	Budget	Projection

Delivery Costs **7,186,343** **7,104,399** **7,913,892** **8,081,470**

ETO expenses

Staffing 93,967
 Allocations 159,947 139,965 93,823 92,341

Sub-Total before Admin Costs **7,440,257** **7,244,364** **8,007,715** **8,173,811**

Administrative Costs **306,576** **267,757** **297,320** **355,933**

TOTAL EXPENSE **7,746,833** **7,512,121** **8,305,035** **8,529,744**

NEEA by Program

Commercial 2,893,448 2,599,752 2,736,097 2,799,882
 Industrial 167,585 411,221 454,918 458,346
 Residential 4,631,583 4,447,149 5,019,885 5,161,804
 Washington 54,219 53,999 94,134 109,713

TOTAL EXPENSE **7,746,835** **7,512,121** **8,305,034** **8,529,745**

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

SW Washington Commercial Program

Program Description:

The Existing Buildings program in southwest Washington provides customer service, technical assistance and financial incentives for NW Natural's Washington commercial customers. The defining factor of eligibility for the program is customers on a commercial Washington NW Natural utility rate. The program encourages efficient heating equipment, water heating, weatherization, and water conservation through incentives, account management support, education, trade ally support and market interventions.

2016 Strategic Focus

- Deliver program through Program Management Contractor (ICF International), subcontractors, trade allies and market actors.
- Evaluate program offers to further cost-effective delivery approaches and maximize returns for participating customers and the utility customer base as a whole.
- Continue to cultivate opportunities to collaborate with Clark Public Utilities and market actors to reach customers.
- Focus program touch points to guide customers to relevant resources and support to encourage participation in the program.
- Implement targeted and cross-sector marketing strategies to support equipment installations and promote offerings for commercial customers, ensuring that eligible customers continue to take advantage of available incentives.

2016 Activities

1. Engage trade allies in the program to help promote the program and encourage customer participation.
2. Promote the program through events in collaboration with Clark Public Utilities and other Energy Trust programs.
3. Participate in customer-oriented meetings, events and conferences to promote the program.
4. Leverage customer information, participants and non-participants, to conduct targeted outreach.

New Delivery Concepts

1. Increase custom incentive offering in 2016.
2. Engage upstream market actors from trade ally chain including distributors and manufacturers to promote program.
3. Promote energy-efficient pool equipment by targeting eligible customers with pools and/or spas.
4. Accelerate adoption of efficient gas water heaters by leveraging the results of 2015 market research, education of trade allies and participation within the distribution chain.
5. Expand on leave-behind showerhead offering by including new businesses in the offering.

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SW Washington Commercial

Analysis and Evaluation

1. Monitor Existing Buildings incentive offerings and savings, particularly the custom incentive offering and traction in the market.
2. Evaluate greenhouse offering to ensure effectiveness in the market.

Marketing

1. Conduct marketing to increase customer awareness of Existing Buildings program services and incentives. Use email, direct mailings, media and trade publications, and other channels to promote the program.
2. Continue to promote the Bring Us In program marketing campaign:
 - a. Cohesive, overarching campaign developed for Existing Buildings as part of 2014 marketing plan and strategy
 - b. Theme is designed to encourage the customer to bring in Energy Trust energy efficiency into its business with a “with you every step of the way” approach, through standard or custom incentive offerings. Campaign photography and messaging depicts the business owner opening its business doors to Energy Trust and all that Existing Buildings can provide to help businesses save energy and money.
 - c. Existing Buildings advertising carries the Bring Us In theme
 - d. Existing Buildings web pages were refreshed in 2014 with the Bring Us In theme
 - e. Bring Us In theme carries through all applicable Existing Buildings collateral and marketing pieces

Key Assumptions for 2016 Budget

1. Manage budget to comply with program level cost-effectiveness goals.
2. Coordination and cost sharing of gas and electric studies with Clark Public Utilities.
3. Increase of custom incentive.
4. Various updates to measures and incentives to match Existing Buildings offerings in Oregon to create consistency in the market.
5. Inclusion and uptake of various new measures in the market, including modulating boiler burners and direct install steam traps.
6. Gas avoided costs will remain consistent with 2015 levels.
7. Added Builder Operator Certification incentives and offerings.

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SW Washington Commercial

	Annual Expense			Electric		Gas	
Year	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2015 Forecast		\$0.5	\$0.5			94,981	42.6
2016 Budget		\$0.7	\$0.7			151,056	37.2
2017 Projection		\$0.7	\$0.7			151,056	36.7

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	321,000	188,155	398,050	398,050
Delivery Costs				
Program Management	15,450	15,049	15,350	15,400
Program Delivery	141,464	132,737	135,392	136,750
Marketing-PMC	30,070	39,198	39,982	40,000
Performance Comp	10,000	20,000	10,000	10,000
Total Delivery Costs	196,984	206,984	200,724	202,150
ETO expenses				
Staffing	52,474	15,575	3,346	3,567
Marketing	14,000	13,000	13,000	13,000
Other Services	5,000	0	16,000	1,000
General	13,722	12,722	13,722	15,820
Allocations	60,486	52,220	44,203	44,715
Sub-Total before Admin Costs	663,666	488,656	689,045	678,302
Administrative Costs	28,003	18,355	25,584	27,600
TOTAL EXPENSE	691,669	507,011	714,629	705,902

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

SW Washington Residential

Program Description

The SW Washington Existing Homes, New Homes and Products program provides customer service, technical assistance and financial incentives for residential customers of NW Natural located in Washington. The program encourages efficient space heating, water heating, weatherization, water conservation and behavioral actions through incentives, education, trade ally support, and market interventions.

1. **Single Family Existing Homes (prescriptive):** With a focus on existing single-family detached homes, the program offers a variety of prescriptive measures designed for homeowners interested in lowering their energy use. Cash incentives allow customers an à la carte option for energy-efficiency upgrades and provide trade allies with a basis for helping customers who do not qualify for or are not interested in multiple improvements. Available incentives must be cost-effective, exhibiting Utility Cost Ratios over 1.0. Incentive levels are adjusted in response to market conditions, which in some cases include the desire to stimulate the market to install energy-efficient measures and encourage market transformation for certain measures.
2. **New Homes (performance):** In previous years, the New Homes program was a prescriptive program based on ENERGY STAR® home certification. The program is transitioning to performance incentives that enable trade ally builders to receive incentives for building at least 10 percent above the 2012 Washington State Energy Code. Incentives range from \$300 to \$900 based on the overall performance improvement of the home compared to the same home if built to code. Home data is collected by third-party verifiers who are hired as subcontractors by the trade ally builder to consult, inspect and model the home in REM/Rate® software. Verifiers are partially subsidized by the program to help offset the cost of participation for the trade ally builder.
3. **Products (retail):** The Products program provides prescriptive point-of-purchase incentives to customers for purchase and installation of energy-efficient products, retail showerheads and retail Clothes Washers. The clothes washer incentive is shared with Clark Public Utilities whereby Clark largely facilitates the delivery of the incentive to the customer and Energy Trust pays Clark Public Utilities for the gas portion of the savings. Showerheads are facilitated through the Bonneville Power Administration Simple Steps™ program. Showerheads are sold at retail and the associated gas savings are calculated through an estimation tool. Energy Trust is allocated 60 percent of the retail sales and associated gas savings.
4. **Energy Saver Kits**, including energy- and water-saving products, are offered at no cost to homeowners and renters. They can be ordered online and shipped to the recipient's home. Each kit contains a combination of bathroom and kitchen faucet aerators and showerheads determined by responses to an online questionnaire. LivingWise Kits are provided to Clark County fifth grade students as a part of energy-efficiency curriculum developed by delivery partner Research Action Programs. Energy Trust is also partnering with Clark Public Utilities on the cost and delivery of these kits whereby Energy Trust receives the gas portion of the savings. Through this partnership, students receive a more comprehensive kit that contains light bulbs as well. Electric savings are paid for by and allocated to Clark Public Utilities.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN
SW Washington Residential

2016 Strategic Focus

- Deliver program through Program Management Contractor CLEAResult, subcontractors, trade allies and market actors.
- Redesign program offers to further cost-effective delivery approaches and maximize returns for participating customers and the utility customer base as a whole.
- Transition New Homes to a performance-based program using modeled savings with REM/Rate software and provide EPS™.
- Streamline program touch points and guide customers to relevant resources and support based on customer disposition, utility consumption and housing characteristics.
- Continue to cultivate opportunities to partner with Clark Public Utilities and market actors to reach customers.
- Apply gas water heating market interventions aimed at leveraging opportunities within existing supply chains and market actors based on 2015 market research findings.
- Implement targeted and cross-sector marketing strategies to support equipment installations and promote offerings for residential customers, ensuring that eligible customers continue to see incentives and offers available to them as program designs change.

2016 Activities

1. Launch the SW Washington New Homes EPS program design.
2. Continue to collaborate with Clark Public Utilities to offer a point-of-sale incentive at participating retailers for ENERGY STAR clothes washers, and evolve the program to align with the new federal and ENERGY STAR standards.
3. Improve trade ally utilization of on-bill repayment options available to homeowners for all eligible measures.
4. Accelerate adoption of efficient gas water heaters, with potential to reintroduce tankless water heaters, by leveraging the results of 2015 market research, education of trade allies and participation within the distribution chain.
5. Improve customer and trade ally experiences through continued focus on ease of participation and instant incentives.
6. Collaborate with Clark Public Utilities to deliver savings through the LivingWise Kit curriculum in schools.
7. Increase customer adoption and installation of web-enabled smart thermostat controls.
8. Maintain inclusion of SW Washington incentives in agreements with distributors and supply chain actors to increase market share of efficient gas space and water heating equipment.
9. Integrate Oregon Existing Homes EPS strategies for NW Natural customers with gas space heating.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN
SW Washington Residential

New Delivery Concepts

1. Implement New Homes Washington EPS program design.
2. Launch the LivingWise Kit schools program in collaboration with Clark Public Utilities.
3. Increase domestic water heating savings in the portfolio by restructuring incentives based on results of the 2015 market research and potential to reintroduce tankless water heaters in the program.
4. Integrate SW Washington into Oregon Existing Homes EPS strategy and implementation plans.

Analysis and Evaluation

1. Monitor New Homes EPS incentive and savings.
2. Track Washington state code changes and potential impacts to New Homes EPS pathways.
3. Leverage Oregon market research for impact of ENERGY STAR windows on gas savings.
4. Monitor uptake of web-enabled thermostats and new promotions.

Marketing

1. Conduct marketing to increase customer awareness of EPS for new homes.

Key Assumptions for 2016 Budget

1. Manage budget to comply with program-level cost-effectiveness goals.
2. Shift portion of delivery budget from Existing Homes to New Homes to account for scope changes to implement New Homes EPS in Washington.
3. Distribution of New Homes EPS incentive based on Oregon New Homes pathway distributions.
4. Cost sharing of LivingWise Kits with Clark Public Utilities.
5. Reduction of clothes washer incentive.
6. Reduction of gas fireplace incentive.
7. Conservative inclusion of web-enabled thermostats as a new measure.
8. Gas avoided costs will remain consistent with 2015 levels.

2017 Strategic Focus

1. Further refinement and development of 2016 strategic focus areas, with a goal of increasing portfolio Benefit Cost Ratios while continuing to acquire cost-effective efficiency resources.
2. Build on mid-stream designs established for HVAC and gas hearths to encourage the adoption of efficient technologies by residential ratepayers.

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SW Washington Residential

3. Continued coordination with other market actors such as Clark Public Utilities and Northwest Energy Efficiency Alliance to promote cohesive customer experience and maximize trade ally engagement.

	Annual Expense			Electric		Gas	
Year	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2015 Forecast		\$0.9	\$0.9			114,410	58.0
2016 Budget		\$0.9	\$0.9			114,023	53.8
2017 Projection		\$0.9	\$0.9			117,796	51.5

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	307,225	444,189	330,419	340,940
Delivery Costs				
Program Management	71,814	15,890	10,704	10,704
Program Delivery	177,704	233,636	238,896	238,896
Marketing-PMC	18,082	18,074	18,000	18,000
Performance Comp	10,000	20,000	10,000	10,000
Total Delivery Costs	277,600	287,600	277,600	277,600
ETO expenses				
Staffing	79,489	57,963	58,221	61,982
Marketing	18,000	15,000	15,000	15,000
Other Services	15,550	21,450	76,550	46,550
General	16,268	16,268	16,268	16,290
Allocations	83,246	73,152	92,755	93,591
Sub-Total before Admin Costs	797,378	915,622	866,813	851,953
Administrative Costs	31,363	31,479	32,184	35,901
TOTAL EXPENSE	828,741	947,101	898,997	887,854

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Support all eligible renewable energy technologies, including hydropower, geothermal, biopower, wind and solar; emphasize market and project development support for renewable energy projects; use competitive approaches to identify and fund new projects and market solutions for those projects receiving non-standard incentives.

Solar

Program Description

The Solar program works with a closed network of solar trade ally installers to provide incentives for the construction of high-quality solar electric systems throughout Oregon.

1. **Standard incentives for net-metered solar electric systems** are available across all sectors and customer types.
2. When funding allows, competitive processes are used to allocate incentives to **larger solar projects**, which may be net-metered or provide electricity directly to a utility.

The program aims to create a vigorous and sustainable market for solar in Oregon that will ultimately thrive without incentives. To achieve that, the program design is based on several key elements: offering incentives that are managed in response to market behavior, increasing consumer awareness through education and marketing, creating and enforcing quality standards, and ensuring a robust, qualified installer base.

2016 Strategic Focus

1. Install 1.85 average megawatts of new solar generation at residential and business sites throughout the state.
2. Provide incentives that are effective and responsive to demand and pricing trends; be transparent and accountable in our management of incentive funding.
3. Implement program improvements and collaborate with regional stakeholders to reduce the non-hardware “soft” costs of solar.
4. Support market stability leading up to the expiration of the current federal investment tax credits for solar at the end of 2016 and prepare strategically for a different market in 2017.
5. Maintain a strong pipeline of solar projects in all sectors through education, marketing and collaboration with industry and advocates.
6. Explore paths to expand participation through opportunities such as community solar or collaboration with other entities on resiliency or other complementary goals.

2016 Activities

1. Continue to adjust incentives incrementally in response to market behavior—reducing incentives as costs decrease to allow a fixed budget to support a growing number of projects or, if deemed necessary and budget allows, increasing rates for lagging market segments.
2. Publish a program impact evaluation to refine generation estimation methodology and inform a more cost-effective approach to metering and monitoring systems.
3. Publish longer-term goals for soft cost reduction in Oregon based on our soft cost benchmarking survey and national work on the U.S. Department of Energy SunShot Initiative goal. Using our Oregon-specific targets, start developing a soft cost roadmap to be published in 2017. Repeat solar soft costs survey for trade ally contractors to continue collecting up-to-date and representative market data and track cost changes over time.

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Solar

4. Provide trade allies with business development opportunities to improve their customer acquisition, project accounting and internal quality management processes. The goal of these efforts will be to support internal soft cost reduction and help businesses be “2017-ready,” preparing for the end of the 30 percent investment tax credit.
5. Work with trade ally team to develop a tiered rating system for solar trade allies modelled off of the star rating currently used in the Existing Homes program to help customers select trade allies and keep allies accountable for quality and customer service.
6. Work with IT to improve customer engagement and lead management with better tools for customer tracking, reporting and communication; continue improvements to Solar Proposal Request service to provide better customer experience and higher-value leads to trade allies.
7. Continue statewide marketing and refine media outlet selection based on outcomes from 2015 advertising. Support positive messages around solar to help counteract uncertainty in the market leading up to the investment tax credit reduction/expiration.
8. Support the development of community solar projects that engage individuals and tax-exempt businesses through financial participation.
9. Support the Oregon Public Utility Commission in its evaluation of solar programs for its 2016 report to the legislative assembly.
10. Collaborate with the OPUC, the Pacific Power Blue SkySM and PGE Clean WindSM and Green SourceSM programs to help deploy their competitive renewable energy grant funds efficiently and effectively.

2016 Assumptions

1. The 30 percent federal investment tax credits are expected to be eliminated for residential customers and reduced to 10 percent for commercial customers on January 1, 2017. Demand for incentive reservations is expected to be front-loaded in the year, increasing through Q3 2016, and then will likely taper off as contractors work to complete installations by the end of year.
2. Project attrition may be higher than typical as contractors and supplies become constrained in the rush to complete projects by the end of 2016.

2017 Strategic Focus

1. Support stability in the post-30 percent investment tax credit solar market. Increase incentives, as needed, to balance available budget with expected lower customer demand and higher above-market cost.
2. Continue focus on solar soft cost reduction through contractor business development and customer acquisition support.
3. Maintain a pipeline of solar projects in all sectors through education, marketing and collaboration with industry and advocates.

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Solar

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2015 Forecast	\$13.9	2.06	\$6.7	\$15.2	2.60	\$5.8
2016 Budget	\$14.7	1.74	\$8.5	\$15.6	4.12	\$3.8
2017 Projection	\$6.9	0.60	\$11.5	\$11.0	1.33	\$8.3

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	9,304,000	12,952,432	13,043,909	8,795,000
Delivery Costs				
Program Management				
Program Delivery	290,000	420,000	420,000	270,000
Marketing-PMC				
Performance Comp	20,000	16,000	10,000	1,000
Total Delivery Costs	310,000	436,000	430,000	271,000
ETO expenses				
Staffing	503,409	493,042	611,096	626,104
Marketing	190,500	161,500	180,500	165,500
Other Services	356,000	267,500	297,000	273,000
General	132,700	134,475	152,700	122,700
Allocations	290,519	261,078	308,752	311,780
Sub-Total before Admin Costs	11,087,128	14,706,027	15,023,957	10,565,084
Administrative Costs	403,601	479,832	557,827	447,225
Total Expense, Accounting Basis	11,490,729	15,185,859	15,581,784	11,012,309
Plus / minus Incentives committed for future yrs	140,999	(1,305,412)	(833,909)	(4,115,001)
Total Expense, Activity Basis	11,631,728	13,880,447	14,747,875	6,897,308

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Support all eligible renewable energy technologies, including hydropower, geothermal, biopower, wind and solar; emphasize market and project development support for renewable energy projects; use competitive approaches to identify and fund new projects and market solutions for those projects receiving non-standard incentives.

Other Renewables

Program Description

The Other Renewables program works to expand the market for, and incentivize the construction of, biopower, wind, hydropower and geothermal electric projects by providing early stage project development assistance, project installation incentives and technical assistance. Dollars for the four technologies are shared to enable staff to shift funds as projects mature or fail to come to fruition.

The program supports installations for which the project owner has a viable project plan and adequate resources to support the project. Energy Trust seeks projects that will be financially and technically viable and capable of reliably generating energy over the long term. To ensure those factors are in place, the Other Renewables program provides:

1. **Cost-share project development assistance** funding for project development activities.
2. **Project Installation Incentives** up to the above-market cost of a new, renewable energy project.
3. **Resource documents** to address market barriers.

2016 Strategic Focus

1. Maintain support for a broad portfolio of technologies to sustain and grow Oregon's vibrant small and mid-scale renewable energy generation markets.
2. Continue to focus project pipeline development and outreach on technologies and project types able to offset onsite load or leverage additional benefits.
3. Expand the use of innovative delivery models to bring larger numbers of projects into the pipeline and accelerate the pace of project completions.
4. Continue efforts to optimize the performance of operating projects to maximize value for ratepayers.
5. Complete efforts to get existing, operational projects to use the Western Renewable Energy Generation Information System, WREGIS, to transfer Renewable Energy Certificates to PGE and Pacific Power.

2016 Activities

1. Continue to deploy project installation incentives to cover the above-market costs of new, renewable energy projects, using a competitive process to evaluate incentives more than \$200,000.
2. Continue to deploy project development assistance incentives to support development activities such as feasibility studies, resource assessments, grant writing, project design and engineering and interconnection to form relationships with project developers and help ensure best practices are used during project development activities.
3. Continue and expand the use of innovative outreach and delivery models to increase pipeline development efforts among targeted project types, including biogas projects, particularly at

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Other Renewables

municipal wastewater treatment plants and with food processors, and hydropower projects installed in irrigation water delivery systems. These types of projects offer the best short-term opportunities based on their ability to leverage non-energy benefits, an important factor given current market conditions, and also reach hard-to-serve markets. Of note, most irrigation hydropower projects use Pacific Power funding.

4. To maintain and expand a robust pipeline of projects, initiate an effort to expand the abilities of other renewable energy market actors to drive new projects to Energy Trust's pipeline.
5. Maintain and continue to build relationships with project developers and stakeholders in the biomass, small hydropower and geothermal communities. These relationships are necessary to maintain awareness of upcoming project opportunities or market changes.
6. Maintain relationships in the small wind community, including support for the Interstate Turbine Advisory Council. Continue to offer incentives for small and community-scale wind projects.
7. Continue efforts to streamline Renewable Energy Certificate delivery from new projects while completing efforts to initiate Renewable Energy Certificate delivery via WREGIS for existing, operational projects.
8. Evaluate the effectiveness of efforts to assist operational projects in improving and optimizing performance, and develop next steps to proceed. The goal of this activity is to maximize generation for ratepayers from projects where actual generation is less than predicted in advance of commercial operation.
9. Initiate development of a tool or tools to better manage project milestones and deliverables to improve internal operational efficiencies between program staff and legal staff.

2016 Assumptions

1. The program assumes there will not be significant changes to the ability of Qualifying Facilities under the Public Utility Regulatory Policy Act, PURPA, to secure long-term Power Purchase Agreements (15 years) for projects up to 10 MW in capacity. The program also assumes there will not be any changes in Energy Trust's ability to serve such customers.
2. The program assumes there will not be any significant unexpected changes, or deviations from expected changes, to renewable energy incentives, tax credits or tax policy at either the state or federal levels.

2017 Strategic Focus

1. Maintain support for a broad portfolio of technologies to sustain and grow Oregon's vibrant small and mid-scale renewable energy generation markets.
2. Continue to focus project pipeline development and outreach on technologies and project types able to offset onsite load or leverage additional benefits.
3. Continue the use of innovative delivery models to bring larger numbers of projects into the pipeline and accelerate the pace of project completions.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Other Renewables

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2015 Forecast	\$3.5	0.01	\$342.6	\$4.5	1.99	\$2.3
2016 Budget	\$6.8	2.71	\$2.5	\$5.8	0.01	\$624.2
2017 Projection	\$6.1	2.44	\$2.5	\$8.4	2.71	\$3.1

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Incentives	3,532,173	3,314,860	4,474,087	7,114,000
ETO expenses				
Staffing	501,659	411,099	491,680	523,797
Marketing	23,000	23,000	35,000	35,000
Other Services	214,000	435,000	439,500	327,000
General	20,225	15,390	15,400	15,400
Allocations	202,478	177,917	174,391	176,590
Sub-Total before Admin Costs	4,493,535	4,377,266	5,630,058	8,191,787
Administrative Costs	206,617	158,037	209,039	200,420
Total Expense, Accounting Basis	4,700,152	4,535,303	5,839,097	8,392,207
Plus / minus Incentives committed for future yrs	7,717,828	(1,012,507)	989,914	(2,299,999)
Total Expense, Activity Basis	12,417,980	3,522,796	6,829,011	6,092,208

ENERGY TRUST 2016-2017 FINAL PROPOSED FINAL ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

Customer Service and Trade Ally Management

Support Group Description

Energy Trust's Communications and Customer Service group, CCS, provides staff, services and resources necessary to administer and manage customer experience and the trade ally network. CCS supports customer access to information, services and cash incentives. We accomplish this by working with all energy programs and operation support groups. Our objective is to support programs and the organization to reach annual and long-term goals through the delivery of these functions

The Customer Service And Trade Ally Team delivers services through staff, a call center contract for call-taking and administrative services, and a trade ally insurance verification contract. Staff also coordinate with customer service and trade ally specialists in programs and at Program Management Contractors.

2016 Strategic Focus

1. Enhance the customer service experience through simplification of customer interactions and transactions resulting in increased satisfaction, decreased costs and greater program results.
2. Facilitate the development of a five-year vision for customer experience that allows prioritization of system improvements, in collaboration with programs.
3. Identify opportunities to improve or streamline data collection to give greater visibility into trade ally and non-trade ally activity; support program strategy.

2016 Activities

1. In collaboration with programs, facilitate the development of a new customer experience roadmap that identifies the range and variability of customer pathways, expectations and transactions by program and supports the evolution and modernization of the customer experience to meet program savings and generation goals.
2. In alignment with program strategies for savings and generation goals, administer the Trade Ally Network to ensure compliance and access to program and technical information; communicate updates through forums, newsletters and other targeted communications.
3. Resolve complaints and monitor trends, facilitate resulting process improvements and provide training. Continue focus on improvements to refrigerator and freezer recycling started in 2015.
4. Support new trade ally online enrollment process to ensure ease of use and achievement of planned operational efficiencies; continue transition to new insurance verification vendor; identify further opportunities to enhance enrollment and compliance processes.
5. Support the identification and improvement of customer information and customer service processes as part of the 2015 Management Review. Identify core processes and develop key metrics. Continue focus on operational efficiencies and evolution of CRM and IT solution projects for the management of these services.
6. Continue transition of Energy Trust main call center contract to CLEAResult; manage increasing administrative service component for solar lead tracking and trade ally enrollment. Develop and release a request for proposals for services for 2017 call and administrative services.
7. Implement improvements to year-end change processes as determined by cross-functional project, including stakeholder and ally communications, form and website updates.
8. Support the Diversity Initiative goal of a culturally attentive organization with diverse employees, contractors and customers. Collaborate with programs and other CCS functional

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Customer Service and Trade Ally Management

areas to effectively serve customers who have not yet participated, and further recruitment and engagement of minority and women-owned businesses.

9. Lead effort to allow better reporting on trade ally and non-trade ally activity through consistent data entry of project information; streamline how information is captured so that we have better information on allies who can effectively help customers participate in programs and contribute to program goals. Support trade ally rating system criteria and development for programs that elect to implement this strategy.
10. In collaboration with IT and programs, lead efforts to enhance Existing Homes trade ally portal and support new trade ally portal development for other programs .
11. Lead Interactive Voice Response system, IVR, project to streamline customer experience by phone and gain operational efficiencies; test options with customers and implement a solution. Gather requirements for self-service options through the IVR system.

2017 Strategic Focus

1. Efforts to map the customer experience in 2016 will transition to process and possible technological improvements in 2017.
2. Changes made to the IVR system will be monitored and additional changes made to optimize phone based services for customer experience and cost management.
3. Possible changes to program design in the residential sector will be supported if changes directly impact trade ally or customer service functions.
4. Stability in general call center support for call taking, solar and trade ally administration will be sought through contracts.

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Program Specific Charges			10,000	10,000
ETO expenses				
Staffing	537,513	566,391	466,570	497,551
Marketing	3,500	500	3,500	3,500
Other Services	40,000	40,000	45,000	42,000
General	180,800	170,800	200,800	192,400
Allocations	182,155	159,137	134,958	136,953
Total	943,968	936,828	860,828	882,404

ENERGY TRUST 2016-2017 FINAL PROPOSED FINAL ACTION PLAN

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Planning and Evaluation

Support Group Description

The Planning and Evaluation group consists of three functional units: Planning, Planning Engineering and Evaluation.

- **Planning** develops forward-looking estimates of program cost and savings, works with utility processes to develop long-run savings and cost goals for efficiency, develops cost-effectiveness tools, helps develop long- and short-term plans, works with program groups to integrate these into program strategies, and manages reporting of savings and cost-effectiveness.
- **Planning Engineering** is the nexus for estimating efficiency measure savings, cost and cost-effectiveness, and integrating prescriptive measures into programs.
- **Evaluation** assesses effectiveness of program implementation and estimates savings on a retrospective basis.

2016 Strategic Focus

1. Enhance integration between Planning and other parts of the organization to improve internal efficiency and increase savings and generation.
2. Expand and streamline prescriptive measure development.
3. Continue to perform lead coordination role with regional and national organizations to identify and develop emerging new technologies with goal of creating new energy-saving measures.
4. Further explore opportunities from customer groups with low participation and geographic targeting.
5. Continue to produce quality evaluations and effectively communicate results to program staff, management and board of directors.
6. Prepare for possible changes at Energy Trust from carbon regulation and market, product and possible legislative changes.

2016 Activities

1. Expand resource supply study; integrate Northwest Energy Efficiency Alliance emerging technologies; synchronize with trend data from programs; help program managers use the information for program planning.
2. Program Management Contractors have enhanced and standardized roles in new measure development; Planning Engineering group role shifts more to experts in regional and NEEA data and works with PMCs to assure rigorous and well-focused analysis, cross-program integration and quality control.
3. Develop tools for better targeting activities that result in savings or renewable generation that also reduce loads during high load hours.

ENERGY TRUST 2016-2017 PROPOSED FINAL ACTION PLAN

Planning and Evaluation

4. Systematize how Energy Trust receives, cleans and makes available data from utility billing systems; develop tools for Energy Trust users to more readily use information from new program tracking system.
5. Increase number of impact evaluations and reduce number of process evaluations, as part of a multiyear cycle.
6. Explore how efforts to assess market influence should evolve as market transformation efforts involve more players and customer relationships span many years.
7. Support state efforts to address section 111(d) of the U.S. Environmental Protection Agency Clean Air Act carbon regulations, especially as pertains to evaluation.
8. Manage the pilot development process; wrap up most of 21 pilot tests currently underway; support additional pilots as called for in program action plans.
9. With NW Natural, continue to explore opportunities for geographic targeting of efficiency to defer pipeline investments.
10. Work with programs to identify and prepare for shifts in measure mix and program approaches due to new emerging technologies, loss of existing measures due to cost-effectiveness standards or increased codes and standards baselines
11. Become more transparent to Energy Trust staff through development of procedures and reference documents and formalizing coordination touch points.

2017 Strategic Focus

1. Be ready to respond to any changes in mission or direction from new opportunities, carbon regulation or legislative changes.
2. Continue to move toward improved tools for geographic targeting.
3. Continue to produce quality evaluations and effectively communicate results to program staff, management and board.
4. Continue to conduct activities that improve internal efficiencies in estimating, tracking and reporting savings, generation and cost-effectiveness

ENERGY TRUST 2016-2017 PROPOSED FINAL ACTION PLAN

Planning and Evaluation

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Evaluation Services	2,110,000	1,819,411	1,955,500	1,552,500
Planning Services	409,900	396,606	544,000	322,500
Other			7,000	7,000
Total Program Specific P&E	2,519,900	2,216,017	2,506,500	1,882,000
General Planning and Evaluation				
Evaluation Services	131,000	78,000	125,000	85,000
Planning Services	109,000	79,000	208,000	90,000
Staffing	1,571,630	1,413,232	1,668,773	1,779,929
Other Services		12,000		
General	70,050	65,803	62,520	62,520
Allocations	496,049	433,366	465,319	472,198
Total Non Program Specific P&E	2,377,729	2,081,401	2,529,612	2,489,647
TOTAL	4,897,629	4,297,418	5,036,112	4,371,647

ENERGY TRUST 2016-2017 FINAL PROPOSED FINAL ACTION PLAN

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Information Technology

Support Group Description

The purpose of Information Technology, IT, is to deliver high-quality, cost-effective technology and information management solutions and services to support the strategic goals of Energy Trust. IT is comprised of two teams:

1. The **infrastructure team** that supports all hardware, networking, workstation applications and production databases.
2. The **business systems team** that delivers technical analysis and development for CRM, Project Tracking, SharePoint and Business Intelligence, BI.

2016 Strategic Focus

1. Continue building prioritization and work processes involving staff, PMC staff and external stakeholders to ensure that IT is effectively meeting highest value program and support group needs and contributing to continuous improvement initiatives.
2. Strengthen the quality and improve the functionality and usability of applications for financial, project and savings tracking, CRM and BI reporting.
3. Enhance data quality and increase accessibility to information.
4. Ensure system stability and performance by building on existing infrastructure architecture.

2016 Activities

Building prioritization and work processes

1. Work with the newly re-formed Business Systems Prioritization team and IT Steering Committee to prioritize technology solutions to business problems and opportunities.
2. Continue work on development standards and foundational change control architecture to allow for successful engagement with external development resources.
3. Provide increased availability of internal and external IT resources for ongoing systems enhancements in support of increased productivity across the organization.
4. Focus on continued high level of responsiveness to immediate, as well as longer-term, needs of users as internal customers of IT.

Strengthen applications

1. Extend functionality of the Project Tracking application to enable business solutions and improve processing efficiency.
2. Continue extending functionality of Microsoft Dynamics CRM application to enhance customer experience and enable execution of marketing campaigns.
3. Build out integration tools to allow for easier and more robust integrations with third-party tools and applications.
4. Complete work to ensure that the disaster recovery off-site servers are fully functional for all

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN
Information Technology

Energy Trust core systems in the event of an IT disaster.

5. Implement system to automate procurement activities across the organization.

Enhance data quality

1. Extend BI platform to include additional enterprise data.
2. Refactor BI data warehouse architecture for ease of use and to strengthen nightly processing of data.
3. Complete refactoring of Utility Customer Information to ensure that data received from and sent to utilities is reliable and free from errors due to import or export processes.
4. Continue BI tools development with a focus on user needs by increased outreach to users across the organization including Energy Trust and Program Management Contractor staff.

Ensure system stability

1. Conduct a broad assessment of systems architecture, including web architecture, and create a roadmap and activity plan based on that assessment.
2. Assess cloud-based solution as a platform for some areas of systems functionality and potentially for disaster recovery, and implement a subset as a proof of concept.
3. Continue replacement of servers and other backbone hardware as part of regular schedule to ensure availability and performance improvements.

2017 Strategic Focus

1. Continue to extend systems functionality in CRM, Project Tracker and integration tools to meet business needs.
2. Complete extension of BI to include all core enterprise data and continue to extend the BI solution to meet new business needs.
3. Integrate or assimilate point solutions into enterprise solution architecture using new integration toolset.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN**Information Technology**

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Staffing	1,862,442	1,413,668	2,085,774	2,116,939
Other Services	251,000	71,000	29,000	90,000
Supplies and Equipment	89,700	79,700	86,100	86,000
Software	196,340	181,240	193,600	190,000
Depreciation	589,902	670,232	829,532	883,996
General	106,200	91,200	107,200	107,200
Allocations	167,206	166,548	166,661	160,539
Total General	1,149,348	1,188,920	1,383,093	1,427,735
TOTAL EXPENSE	3,262,790	2,673,588	3,497,867	3,634,674

ENERGY TRUST 2016-2017 FINAL PROPOSED FINAL ACTION PLAN

Continuously improve program designs and services to meet customer needs and provide excellent customer service; manage the total cost of delivering energy efficiency to maintain and improve the supply of cost-effective measures; expand customer participation; replenish the energy-efficiency resource in the mid- to-long-term through a portfolio of new technologies and product development strategies.

General Communications

Support Group Description

Energy Trust's Communications and Customer Service group, CCS, provides staff, services and resources necessary to manage general communications, public relations, marketing, outreach and online/digital engagement of customers, stakeholders and the public. These functions create awareness of Energy Trust programs and services; support customer access to information, services and cash incentives; and help expand our reach to new customers and stakeholders.

CCS works with all energy programs and operations support teams to position Energy Trust as a trusted and expert resource by ensuring a regional general outreach presence, consistent voice in the marketplace through brand guidelines, coordinated advertising, centralized marketing support services, general messaging and reporting. Our objective is to support programs and the organization to reach annual and long-term savings, generation and operational efficiency goals. We help ensure Energy Trust is accessible to the public, and we support transparency and accountability.

Work is performed primarily by CCS staff in coordination with program and operations staff and program delivery resources. Contracted resources support communications and public relations projects, marketing creative services and website development and innovation.

2016 Strategic Focus

1. Provide enhanced program support and seek operational efficiencies across all functional areas through examination of core processes, key performance metrics and support service needs; consider new approaches and methods for accomplishing general and program support objectives as programs evolve; increase support during periods of significant program design change and transition.
2. Identify and deliver web and digital strategies that create cost efficiencies and enable all customers and stakeholders to access an expanded set of services and information directly, working closely with programs and IT.
3. Respond to Oregon Public Utility Commission, stakeholders, customers and others inquiring about energy efficiency, renewable energy and clean energy topics, programs, results and customer benefits in Oregon; support innovative community strategies to drive energy efficiency and renewable energy engagement; support organizational readiness for information requests and potential policy or program changes impacting Energy Trust services to utility customers.

2016 Activities

1. Provide creative, advertising and production services for program marketing. Support new program marketing approaches and initiatives through management of creative services agency contractor and brand guidelines. Develop and implement general marketing to sustain and increase customer awareness of programs and services available to them. Continue to place and optimize advertising developed in 2015.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

General Communications

2. Support targeted marketing and analytics; including discussions of a customer relationship management system roadmap and additional functionality to meet organization and program needs.
3. Maintain and enhance the organization's website, social media accounts, email management systems, mobile website and other online properties. Begin phased implementation of redevelopment of the website based on recommendations from comprehensive website user experience review completed in 2015; focus areas include site-wide responsive design, improved hierarchical navigation, increased visual communications to replace extensive text, targeted microsites for new visitors and a content marketing plan to better organize and optimize website content.
4. Leverage shared program and general digital strategy for online and interactive marketing communications to drive innovation online. Guide best practices. Support the design and development of customer self-service portals, online tools and web forms to increase program operational efficiency and boost customer awareness and satisfaction.
5. Lead strategy for e-communications growth and management, including recommendations for program and general e-newsletters, implementation and distribution support for program bulk targeted marketing emails and transactional email, and enhancement of CRM list management and analytics for more effective targeted marketing proposed by programs.
6. Lead development of paper and online customer application forms, including oversight of the web form development budget and contractor; ensure timely updates and maintenance of forms; keep all programs informed of development progress through forms status report.
7. Maintain regional outreach in Eastern Oregon and Southern Oregon, and serve as a resource to local governments and public sector customers, coordinating with program resources to increase regional awareness, facilitate connection to offers and services, and expand participation throughout our combined utility service territories. Continue support for Corvallis and Bend Energy Challenges, and employ innovative approaches to support other local efforts.
8. Provide expanded support for renewable sector marketing needs, including customer milestone events, customer engagement for the Solar program, the soft cost reduction initiative, award applications and announcements, online engagement strategies for irrigation modernization, and media relations.
9. Support the Diversity Initiative goal of a culturally attentive organization with diverse employees, contractors and customers through research, marketing strategy and tactics, project coordination, communications and outreach activities.
10. Deliver quarterly and annual public reports, utility reports, general communications and presentations; respond to requests for information from media, the public and policymakers. Develop and improve standard reporting tools for recurring data requests; train and support spokespersons on topics of interest.
11. Onboard a communications and public relations contractor to expand capacity for increased public and media relations opportunities; allow for additional time and resources to support media response communications related to areas of innovation and change.
12. Support and expand stakeholder engagement in coordination with programs; support broad understanding of changing energy policies and proposals intersecting with Energy Trust

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

General Communications

programs; engage stakeholders in understanding benefits and results, and prepare for data requests and other questions in the 2016 and 2017 sessions of the Oregon Legislature.

13. Identify solution for a stakeholder relationship management system and implement in coordination with IT and programs; ensure user adoption and training.
14. Serve as communication lead to executive director and Board Executive Director Transition Committee; lead communications onboarding of new executive director in fall 2016 and support other transition activities.
15. Design communication and engagement for Energy Trust 15-year milestone beginning in fall 2016 and continuing through spring 2017.

2017 Strategic Focus

1. Ongoing program support with focus on program design transitions support, particularly in the residential sector.
2. Continued readiness for stakeholder relations and information response during 2017 session of the Oregon Legislature.
3. Public engagement and delivery of results and benefits information as part of Energy Trust 15-year milestone.
4. Completion of phased redevelopment of energytrust.org.
5. Exploration and implementation of core services for customers that support acquisition of energy savings and generation through education.

	2015 Budget	2015 Forecast	2016 R2 Budget	2017 R2 Projection
Program Specific Charges			42,000	42,000
ETO expenses				
Staffing	1,331,543	1,203,425	1,549,352	1,646,051
Marketing	690,500	672,500	690,500	690,500
Other Services	362,000	322,000	332,500	327,500
Planning			70,000	25,000
General	53,500	53,500	80,200	81,700
Allocations	412,762	360,604	431,201	437,577
Total	2,850,305	2,612,029	3,195,753	3,225,328

ENERGY TRUST 2016-2017 FINAL PROPOSED FINAL ACTION PLAN

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Management and General

Support Group Description

The Management And General group encompasses the executive, board relations, legal, finance, human resources and general office operation functions and provides key leadership in support of Energy Trust strategic goals and operations.

2016 Strategic Focus

1. Seek continued improvements in program and administrative efficiencies, identifying metrics to measure productivity gains where practical and worthwhile.
2. Transition successfully to a new executive director.
3. Enhance organization's cultural competence and ability to serve an increasingly diverse customer base.
4. Develop staff and maintain current culture of achievement and high employee engagement.
5. Advance data governance and privacy policies to ensure legal compliance and program support.
6. Manage risk, corporate compliance, human resources, financial reporting, auditing and facilities.
7. Support the board of directors.

2016 Activities

1. The board of directors and its appointed Executive Director transition committee will recruit, hire and successfully transition a new organization leader to best align with the 2016 year-end scheduled retirement of founding Executive Director Margie Harris.
2. The Human Resources department will create and implement a new career development program, supporting staff opportunities to develop broader and deeper skills within their current roles and to augment skills to advance within the organization. Project goals include employee retention, capacity building, and enhancing satisfaction.
3. To address changing demographics and serve an increasingly diverse customer base, board and staff are focusing on the diversity initiative. A cultural competency assessment and identifying organization goals and strategies will be completed, along with research to inform expanded participation. Staff recruitment, hiring and retention and broader procurement and contractor opportunities will be pursued.
4. Groups throughout the organization will engage in LEAN strategies to streamline processes and improve internal efficiencies. Administrative process improvements will continue and staff training on metrics development will be maintained.
5. The finance group plans to automate procurement and accounts payable systems, including electronic payments, electronic invoicing and approval workflows, simplified purchasing practices, and purchasing and payments reporting improvements.

ENERGY TRUST 2016-2017 FINAL PROPOSED ACTION PLAN

Management and General

6. The legal department will review and centralize data governance and privacy policies to further efforts begun is reviewing and centralizing data governance and privacy policy policies, furthering efforts begun under Utility Customer Information (UCI) agreements, continuing to protect information assets along with the privacy of participants, employees and contractors.
7. The organization will complete the electronic document retention implementation to ensure compliance and security.

2017 Strategic Focus

1. Continue multiyear initiatives and perform all management functions at a high quality level, furthering and enhancing the goals of the organization.

	2015	2015	2016 R2	2017 R2
	Budget	Forecast	Budget	Projection
ETO expenses				
Staffing	2,100,756	2,013,658	2,398,506	2,406,921
Other Services	414,688	313,058	370,500	292,235
General	205,645	140,592	215,470	216,235
Allocations	601,356	525,368	629,986	639,246
TOTAL Expense	3,322,445	2,992,676	3,614,462	3,554,637

TAB Forecasts

2015 Budget Recap Spending and Saving - R3: Reforecast

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	43.8	5.2	49.0	14.3	3.7	1,693,226	34.47
Business Energy Solutions – New Buildings	12.5	1.5	14.0	4.8	3.0	492,229	93.60
Mkt Transformation (Alliance)	2.3	0.3	2.6	0.9	4.9		
Total Commercial	58.6	7.0	65.6	20.0	3.5	2,185,455	40.67
Industrial							
Production Efficiency	28.0	2.4	30.4	11.8	3.2	1,577,919	14.34
Mkt Transformation (Alliance)	0.4	0.0	0.4	0.2	3.4		
Total Industrial	28.4	2.4	30.8	12.0	3.2	1,577,919	14.34
Residential							
Home Energy Solutions – Existing Homes	15.9	5.7	21.6	4.7	3.5	885,386	46.09
Home Energy Solutions – New Homes & Products	22.1	5.3	27.4	9.2	3.2	1,057,671	32.80
Mkt Transformation (Alliance)	4.1	0.3	4.4	6.0	0.8		
Total Residential	42.1	11.4	53.5	20.0	2.5	1,943,057	39.56
Washington							
Business Energy Solutions – Existing Buildings		0.5	0.5			94,981	42.60
Home Energy Solutions – Existing Homes		0.5	0.5			55,466	61.70
Home Energy Solutions – New Homes & Products		0.4	0.4			58,944	54.46
Mkt Transformation (Alliance)		0.1	0.1			-	0.00
Total Washington		1.5	1.5			209,391	53.24
Total Energy Efficiency	\$129.1	\$22.3	\$151.4	51.946	3.1	5,915,822	32.70

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	3.5		4.5	0.01	342.56	1.99	2.28
Solar Electric	13.9		15.2	2.06	6.75	2.60	5.85
Total Renewable Resources	\$17.4		\$19.7	2.07	8.42	4.59	4.30

TOTAL BUDGET - ALL

\$171.1

1 some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2015 Final Proposed Forecast

	ENERGY EFFICIENCY								
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	Efficiency Total
REVENUES									
Public Purpose Funding	28,344,214	21,819,010	50,163,224	0	13,216,352	1,588,708	64,968,284	0	64,968,284
Incremental Funding Contributions	43,344,669	21,722,619	65,067,288	3,078,432			68,145,720	1,356,784	69,502,504
Revenue from Investments									
TOTAL PROGRAM REVENUE	71,688,883	43,541,629	115,230,512	3,078,432	13,216,352	1,588,708	133,114,004	1,356,784	134,470,788
EXPENSES									
Program Management (Note 3)	2,924,987	1,885,611	4,810,598	119,908	673,448	112,481	5,716,434	144,477	5,860,911
Program Delivery	23,369,882	15,019,893	38,389,775	969,580	4,245,781	585,224	44,190,359	418,447	44,608,806
Incentives	43,714,185	26,995,791	70,709,976	1,467,427	8,616,890	1,094,109	81,888,403	632,344	82,520,747
Program Eval & Planning Svcs.	2,180,178	1,379,790	3,559,965	68,173	423,184	45,600	4,096,924	43,096	4,140,020
Program Marketing/Outreach	2,472,028	1,646,156	4,118,182	32,657	811,212	71,906	5,033,959	85,272	5,119,231
Program Quality Assurance	28,508	26,855	55,363	0	18,663	974	75,000	0	75,000
Outsourced Services	576,828	366,778	943,606	36,572	167,004	12,017	1,159,200	21,450	1,180,650
Trade Allies & Cust. Svc. Mgmt.	380,661	281,641	662,302	4,540	158,886	12,323	838,050	33,882	871,932
IT Services	728,100	490,704	1,218,805	17,942	220,734	21,509	1,478,991	34,779	1,513,770
Other Program Expenses - all	275,114	171,439	446,553	11,907	56,019	6,231	520,708	42,604	563,312
TOTAL PROGRAM EXPENSES	76,650,471	48,264,658	124,915,125	2,728,706	15,391,821	1,962,374	144,998,028	1,456,351	146,454,379
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	1,382,472	870,995	2,253,468	46,237	289,630	36,118	2,625,454	27,645	2,653,099
Communications & Customer Svc (Notes 1 & 2)	1,206,053	759,576	1,965,630	40,327	252,149	31,520	2,289,624	24,113	2,313,737
Total Administrative Costs	2,588,525	1,630,571	4,219,098	86,564	541,779	67,638	4,915,078	51,758	4,966,836
TOTAL PROG & ADMIN EXPENSES	79,238,996	49,895,229	129,134,223	2,815,270	15,933,600	2,030,012	149,913,106	1,508,109	151,421,215
TOTAL REVENUE LESS EXPENSES	(7,550,113)	(6,353,600)	(13,903,711)	263,162	(2,717,248)	(441,304)	(16,799,102)	(151,325)	(16,950,427)
NET ASSETS - RESERVES									
Cumulative Carryover at 12/31/14 (Note 4)	27,816,059	15,090,306	42,906,365	580,920	9,503,289	1,156,900	54,147,474	217,848	54,365,322
Change in net assets this year	(7,550,113)	(6,353,600)	(13,903,711)	263,162	(2,717,248)	(441,304)	(16,799,102)	(151,325)	(16,950,427)
Ending Net Assets - Reserves	20,265,946	8,736,706	29,002,654	844,082	6,786,041	715,596	37,348,372	66,523	37,414,895
Ending Reserve by Category									
Program Reserves (Efficiency and Renewables)	20,265,946	8,736,706	29,002,654	844,082	6,786,041	715,596	37,348,372	66,523	37,414,895
Assets Released for General Purpose									
Emergency Contingency Pool									
TOTAL NET ASSETS CUMULATIVE	20,265,946	8,736,706	29,002,654	844,082	6,786,041	715,596	37,348,372	66,523	37,414,895

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2014 reflects audited results.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2015 Final Proposed Forecast

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,340,629	6,246,757	14,587,386	0	79,555,670
Incremental Funding Contributions					69,502,504
Revenue from Investments				422,000	422,000
TOTAL PROGRAM REVENUE	8,340,629	6,246,757	14,587,386	422,000	149,480,174
EXPENSES					
Program Management (Note 3)	549,606	370,535	920,141		6,781,052
Program Delivery	290,300	129,700	420,000		45,028,806
Incentives	10,872,155	5,395,137	16,267,292		98,788,039
Program Eval & Planning Svcs.	101,883	54,028	155,911		4,295,931
Program Marketing/Outreach	133,379	66,121	199,500		5,318,731
Program Quality Assurance	0	0	0		75,000
Outsourced Services	172,819	425,681	598,500		1,779,150
Trade Allies & Cust. Svc. Mgmt.	44,369	20,526	64,895		936,827
IT Services	119,863	79,828	199,690		1,713,460
Other Program Expenses - all	165,612	91,752	257,364		820,676
TOTAL PROGRAM EXPENSES	12,449,986	6,633,308	19,083,293	0	165,537,672
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	220,000	119,578	339,579		2,992,678
Communications & Customer Svc (Notes 1 & 2)	193,294	104,997	298,291		2,612,028
Total Administrative Costs	413,294	224,575	637,870		5,604,706
TOTAL PROG & ADMIN EXPENSES	12,863,280	6,857,883	19,721,163		171,142,378
TOTAL REVENUE LESS EXPENSES	(4,522,651)	(611,126)	(5,133,777)	422,000	(21,662,204)
NET ASSETS - RESERVES					
Cumulative Carryover at 12/31/14 (Note 4)	13,736,996	10,937,995	24,674,991	8,186,804	87,227,117
Change in net assets this year	(4,522,651)	(611,126)	(5,133,777)	422,000	(21,662,204)
Ending Net Assets - Reserves	9,214,345	10,326,869	19,541,214	8,608,804	65,564,913
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	9,214,345	10,326,869	19,541,214	3,608,804	
Assets Released for General Purpose					
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	9,214,345	10,326,869	19,541,214	8,608,804	65,564,913

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2014 reflects audited results.

Energy Trust of Oregon
Statement of Functional Expenses
2015 Final Proposed Forecast

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	133,661,674	16,703,292	150,364,966				150,364,966
Payroll and Related Expenses	3,051,127	904,141	3,955,268	2,013,658	1,203,425	3,217,082	7,172,350
Outsourced Services	4,779,561	887,000	5,666,561	313,058	994,500	1,307,558	6,974,119
Planning and Evaluation	2,013,002	66,912	2,079,914	1,487		1,487	2,081,401
Customer Service Management	546,452	42,743	589,195				589,195
Trade Allies Network	325,481	22,152	347,633				347,633
Total Program Expenses	144,377,296	18,626,240	163,003,536	2,328,203	2,197,925	4,526,127	167,529,664
Program Support Costs							
Supplies	11,210	3,560	14,770	10,443	5,179	15,621	30,391
Postage and Shipping Expenses	3,541	1,177	4,718	2,007	1,382	3,389	8,107
Telephone	4,483	2,058	6,540	1,974	1,359	3,333	9,874
Printing and Publications	67,387	6,127	73,514	5,569	5,736	11,305	84,819
Occupancy Expenses	214,262	71,216	285,478	121,452	83,599	205,051	490,529
Insurance	31,926	10,612	42,538	18,097	12,457	30,554	73,092
Equipment	6,269	121,859	128,128	3,554	2,446	6,000	134,128
Travel	64,250	10,000	74,250	44,730	25,000	69,730	143,980
Meetings, Trainings & Conferences	61,000	7,000	68,000	76,540	14,000	90,540	158,540
Interest Expense and Bank Fees				4,000		4,000	4,000
Depreciation & Amortization	50,619	16,825	67,443	28,693	19,750	48,443	115,886
Dues, Licenses and Fees	47,640	6,690	54,330	6,450	8,500	14,950	69,280
Miscellaneous Expenses	726	241	967	411	283	694	1,661
IT Services	1,513,770	199,691	1,713,461	340,553	234,413	574,966	2,288,427
Total Program Support Costs	2,077,082	457,054	2,534,136	664,473	414,104	1,078,577	3,612,713
TOTAL EXPENSES	146,454,378	19,083,294	165,537,672	2,992,676	2,612,029	5,604,705	171,142,377

OPUC Measure vs. 9% 5.46%

Energy Trust of Oregon
Summary by Service Territory and Program
2015 Final Proposed Forecast

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings	26,314,022	17,452,357	43,766,379	1,030,037	3,457,548	750,809	5,238,394	49,004,773	507,012	49,511,785
New Buildings	8,493,475	3,992,262	12,485,737	122,725	1,006,737	362,613	1,492,074	13,977,811		13,977,811
NEEA	1,385,379	962,721	2,348,100		226,485	25,165	251,650	2,599,751	23,815	2,623,566
Total Commercial	36,192,876	22,407,341	58,600,216	1,152,761	4,690,770	1,138,587	6,982,118	65,582,335	530,827	66,113,162
Industrial										
Production Efficiency	18,002,758	9,976,836	27,979,594	1,662,509	679,729	97,762	2,440,000	30,419,594		30,419,594
NEEA	242,621	168,601	411,222					411,222		411,222
Total Industrial	18,245,379	10,145,437	28,390,816	1,662,509	679,729	97,762	2,440,000	30,830,816	0	30,830,816
Residential										
Existing Homes	8,204,906	7,729,283	15,934,190	0	5,415,948	282,732	5,698,679	21,632,869	520,401	22,153,270
New Homes/Products	14,160,193	7,920,607	22,080,800	0	4,860,104	479,034	5,339,138	27,419,938	426,698	27,846,636
NEEA	2,435,641	1,692,564	4,128,205		287,051	31,895	318,946	4,447,151	30,183	4,477,334
Total Residential	24,800,740	17,342,454	42,143,194	0	10,563,103	793,661	11,356,764	53,499,958	977,282	54,477,240
Energy Efficiency Program Costs	79,238,995	49,895,231	129,134,226	2,815,271	15,933,602	2,030,010	20,778,883	149,913,109	1,508,109	151,421,218
Renewables										
Solar Electric (Photovoltaic)	10,755,039	4,430,820	15,185,859					15,185,859		15,185,859
Other Renewable	2,108,240	2,427,064	4,535,304					4,535,304		4,535,304
Renewables Program Costs	12,863,278	6,857,885	19,721,163	0	0	0	0	19,721,163	0	19,721,163
Cost Grand Total	92,102,274	56,753,116	148,855,389	2,815,271	15,933,602	2,030,010	20,778,883	169,634,272	1,508,109	171,142,381

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	New											
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	1,764,548	590,550	-	1,151,916	-	984,181	1,225,240	-	144,477	509,042	411,099	6,781,053
Program Delivery:	13,281,401	4,262,396	2,441,400	9,683,155	382,161	5,147,621	4,763,461	4,228,765	418,447	420,000	-	45,028,807
Incentives:	29,344,461	7,268,439	-	16,723,611	-	10,898,253	17,653,638	-	632,344	12,952,432	3,314,860	98,788,038
Program Eval & Planning Svcs.:	1,021,715	543,585	55,212	1,060,664	12,805	796,024	559,793	47,127	43,096	120,831	35,080	4,295,932
Program Marketing/Outreach:	1,314,580	440,745	-	225,000	-	1,692,920	1,360,714	-	85,272	161,500	38,000	5,318,731
Program Quality Assurance:	-	-	-	-	-	75,000	-	-	-	-	-	75,000
Outsourced Services:	313,500	100,999	-	245,000	-	201,000	298,700	-	21,450	178,500	420,000	1,779,149
Trade Allies & Cust. Svc. Mgmt.:	117,086	39,759	-	31,150	-	443,034	207,022	-	33,882	58,357	6,538	936,828
IT Services:	242,905	203,575	6,644	200,340	949	551,778	264,256	8,542	34,779	111,088	88,603	1,713,459
Other Program Expenses	102,738	40,435	3,576	170,748	512	95,199	102,904	4,598	42,604	194,277	63,087	820,678
TOTAL PROGRAM EXPENSES	47,502,934	13,490,483	2,506,832	29,491,584	396,427	20,885,010	26,435,728	4,289,032	1,456,351	14,706,027	4,377,267	165,537,675
ADMINISTRATIVE COSTS												
Management & General	801,267	259,642	49,590	496,136	7,867	400,668	526,075	84,207	27,645	255,353	84,225	2,992,675
Communications & Customer Svc	700,571	227,688	43,328	431,872	6,929	347,193	458,134	73,910	24,113	224,480	73,811	2,612,029
Total Administrative Costs	1,501,838	487,330	92,918	928,008	14,796	747,861	984,209	158,117	51,758	479,833	158,036	5,604,704
Total Program & Admin Expenses	49,004,772	13,977,813	2,599,750	30,419,592	411,223	21,632,871	27,419,937	4,447,149	1,508,109	15,185,860	4,535,303	171,142,379
Energy Savings (kwh)	125,269,313	41,756,987	8,202,319	103,067,839	1,826,234	41,499,580	80,825,663	52,599,297				455,047,231
Energy Savings (therms)	1,693,226	492,229	-	1,577,919	-	885,386	1,057,671		209,391			5,915,822
Energy Generation (kwh)										22,740,613	17,441,610	40,182,223

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	955,236	361,756		605,674		354,967	647,354		2,924,987
Program Delivery:	7,000,140	2,624,749	1,297,259	5,615,618	225,475	1,929,763	2,363,394	2,313,484	23,369,882
Incentives:	15,879,154	4,384,113		10,073,619		4,188,683	9,188,616		43,714,185
Program Eval & Planning Svcs.:	568,835	322,388	32,575	642,642	7,555	285,352	293,026	27,805	2,180,178
Program Marketing/Outreach:	715,976	270,782		133,105		643,267	708,898		2,472,028
Program Quality Assurance:						28,508			28,508
Outsourced Services:	139,972	61,310		144,936		76,401	154,209		576,828
Trade Allies & Cust. Svc. Mgmt.:	62,820	24,135		18,428		168,399	106,879		380,661
IT Services:	130,327	123,577	3,920	118,516	560	209,733	136,427	5,040	728,100
Other Program Expenses	55,122	24,545	2,110	101,011	302	36,185	53,126	2,713	275,114
TOTAL PROGRAM EXPENSES	25,507,582	8,197,355	1,335,864	17,453,549	233,892	7,921,258	13,651,929	2,349,042	76,650,471
ADMINISTRATIVE COSTS									
Management & General	430,255	157,769	26,426	293,621	4,642	151,965	271,675	46,119	1,382,472
Communications & Customer Svc	376,185	138,352	23,089	255,588	4,088	131,683	236,589	40,479	1,206,053
Total Administrative Costs	806,440	296,121	49,515	549,209	8,730	283,648	508,264	86,598	2,588,525
Total Program & Admin Expenses	26,314,022	8,493,476	1,385,379	18,002,758	242,622	8,204,906	14,160,193	2,435,640	79,238,996
Energy Savings (kwh)	79,061,462	22,248,802	4,839,368	64,115,378	1,077,478	23,261,073	47,779,125	31,033,585	273,416,271

Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	623,216	168,059		374,939		344,928	374,469		1,885,611
Program Delivery:	4,860,954	1,208,206	901,485	3,149,529	156,686	1,897,410	1,237,948	1,607,675	15,019,893
Incentives:	10,325,221	2,064,169		5,516,990		3,885,603	5,203,808		26,995,791
Program Eval & Planning Svcs.:	377,271	177,535	22,637	345,058	5,250	268,811	163,906	19,322	1,379,790
Program Marketing/Outreach:	466,768	125,320		73,765		576,198	404,105		1,646,156
Program Quality Assurance:						26,855			26,855
Outsourced Services:	99,409	28,818		80,321		71,972	86,258		366,778
Trade Allies & Cust. Svc. Mgmt.:	41,665	11,344		10,212		158,637	59,783		281,641
IT Services:	86,437	58,086	2,724	65,680	389	197,575	76,311	3,502	490,704
Other Program Expenses	36,559	11,537	1,466	55,978	210	34,088	29,716	1,885	171,439
TOTAL PROGRAM EXPENSES	16,917,500	3,853,074	928,312	9,672,472	162,535	7,462,077	7,636,304	1,632,384	48,264,658
ADMINISTRATIVE COSTS									
Management & General	285,360	74,157	18,364	162,720	3,225	143,156	151,964	32,049	870,995
Communications & Customer Svc	249,498	65,031	16,045	141,643	2,841	124,050	132,338	28,130	759,576
Total Administrative Costs	534,858	139,188	34,409	304,363	6,066	267,206	284,302	60,179	1,630,571
Total Program & Admin Expenses	17,452,358	3,992,262	962,721	9,976,835	168,601	7,729,283	7,920,606	1,692,563	49,895,229
Energy Savings (kwh)	46,207,851	19,508,185	3,362,951	38,952,461	748,756	18,238,507	33,046,538	21,565,712	181,630,960

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	34,762	2,306		82,840					119,908
Program Delivery:	244,798	8,000		716,782					969,580
Incentives:	652,734	100,128		714,565					1,467,427
Program Eval & Planning Svcs.:	14,867	3,591		49,715					68,173
Program Marketing/Outreach:	19,290	1,014		12,353					32,657
Program Quality Assurance:									-
Outsourced Services:	22,226	894		13,452					36,572
Trade Allies & Cust. Svc. Mgmt.:	2,478	352		1,710					4,540
IT Services:	5,140	1,802		11,000					17,942
Other Program Expenses	2,174	358		9,375					11,907
TOTAL PROGRAM EXPENSES	998,469	118,445	-	1,611,792	-	-	-	-	2,728,706
ADMINISTRATIVE COSTS									
Management & General	16,842	2,280		27,115					46,237
Communications & Customer Svc	14,725	1,999		23,603					40,327
Total Administrative Costs	31,567	4,279	-	50,718	-	-	-	-	86,564
Total Program & Admin Expenses	1,030,036	122,724	-	1,662,510	-	-	-	-	2,815,270
Energy Savings (therms)	503,557	50,459	-	1,246,654	-	-	-	-	1,800,670

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	127,923	42,957		82,406		234,920	185,242		673,448
Program Delivery:	955,217	309,848	218,390	163,660		1,264,498	1,057,323	276,845	4,245,781
Incentives:	2,040,583	529,352		373,020		2,705,345	2,968,590		8,616,890
Program Eval & Planning Svcs.:	49,905	29,460		20,326		229,861	93,632		423,184
Program Marketing/Outreach:	93,942	32,076		5,051		454,179	225,964		811,212
Program Quality Assurance:						18,663			18,663
Outsourced Services:	51,145	7,335		5,500		50,016	53,008		167,004
Trade Allies & Cust. Svc. Mgmt.:	8,317	2,888		699		110,243	36,739		158,886
IT Services:	17,254	14,785		4,497		137,302	46,896		220,734
Other Program Expenses	7,298	2,937		3,833		23,689	18,262		56,019
TOTAL PROGRAM EXPENSES	3,351,584	971,638	218,390	658,992	-	5,228,716	4,685,656	276,845	15,391,821
ADMINISTRATIVE COSTS									
Management & General	56,534	18,700	4,320	11,086		100,310	93,245	5,435	289,630
Communications & Customer Svc	49,429	16,399	3,775	9,650		86,922	81,203	4,771	252,149
Total Administrative Costs	105,963	35,099	8,095	20,736	-	187,232	174,448	10,206	541,779
Total Program & Admin Expenses	3,457,547	1,006,737	226,485	679,728	-	5,415,948	4,860,104	287,051	15,933,600
Energy Savings (therms)	977,552	356,000	-	311,663	-	841,000	956,405	-	3,442,620

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	23,411	15,472		6,057		49,366	18,175		112,481
Program Delivery:	220,292	111,593	24,266	37,566		55,950	104,796	30,761	585,224
Incentives:	446,769	190,677		45,417		118,622	292,624		1,094,109
Program Eval & Planning Svcs.:	10,837	10,611		2,923		12,000	9,229		45,600
Program Marketing/Outreach:	18,604	11,553		726		19,276	21,747		71,906
Program Quality Assurance:						974			974
Outsourced Services:	748	2,642		791		2,611	5,225		12,017
Trade Allies & Cust. Svc. Mgmt.:	1,806	1,040		101		5,755	3,621		12,323
IT Services:	3,747	5,325		647		7,168	4,622		21,509
Other Program Expenses	1,585	1,058		551		1,237	1,800		6,231
TOTAL PROGRAM EXPENSES	727,799	349,971	24,266	94,779	-	272,959	461,839	30,761	1,962,374
ADMINISTRATIVE COSTS									
Management & General	12,276	6,736	480	1,594		5,237	9,191	604	36,118
Communications & Customer Svc	10,734	5,907	419	1,388		4,538	8,004	530	31,520
Total Administrative Costs	23,010	12,643	899	2,982	-	9,775	17,195	1,134	67,638
Total Program & Admin Expenses	750,809	362,614	25,165	97,761	-	282,734	479,034	31,895	2,030,012
Energy Savings (therms)	212,117	85,770	-	19,602	-	44,386	101,266	-	463,141

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	50,624		59,211	34,642		144,477
Program Delivery:	132,737	22,964	108,978	124,658	29,110	418,447
Incentives:	188,155		248,521	195,668		632,344
Program Eval & Planning Svcs.:	15,518		15,255	12,323		43,096
Program Marketing/Outreach:	52,198		31,037	2,037		85,272
Program Quality Assurance						
Outsourced Services:			2,900	18,550		21,450
Trade Allies & Cust. Svc. Mgmt.:	12,784		15,383	5,715		33,882
IT Services:	18,869		8,430	7,480		34,779
Other Program Expenses	17,771		13,254	11,579		42,604
TOTAL PROGRAM EXPENSES	488,656	22,964	502,969	412,652	29,110	1,456,351
ADMINISTRATIVE COSTS						
Management & General	9,804	454	9,318	7,497	572	27,645
Communications & Customer Svc	8,551	397	8,115	6,548	502	24,113
Total Administrative Costs	18,355	851	17,433	14,045	1,074	51,758
Total Program & Admin Expenses	507,011	23,815	520,402	426,697	30,184	1,508,109
Energy Savings (therms)	94,981	-	55,466	58,944		209,391

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	358,506	191,100	549,606
Program Delivery:	290,300		290,300
Incentives:	9,182,432	1,689,723	10,872,155
Program Eval & Planning Svcs.:	85,576	16,307	101,883
Program Marketing/Outreach:	114,379	19,000	133,379
Program Quality Assurance:			-
Outsourced Services:	126,419	46,400	172,819
Trade Allies & Cust. Svc. Mgmt.:	41,330	3,039	44,369
IT Services:	78,676	41,187	119,863
Other Program Expenses	137,592	28,020	165,612
TOTAL PROGRAM EXPENSES	10,415,210	2,034,776	12,449,986

ADMINISTRATIVE COSTS

Management & General	180,848	39,152	220,000
Communications & Customer Svc	158,983	34,311	193,294
Total Administrative Costs	339,831	73,463	413,294
Total Program & Admin Expenses	10,755,041	2,108,239	12,863,280

Energy Generation (kwh)	14,653,413	15,333,960	29,987,373
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**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2015 Final Proposed Forecast**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	150,536	219,999	370,535
Program Delivery:	129,700		129,700
Incentives:	3,770,000	1,625,137	5,395,137
Program Eval & Planning Svcs.:	35,255	18,773	54,028
Program Marketing/Outreach:	47,121	19,000	66,121
Program Quality Assurance:			-
Outsourced Services:	52,081	373,600	425,681
Trade Allies & Cust. Svc. Mgmt.:	17,027	3,499	20,526
IT Services:	32,412	47,416	79,828
Other Program Expenses	56,685	35,067	91,752
TOTAL PROGRAM EXPENSES	4,290,817	2,342,491	6,633,308
ADMINISTRATIVE COSTS			
Management & General	74,505	45,073	119,578
Communications & Customer Svc	65,497	39,500	104,997
Total Administrative Costs	140,002	84,573	224,575
Total Program & Admin Expenses	4,430,819	2,427,064	6,857,883
 Energy Generation (kwh)	 8,087,200	 2,107,650	 10,194,850

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2017 Budget Recap Spending and Savings - R2: Final Proposed

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	48.5	8.1	56.7	15.2	3.4	1,743,236	39.4
Business Energy Solutions – New Buildings	15.7	1.8	17.4	6.4	2.3	609,692	26.2
Mkt Transformation (Alliance)	2.5	0.3	2.8	1.3	3.8		
Total Commercial	66.7	10.2	76.9	22.8	3.1	2,352,928	37.3
Industrial							
Production Efficiency	31.2	2.8	34.0	15.6	2.3	1,036,453	24.2
Mkt Transformation (Alliance)	0.5	0.0	0.5	0.1	7.4		
Total Industrial	31.7	2.8	34.5	15.7	2.4	1,036,453	24.2
Residential							
Home Energy Solutions – Existing Homes	13.2	5.0	18.3	3.7	3.6	794,745	45.1
Home Energy Solutions – New Homes & Products	22.9	6.0	28.9	10.0	2.9	963,999	40.0
Mkt Transformation (Alliance)	4.4	0.8	5.2	4.9	1.0		
Total Residential	40.5	11.8	52.3	18.7	2.5	1,758,744	44.9
Washington							
Business Energy Solutions – Existing Buildings		0.7	0.7			151,056	36.7
Home Energy Solutions – Existing Homes		0.4	0.4			53,429	59.2
Home Energy Solutions – New Homes & Products		0.4	0.4			64,367	45.1
Mkt Transformation (Alliance)		0.1	0.1			-	0.0
Total Washington		1.7	1.7			268,852	46.4
Total Energy Efficiency	\$138.9	\$26.5	\$165.4	57.2	2.7	5,416,976	38.1

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.1		8.4	2.44	2.50	2.71	3.10
Solar Electric	6.9		11.0	0.60	11.47	1.33	8.28
Total Renewable Resources	\$13.0		\$19.4	3.04	4.27	4.04	4.81

TOTAL BUDGET - ALL

\$184.8

1 some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2017 Final Proposed Annual Projection

	ENERGY EFFICIENCY								
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Oregon Total	NWN WA	Efficiency Total
REVENUES									
Public Purpose Funding	28,467,454	21,476,259	49,943,713	0	16,239,218	2,514,889	68,697,820	0	68,697,820
Incremental Funding	55,737,625	32,152,402	87,890,027	3,464,159			91,354,186	1,703,469	93,057,655
Contributions									
Revenue from Investments									
Gain or Loss on Investments									
TOTAL PROGRAM REVENUE	84,205,079	53,628,661	137,833,740	3,464,159	16,239,218	2,514,889	160,052,006	1,703,469	161,755,475
EXPENSES									
Program Management (Note 3)	3,434,750	2,251,060	5,685,810	184,185	809,312	140,239	6,819,547	111,654	6,931,201
Program Delivery	24,727,983	16,359,335	41,087,321	827,357	5,299,853	648,318	47,862,847	480,787	48,343,634
Incentives	46,663,509	28,473,982	75,137,490	2,156,979	10,025,451	1,318,014	88,637,934	738,990	89,376,924
Program Eval & Planning Svcs.	2,167,236	1,394,991	3,562,228	67,164	461,079	53,562	4,144,032	63,040	4,207,072
Program Marketing/Outreach	2,660,266	1,774,442	4,434,706	39,612	866,612	87,459	5,428,388	86,000	5,514,388
Program Quality Assurance	27,583	16,322	43,905	1,343	5,062	940	51,250	0	51,250
Outsourced Services	581,322	384,444	965,766	22,190	146,016	49,026	1,183,000	47,550	1,230,550
Trade Allies & Cust. Svc. Mgmt.	350,879	255,787	606,665	5,091	151,909	13,593	777,259	34,800	812,059
IT Services	1,085,225	701,994	1,787,221	27,275	333,137	39,298	2,186,932	34,812	2,221,744
Other Program Expenses - all	276,489	177,374	453,863	13,562	63,865	7,604	538,891	37,763	576,654
TOTAL PROGRAM EXPENSES	81,975,242	51,789,731	133,764,975	3,344,758	18,162,296	2,358,053	157,630,080	1,635,396	159,265,476
ADMINISTRATIVE COSTS									
Management & General (Notes 1 & 2)	1,642,852	1,042,722	2,685,575	63,034	379,379	48,369	3,176,356	35,869	3,212,225
Communications & Customer Svc (Notes 1 & 2)	1,472,001	934,191	2,406,189	56,368	339,959	43,376	2,845,892	32,204	2,878,096
Total Administrative Costs	3,114,853	1,976,913	5,091,764	119,402	719,338	91,745	6,022,248	68,073	6,090,321
TOTAL PROG & ADMIN EXPENSES	85,090,095	53,766,644	138,856,739	3,464,159	18,881,634	2,449,798	163,652,328	1,703,469	165,355,797
TOTAL REVENUE LESS EXPENSES	(885,016)	(137,983)	(1,022,999)	0	(2,642,416)	65,091	(3,600,322)	0	(3,600,322)
NET ASSETS - RESERVES									
Cumulative Carryover at 12/31/14 (Note 4)	4,306,212	1,637,659	5,943,871	200,000	3,127,746	248,062	9,519,679	100,000	9,619,679
Change in net assets this year	(885,016)	(137,983)	(1,022,999)	0	(2,642,416)	65,091	(3,600,322)	0	(3,600,322)
Ending Net Assets - Reserves	3,421,196	1,499,676	4,920,872	200,000	485,330	313,153	5,919,357	100,000	6,019,357
Ending Reserve by Category									
Program Reserves (Efficiency and Renewables)	3,421,196	1,499,676	4,920,872	200,000	485,330	313,153	5,919,357	100,000	6,019,357
Assets Released for General Purpose									
Emergency Contingency Pool									
TOTAL NET ASSETS CUMULATIVE	3,421,196	1,499,676	4,920,872	200,000	485,330	313,153	5,919,357	100,000	6,019,357

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2014 reflects audited results.

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2017 Final Proposed Annual Projection

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,376,500	6,187,922	14,564,422	0	83,262,242
Incremental Funding					93,057,655
Contributions					
Revenue from Investments				300,000	300,000
Gain or Loss on Investments					
TOTAL PROGRAM REVENUE	8,376,500	6,187,922	14,564,422	300,000	176,619,897
EXPENSES					
Program Management (Note 3)	562,588	588,314	1,150,901		8,082,102
Program Delivery	159,400	110,600	270,000		48,613,633
Incentives	7,859,000	8,050,000	15,909,000		105,285,924
Program Eval & Planning Svcs.	64,681	66,117	130,798		4,337,871
Program Marketing/Outreach	101,888	113,612	215,500		5,729,888
Program Quality Assurance	0	0	0		51,250
Outsourced Services	159,587	375,413	535,000		1,765,550
Trade Allies & Cust. Svc. Mgmt.	29,824	30,520	60,346		872,405
IT Services	118,011	123,498	241,509		2,463,251
Other Program Expenses - all	116,123	127,694	243,818		820,473
TOTAL PROGRAM EXPENSES	9,171,102	9,585,768	18,756,872	0	178,022,347
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	168,025	174,388	342,412		3,554,638
Communications & Customer Svc (Notes 1 & 2)	149,832	155,400	305,233		3,183,328
Total Administrative Costs	317,857	329,788	647,645		6,737,966
TOTAL PROG & ADMIN EXPENSES	9,488,959	9,915,556	19,404,517		184,760,313
TOTAL REVENUE LESS EXPENSES	(1,112,459)	(3,727,634)	(4,840,095)	300,000	(8,140,416)
NET ASSETS - RESERVES					
Cumulative Carryover at 12/31/14 (Note 4)	5,821,202	6,821,878	12,643,080	8,908,804	31,171,563
Change in net assets this year	(1,112,459)	(3,727,634)	(4,840,095)	300,000	(8,140,416)
Ending Net Assets - Reserves	4,708,743	3,094,244	7,802,985	9,208,804	23,031,147
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	4,708,743	3,094,244	7,802,985	4,208,804	
Assets Released for General Purpose					
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	4,708,743	3,094,244	7,802,985	9,208,804	23,031,147

Note 1) Both Management & General and Communications & Customer Service Expenses (Administrative) have been allocated based on total expenses.

Note 2) Administrative costs are allocated for management reporting only. GAAP for Not for Profit organizations does not allow allocation of administrative costs to program expenses.

Note 3) Program Management costs include both outsourced and internal staff.

Note 4) Cumulative carryover at 12/31/2014 reflects audited results.

Energy Trust of Oregon
Statement of Functional Expenses
2017 Projected Final Annual Budget

	Energy Efficiency	Renewable Energy	Total Program Expenses	Management & General	Communications & Customer Service	Total Admin Expenses	Total
Program Expenses							
Incentives/ Program Management & Delivery	144,765,456	16,180,000	160,945,456				160,945,456
Payroll and Related Expenses	3,718,441	1,149,901	4,868,342	2,406,921	1,646,051	4,052,973	8,921,315
Outsourced Services	4,764,050	800,500	5,564,550	292,235	1,018,000	1,310,235	6,874,785
Planning and Evaluation	2,407,073	80,798	2,487,871	1,776		1,776	2,489,647
Customer Service Management	464,362	45,832	510,194				510,194
Trade Allies Network	347,697	24,513	372,210				372,210
Total Program Expenses	156,467,079	18,281,545	174,748,624	2,700,932	2,664,051	5,364,983	180,113,607
Program Support Costs							
Supplies	13,845	4,364	18,209	13,361	6,499	19,860	38,069
Postage and Shipping Expenses	4,424	1,503	5,927	2,759	1,894	4,653	10,581
Telephone	2,655	1,802	4,456	1,656	1,136	2,792	7,249
Printing and Publications	77,498	8,479	85,977	5,881	3,055	8,937	94,913
Occupancy Expenses	226,620	76,983	303,603	141,333	97,015	238,348	541,951
Insurance	34,539	11,733	46,272	21,541	14,786	36,327	82,599
Equipment	11,563	92,909	104,472	5,341	3,666	9,007	113,479
Travel	65,375	12,000	77,375	49,150	45,000	94,150	171,525
Meetings, Trainings & Conferences	54,564	10,942	65,506	143,665	12,305	155,971	221,477
Interest Expense and Bank Fees				4,000		4,000	4,000
Depreciation & Amortization	18,849	6,403	25,251	11,755	8,069	19,824	45,076
Dues, Licenses and Fees	66,723	6,700	73,423	9,880	21,500	31,380	104,803
IT Services	2,221,742	241,508	2,463,251	443,384	304,351	747,735	3,210,986
Total Program Support Costs	2,798,398	475,326	3,273,724	853,705	519,277	1,372,982	4,646,706
TOTAL EXPENSES	159,265,477	18,756,871	178,022,348	3,554,638	3,183,328	6,737,966	184,760,314

OPUC Measure vs. 9% **5.68%**

Energy Trust of Oregon
Summary by Service Territory and Program
2017 Final Proposed Annual Projection

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency										
Commercial										
Existing Buildings	30,498,796	18,046,780	48,545,577	1,482,468	5,588,822	1,037,423	8,108,712	56,654,289	705,903	57,360,192
New Buildings	9,511,458	6,143,724	15,655,182		1,598,286	161,487	1,759,773	17,414,955		17,414,955
NEEA	1,464,259	1,017,536	2,481,795		286,278	31,809	318,087	2,799,881	32,353	2,832,234
Total Commercial	41,474,513	25,208,040	66,682,554	1,482,468	7,473,385	1,230,719	10,186,572	76,869,125	738,256	77,607,381
Industrial										
Production Efficiency	19,382,057	11,844,704	31,226,761	1,981,693	717,527	104,089	2,803,309	34,030,070		34,030,070
NEEA	270,424	187,921	458,345					458,345		458,345
Total Industrial	19,652,481	12,032,625	31,685,106	1,981,693	717,527	104,089	2,803,309	34,488,415	0	34,488,415
Residential										
Existing Homes	6,810,116	6,423,150	13,233,266	0	4,767,071	255,833	5,022,904	18,256,170	449,985	18,706,155
New Homes/Products	14,556,287	8,298,339	22,854,625	0	5,239,094	783,095	6,022,189	28,876,814	437,869	29,314,683
NEEA	2,596,700	1,804,487	4,401,187		684,554	76,062	760,616	5,161,803	77,362	5,239,165
Total Residential	23,963,103	16,525,976	40,489,078	0	10,690,719	1,114,990	11,805,709	52,294,787	965,216	53,260,003
Energy Efficiency Program Costs	85,090,097	53,766,641	138,856,738	3,464,160	18,881,632	2,449,797	24,795,590	163,652,327	1,703,472	165,355,799
Renewables										
Solar Electric (Photovoltaic)	5,453,996	5,558,312	11,012,308					11,012,308		11,012,308
Other Renewable	4,034,963	4,357,245	8,392,208					8,392,208		8,392,208
Renewables Program Costs	9,488,959	9,915,557	19,404,516	0	0	0	0	19,404,516	0	19,404,516
Cost Grand Total	94,579,056	63,682,198	158,261,254	3,464,160	18,881,632	2,449,797	24,795,590	183,056,843	1,703,472	184,760,314

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Final Proposed Projection

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	New											
	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	Homes & Products	NEEA Residential	Washington (with NEEA)	Solar Renewables	Custom Renewables	ETO Total
Program Management	2,274,195	688,485	-	1,517,075	-	919,734	1,420,057	-	111,654	627,105	523,797	8,082,102
Program Delivery:	15,691,307	5,150,076	2,652,562	9,642,718	408,054	4,659,548	4,742,868	4,915,713	480,787	270,000	-	48,613,633
Incentives:	32,907,404	9,270,619	-	19,918,266	-	8,725,956	17,815,690	-	738,990	8,795,000	7,114,000	105,285,925
Program Eval & Planning Svcs.:	1,105,427	809,030	30,780	745,319	30,780	694,522	697,394	30,780	63,040	97,480	33,318	4,337,870
Program Marketing/Outreach:	1,595,366	540,078	-	262,001	-	1,434,993	1,595,953	-	86,000	173,500	42,000	5,729,891
Program Quality Assurance:	51,250	-	-	-	-	-	-	-	-	-	-	51,250
Outsourced Services:	273,249	10,500	-	345,000	-	176,250	377,999	-	47,550	235,000	300,000	1,765,548
Trade Allies & Cust. Svc. Mgmt.:	122,591	44,449	-	32,232	-	372,286	205,701	-	34,800	56,047	4,297	872,403
IT Services:	512,357	223,334	-	237,565	-	450,175	763,498	-	34,812	130,936	110,573	2,463,250
Other Program Expenses	151,599	28,878	-	164,492	-	93,165	100,760	-	37,763	180,015	63,802	820,474
TOTAL PROGRAM EXPENSES	54,684,745	16,765,449	2,683,342	32,864,668	438,834	17,526,629	27,719,920	4,946,493	1,635,396	10,565,083	8,191,787	178,022,346
ADMINISTRATIVE COSTS												
Management & General	1,037,252	342,549	61,285	616,353	10,204	385,408	610,404	112,901	35,869	234,549	107,864	3,554,638
Communications & Customer Svc	932,294	306,958	55,255	549,048	9,307	344,132	546,490	102,411	32,204	212,676	92,556	3,183,331
Total Administrative Costs	1,969,546	649,507	116,540	1,165,401	19,511	729,540	1,156,894	215,312	68,073	447,225	200,420	6,737,969
Total Program & Admin Expenses	56,654,291	17,414,956	2,799,882	34,030,069	458,345	18,256,169	28,876,814	5,161,805	1,703,469	11,012,308	8,392,207	184,760,315
Energy Savings (kwh)	132,930,998	55,690,299	11,142,004	136,778,277	933,315	32,376,285	88,000,617	43,338,635				501,190,430
Energy Savings (therms)	1,743,236	609,692	-	1,036,453	-	794,745	963,999		268,852			5,416,976
Energy Generation (kwh)										11,649,000	23,703,530	35,352,530

Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	1,215,148	375,735		781,815		326,062	735,990		3,434,750
Program Delivery:	8,663,169	2,814,425	1,385,152	5,128,864	240,752	1,744,395	2,281,000	2,470,226	24,727,983
Incentives:	17,518,300	5,058,000		11,779,615		3,266,781	9,040,813		46,663,509
Program Eval & Planning Svcs.:	601,482	446,178	18,160	434,988	18,160	268,566	361,542	18,160	2,167,236
Program Marketing/Outreach:	866,453	294,703		149,209		525,483	824,418		2,660,266
Program Quality Assurance:	27,583								27,583
Outsourced Services:	123,063	5,732		196,477		65,647	190,403		581,322
Trade Allies & Cust. Svc. Mgmt.:	65,980	24,265		18,356		138,664	103,614		350,879
IT Services:	275,757	121,917		135,293		167,675	384,583		1,085,225
Other Program Expenses	81,592	15,764		93,678		34,701	50,754		276,489
TOTAL PROGRAM EXPENSES	29,438,527	9,156,719	1,403,312	18,718,295	258,912	6,537,974	13,973,117	2,488,386	81,975,242
ADMINISTRATIVE COSTS									
Management & General	558,385	187,089	32,051	351,048	6,020	143,769	307,694	56,796	1,642,852
Communications & Customer Svc	501,883	167,650	28,896	312,714	5,491	128,372	275,476	51,519	1,472,001
Total Administrative Costs	1,060,268	354,739	60,947	663,762	11,511	272,141	583,170	108,315	3,114,853
Total Program & Admin Expenses	30,498,795	9,511,458	1,464,259	19,382,057	270,423	6,810,115	14,556,287	2,596,701	85,090,095
Energy Savings (kwh)	85,818,352	29,395,890	6,573,782	89,855,049	550,656	17,745,515	52,109,919	25,569,795	307,618,957

Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	745,420	242,849		521,948		310,322	430,521		2,251,060
Program Delivery:	5,163,365	1,813,624	962,563	3,648,736	167,302	1,644,401	1,242,746	1,716,598	16,359,335
Incentives:	10,282,525	3,271,075		6,652,377		3,079,454	5,188,551		28,473,982
Program Eval & Planning Svcs.:	355,910	288,199	12,620	253,606	12,620	253,306	206,110	12,620	1,394,991
Program Marketing/Outreach:	515,156	190,533		91,184		495,410	482,159		1,774,442
Program Quality Assurance:	16,322								16,322
Outsourced Services:	90,209	3,702		120,070		61,917	108,546		384,444
Trade Allies & Cust. Svc. Mgmt.:	39,042	15,673		11,218		130,785	59,069		255,787
IT Services:	163,171	78,750		82,680		158,148	219,245		701,994
Other Program Expenses	48,280	10,183		57,248		32,729	28,934		177,374
TOTAL PROGRAM EXPENSES	17,419,400	5,914,588	975,183	11,439,067	179,922	6,166,472	7,965,881	1,729,218	51,789,731
ADMINISTRATIVE COSTS									
Management & General	330,408	120,846	22,272	214,532	4,184	135,600	175,412	39,468	1,042,722
Communications & Customer Svc	296,975	108,290	20,081	191,105	3,816	121,078	157,045	35,801	934,191
Total Administrative Costs	627,383	229,136	42,353	405,637	8,000	256,678	332,457	75,269	1,976,913
Total Program & Admin Expenses	18,046,783	6,143,724	1,017,536	11,844,704	187,922	6,423,150	8,298,338	1,804,487	53,766,644
Energy Savings (kwh)	47,112,646	26,294,409	4,568,222	46,923,228	382,659	14,630,770	35,890,699	17,768,840	193,571,473

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	42,437			141,748					184,185
Program Delivery:	194,774			632,583					827,357
Incentives:	1,118,290			1,038,689					2,156,979
Program Eval & Planning Svcs.:	27,064			40,100					67,164
Program Marketing/Outreach:	24,337			15,275					39,612
Program Quality Assurance:	1,343								1,343
Outsourced Services:	2,076			20,114					22,190
Trade Allies & Cust. Svc. Mgmt.:	3,212			1,879					5,091
IT Services:	13,425			13,850					27,275
Other Program Expenses	3,972			9,590					13,562
TOTAL PROGRAM EXPENSES	1,430,930	-	-	1,913,828	-	-	-	-	3,344,758
ADMINISTRATIVE COSTS									
Management & General	27,142			35,892					63,034
Communications & Customer Svc	24,395			31,973					56,368
Total Administrative Costs	51,537	-	-	67,865	-	-	-	-	119,402
Total Program & Admin Expenses	1,482,467	-	-	1,981,693	-	-	-	-	3,464,160
Energy Savings (therms)	443,244		-	700,716	-	-	-	-	1,143,960

Energy Trust of Oregon, Inc
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ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	235,316	63,486		55,914		233,645	220,951		809,312
Program Delivery:	1,423,980	474,121	274,362	196,156		1,216,841	1,058,393	656,000	5,299,853
Incentives:	3,366,376	855,144		404,385		2,278,802	3,120,744		10,025,451
Program Eval & Planning Svcs.:	102,031	67,802		14,519		163,856	112,871		461,079
Program Marketing/Outreach:	161,283	49,809		5,531		397,182	252,807		866,612
Program Quality Assurance:	5,062								5,062
Outsourced Services:	22,788	968		7,283		46,206	68,771		146,016
Trade Allies & Cust. Svc. Mgmt.:	12,109	4,097		680		97,599	37,424		151,909
IT Services:	50,610	20,587		5,015		118,018	138,907		333,137
Other Program Expenses	14,975	2,662		3,472		24,424	18,332		63,865
TOTAL PROGRAM EXPENSES	5,394,530	1,538,676	274,362	692,955	-	4,576,573	5,029,200	656,000	18,162,296
ADMINISTRATIVE COSTS									
Management & General	102,323	31,438	6,266	12,996		100,638	110,745	14,973	379,379
Communications & Customer Svc	91,969	28,172	5,650	11,577		89,860	99,149	13,582	339,959
Total Administrative Costs	194,292	59,610	11,916	24,573	-	190,498	209,894	28,555	719,338
Total Program & Admin Expenses	5,588,822	1,598,286	286,278	717,528	-	4,767,071	5,239,094	684,555	18,881,634
Energy Savings (therms)	1,105,846	547,292	-	300,722	-	759,007	862,460	-	3,575,327

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	35,874	6,415		15,650		49,705	32,595		140,239
Program Delivery:	246,019	47,906	30,485	36,379		53,911	160,729	72,889	648,318
Incentives:	621,913	86,400		43,200		100,919	465,582		1,318,014
Program Eval & Planning Svcs.:	18,940	6,851		2,106		8,794	16,871		53,562
Program Marketing/Outreach:	28,137	5,033		802		16,918	36,569		87,459
Program Quality Assurance:	940								940
Outsourced Services:	35,113	98		1,056		2,480	10,279		49,026
Trade Allies & Cust. Svc. Mgmt.:	2,248	414		99		5,238	5,594		13,593
IT Services:	9,394	2,080		727		6,334	20,763		39,298
Other Program Expenses	2,780	269		504		1,311	2,740		7,604
TOTAL PROGRAM EXPENSES	1,001,358	155,466	30,485	100,523	-	245,610	751,722	72,889	2,358,053
ADMINISTRATIVE COSTS									
Management & General	18,994	3,176	696	1,885		5,401	16,553	1,664	48,369
Communications & Customer Svc	17,072	2,846	628	1,679		4,822	14,820	1,509	43,376
Total Administrative Costs	36,066	6,022	1,324	3,564	-	10,223	31,373	3,173	91,745
Total Program & Admin Expenses	1,037,424	161,488	31,809	104,087	-	255,833	783,095	76,062	2,449,798
Energy Savings (therms)	194,145	62,400	-	35,015	-	35,738	101,539	-	428,837

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
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ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Existing Homes	New Homes & Products	NEEA Residential	ETO Total
Program Management	28,967		68,180	14,507		111,654
Program Delivery:	136,750	31,006	109,336	129,560	74,135	480,787
Incentives:	398,050		153,735	187,205		738,990
Program Eval & Planning Svcs.:	21,309		23,085	18,646		63,040
Program Marketing/Outreach:	53,000		20,000	13,000		86,000
Program Quality Assurance						
Outsourced Services:	1,000		6,000	40,550		47,550
Trade Allies & Cust. Svc. Mgmt.:	11,830		15,640	7,330		34,800
IT Services:	11,385		22,990	437		34,812
Other Program Expenses	16,011		12,661	9,091		37,763
TOTAL PROGRAM EXPENSES	678,302	31,006	431,627	420,326	74,135	1,635,396
ADMINISTRATIVE COSTS						
Management & General	14,555	708	9,672	9,242	1,692	35,869
Communications & Customer Svc	13,046	638	8,685	8,300	1,535	32,204
Total Administrative Costs	27,601	1,346	18,357	17,542	3,227	68,073
Total Program & Admin Expenses	705,903	32,352	449,984	437,868	77,362	1,703,469
Energy Savings (therms)	151,056	-	53,429	64,367		268,852

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2017 Final Proposed Projection**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	310,747	251,841	562,588
Program Delivery:	159,400		159,400
Incentives:	4,330,000	3,529,000	7,859,000
Program Eval & Planning Svcs.:	48,278	16,403	64,681
Program Marketing/Outreach:	85,928	15,960	101,888
Program Quality Assurance:			-
Outsourced Services:	116,387	43,200	159,587
Trade Allies & Cust. Svc. Mgmt.:	27,758	2,066	29,824
IT Services:	64,848	53,163	118,011
Other Program Expenses	89,155	26,968	116,123
TOTAL PROGRAM EXPENSES	5,232,501	3,938,601	9,171,102
ADMINISTRATIVE COSTS			
Management & General	116,164	51,861	168,025
Communications & Customer Svc	105,331	44,501	149,832
Total Administrative Costs	221,495	96,362	317,857
Total Program & Admin Expenses	5,453,996	4,034,963	9,488,959
 Energy Generation (kwh)	 5,203,000	 8,244,706	 13,447,706

Energy Trust of Oregon, Inc
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RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	ETO Total
Program Management	316,358	271,956	588,314
Program Delivery:	110,600		110,600
Incentives:	4,465,000	3,585,000	8,050,000
Program Eval & Planning Svcs.:	49,202	16,915	66,117
Program Marketing/Outreach:	87,572	26,040	113,612
Program Quality Assurance:			-
Outsourced Services:	118,613	256,800	375,413
Trade Allies & Cust. Svc. Mgmt.:	28,289	2,231	30,520
IT Services:	66,088	57,410	123,498
Other Program Expenses	90,860	36,834	127,694
TOTAL PROGRAM EXPENSES	5,332,582	4,253,186	9,585,768

ADMINISTRATIVE COSTS

Management & General	118,385	56,003	174,388
Communications & Customer Svc	107,345	48,055	155,400
Total Administrative Costs	225,730	104,058	329,788
Total Program & Admin Expenses	5,558,312	4,357,244	9,915,556

Energy Generation (kwh)	6,446,000	15,458,824	21,904,824
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Financial Glossary

updated October 26, 2015

Administrative Costs

Costs that, by nonprofit accounting standards, have general objectives which enable an organization's programs to function. The organization's programs in turn provide direct services to the organization's constituents and fulfill the mission of the organization.

i.e. management and general and general communication and outreach expenses

I. Management and General

- Includes governance/board activities, interest/financing costs, accounting, payroll, human resources, general legal support, and other general organizational management costs.
- Receives an allocated share of indirect costs.

II. General Communications and Outreach

- Expenditures of a general nature, conveying the nonprofit mission of the organization and general public awareness.
- Receives an allocated share of indirect costs.

Allocation

- A way of grouping costs together and applying them to a program as one pool based upon an allocation base that most closely represents the activity driver of the costs in the pool.
- Used as an alternative to charging programs on an invoice-by-invoice basis for accounting efficiency purposes.
- An example would be accumulating all of the costs associated with customer management (call center operations, Energy Trust customer service personnel, complaint tracking, etc). The accumulated costs are then spread to the programs that benefited by using the ratio of calls into the call center by program (i.e. the allocation base).

Allocation Cost Pools

- Employee benefits and taxes.
- Office operations. Includes rent, telephone, utilities, supplies, etc.
- Information Technology (IT) services.
- Planning and evaluation general costs.
- Customer service and trade ally support costs.
- General communications and outreach costs.
- Management and general costs.
- Shared costs for electric utilities.
- Shared costs for gas utilities.
- Shared costs for all utilities.

Auditor's Opinion

- An accountant's or auditor's opinion is a report by an independent CPA presented to the board of directors describing the scope of the examination of the organization's books, and certifying that the financial statements meet the AICPA (American Institute of Certified Public Accountants) requirements of GAAP (generally accepted accounting principles).

- Depending on the audit findings, the opinion can be unqualified or qualified regarding specific items. Energy Trust strives for and has achieved in all its years an unqualified opinion.
- An unqualified opinion indicates agreement by the auditors that the financial statements present an accurate assessment of the organization's financial results.
- The OPUC Grant Agreement requires an unqualified opinion regarding Energy Trust's financial records.
- Failure to follow generally accepted accounting principles (GAAP) can result in a qualified opinion.

Board-approved Annual Budget

- Funds approved by the board for *expenditures* during the budget year (subject to board approved program funding caps and associated policy) for the stated functions.
- Funds approved for *capital* asset expenditures.
- Approval of the general allocation of funds including commitments and cash outlays.
- Approval of expenditures is based on assumed revenues from utilities as forecasted in their annual projections of public purpose collections and/or contracted revenues.

Reserves

- In any one year, the amount by which revenues exceed expenses for that year in a designated category that will be added to the cumulative balance and brought forward for expenditure to the next budget year.
- In any one year, if expenditures exceed revenues, the negative difference is applied against the cumulative carryover balance.
- Does not equal the cash on hand due to noncash expense items such as depreciation.
- Tracked by major utility funder and at high level program area--by EE vs RE, not tracked by program.

Committed Funds

- Represents funds obligated to identified efficiency program participants in the form of signed applications or agreements and tracked in the project forecasting system.
- If the project is not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Funds are expensed when the project is completed.
- Funds may be held in the operating cash account, or in escrow accounts.

Contract obligations

- A signed contract for goods or services that creates a legal obligation.
- Reported in the monthly Contract Status Summary Report.

Cost-Effectiveness Calculation

- Programs and measures are evaluated for cost-effectiveness.
- The cost of program savings must be lower than the cost to produce the energy from both a utility and societal perspective.
- Expressed as a ratio of energy savings cost divided by the presumed avoided utility and societal cost of energy.
- Program cost-effectiveness evaluation is "fully allocated," i.e. includes all of the program costs plus a portion of Energy Trust administrative costs.

Dedicated Funds

- Represents funds obligated to identified renewable program participants in the form of signed applications or agreements and tracked in the project forecasting system.

- May include commitments, escrows, contracts, board designations, master agreements.
- Methodology utilized to develop renewable energy activity-based budgets amounts.

Direct Program Costs

- Can be directly linked to and reflect a causal relationship to one individual program/project; or can easily be allocated to two or more programs based upon usage, cause, or benefit.

Direct Program Evaluation & Planning Services

- Evaluation services for a specific program rather than for a group of programs.
- Costs incurred in evaluating programs and projects and included in determining total program funding caps.
- Planning services for a specific program rather than for a group of programs.
- Costs incurred in planning programs and projects and are included in determining program funding expenditures and caps.
- Evaluation and planning services attributable to a number of programs are recorded in a cost pool and are subsequently allocated to individual programs.

Escrowed Program (Incentive) Funds

- Cash deposited into a separate bank account that will be paid out pursuant to a contractual obligation requiring a certain event or result to occur. Funds can be returned to Energy Trust if such event or result does not occur. Therefore, the funds are still “owned” by Energy Trust and will remain on the balance sheet.
- The funds are within the control of the bank in accordance with the terms of the escrow agreement.
- When the event or result occurs, the funds are considered “earned” and are transferred out of the escrow account (“paid out”) and then are reflected as an expense on the income statement for the current period.

Expenditures/Expenses

- Amounts for which there is an obligation for payment of goods and/or services that have been received or earned within the month or year.

Projects Forecasting / Pipeline

Module developed in Project Tracking to provide information about the timing of future incentive payments, with the following definitions:

- Estimated-Project data may be inaccurate or incomplete. Rough estimate of energy savings, incentives and completion date by project and by service territory.
- Proposed-Project that has received a written incentive offer but no agreement or application has been signed. Energy savings, incentives and completion date to be documented by programs using this phase. For Renewable projects-project that has received Board approval.
- Accepted-Used for renewable energy projects in 2nd round of application; projects that have reached a stage where approval process can begin.
- Committed-Project that has a signed agreement or application reserving incentive dollars until project completion. Energy savings/generations, incentives and completion date by project and by service territory must be documented in project records and in FastTrack. If project not demonstrably proceeding within agreed upon time frame, committed funds return to incentive pool. Reapplication would then be required.
- Dedicated-Renewable project that has been committed, has a signed agreement, and if required, has been approved by the board of directors.

Incentives**I. Residential Incentives**

- Incentives paid to a residential program participant (party responsible for payment for utility service in particular dwelling unit) exclusively for energy efficiency and renewable energy measures in the homes or apartments of such residential customers.

II. Business Incentives

- Incentives paid to a participant other than a residential program participant as defined above following the installation of an energy efficiency or renewable energy measure.
- Above market cost for a particular renewable energy project.

III. Service Incentives

- Incentives paid to an installation contractor which serves as a reduction in the final cost to the participant for the installation of an energy efficiency or renewable energy measure.
- Payment for services delivered to participants by contractors such as home reviews and technical analysis studies.
- End-user training, enhancing participant technical knowledge or energy efficiency practices proficiency such as “how to” sessions on insulation, weatherization, or high efficiency lighting.
- CFL online home review fulfillment and PMC direct installations.
- Technical trade ally training to enhance program knowledge.
- Incentives for equipment purchases by trade allies to garner improvements of services and diagnostics delivered to end-users, such as duct sealing, HVAC diagnosis, air filtration, etc.

Indirect Costs

- Shared costs that are “allocated” for accounting purposes rather than assigning individual charges to programs.
- Allocated to all programs and administration functions based on a standard basis such as hours worked, square footage, customer phone calls, etc.
- Examples include rent/facilities, supplies, computer equipment and support, and depreciation.

IT Support Services

- Information technology costs incurred as a result of supporting all programs.
- Includes FastTrack energy savings and incentive tracking software, data tracking support of PMCs and for the program evaluation functions.
- Includes technical architecture design and physical infrastructure.
- Receives an allocation of indirect shared costs.
- Total costs subsequently allocated to programs and administrative units.

Outsourced Services

- Miscellaneous professional services contracted to third parties rather than performed by internal staff.
- Can be incurred for program or administrative reasons and will be identified as such.

Program Costs

- Expenditures made to fulfill the purposes or mission for which the organization exists and are authorized through the program approval process.
- Includes program management, incentives, program staff salaries, planning, evaluation, quality assurance, program-specific marketing and other costs incurred solely for program purposes.
- Can be direct or indirect (i.e. allocated based on program usage.)

Program Delivery Expense

- This will include all PMC labor and direct costs associated with: incentive processing, program coordination, program support, trade ally communications, and program delivery contractors.
- Includes contract payments to NEEA for market transformation efforts.
- Includes performance compensation incentives paid to program management contractors under contract agreement if certain incentive goals are met.
- Includes professional services for items such as solar inspections, anemometer maintenance and general renewable energy consulting.

Program Legal Services

- External legal expenditures and internal legal services utilized in the development of a program-specific contract.

Program Management Expense

- PMC billings associated with program contract oversight, program support, staff management, etc.
- ETO program management staff salaries, taxes and benefits.

Program Marketing/Outreach

- PMC labor and direct costs associated with marketing/outreach/awareness efforts to communicate program opportunities and benefits to rate payers/program participants.
- Awareness campaigns and outreach efforts designed to reach participants of individual programs.
- Co-op advertising with trade allies and vendors to promote a particular program benefit to the public.

Program Quality Assurance

- Independent in-house or outsourced services for the quality assurance efforts of a particular program (distinguished from program quality control).

Program Reserves

- Negotiated with utilities annually, with a goal of providing a cushion of approximately 5% above funds needed to fulfill annual budgeted costs. Management may access up to 50% of annual program reserve without prior board approval (resolution 633, 2012).

Program Support Costs

- Source of information is contained in statement of functional expense report.
- Portion of costs in OPUC performance measure for program administration and support costs.
 - Includes expenses incurred directly by the program.
 - Includes allocation of shared and indirect costs incurred in the following categories: supplies; postage and shipping; telephone; printing and publications; occupancy expenses; insurance; equipment; travel; business meetings; conferences and training; depreciation and amortization; dues, licenses,

subscriptions and fees; miscellaneous expense; and an allocation of information technology department cost.

Project Specific Costs (for Renewable Energy)

- Expenses directly related to identified projects or identified customers to assist them in constructing or operating renewable projects. Includes services to prospective as well as current customers.
- Must involve direct contact with the project or customer, individually or in groups, and provide a service the customer would otherwise incur at their own expense.
- Does not include general program costs to reach a broad (unidentified) audience such as websites, advertising, program development, or program management.
- Project-Specific costs may be in the categories of; Incentives, Staff salaries, Program delivery, Legal services, Public relations, Creative services, Professional services, Travel, Business meetings, Telephone, or Escrow account bank fees.

Savings Types

- **Working Savings/Generation:** the estimate of savings/generation that is used for data entry by program personnel as they approve individual projects. They are based on deemed savings/generation for prescriptive measures, and engineering calculations for custom measures. They do not incorporate any evaluation or transmission and distribution factors.
- **Reportable Savings/Generation:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, evaluation factors, and any other corrections required to the original working values. These values are updated annually, and are subject to revision each year during the “true-up” as a result of new information or identified errors.
- **Contract Savings:** the estimate of savings that will be used to compare against annual contract goals. These savings figures are generally the same as the reportable savings at the time that the contract year started. For purposes of adjusting working savings to arrive at this number, a single adjustment percentage (a SRAF, as defined below) is agreed to at the beginning of the contract year and is applied to all program measures. This is based on the sum of the adjustments between working and reportable numbers in the forecast developed for the program year.
- **Savings Realization Adjustment Factors (SRAF):** are savings realization adjustment factors applied to electric and gas working savings measures in order to reflect more accurate savings information through the benefit of evaluation and other studies. These factors are determined by the Energy Trust and used for annual contract amendments. The factors are determined based on the best available information from:
 - Program evaluations and/or other research that account for free riders, spill-over effects and measure impacts to date; and
 - Published transmission and distribution line loss information resulting from electric measure savings.

Total Program and Admin Expenses (line item on income statement)

- Used only for cost effectiveness calculations, levelized cost calculations and in management reports used to track funds spent/remaining by service territory.
- Includes all costs of the organization--direct, indirect, and an allocation of administration costs to programs.
- Should not be used for external financial reporting (not GAAP).

Total Program Expenses (line item on income statement)

- All indirect costs have been allocated to program costs with the exception of administration (management and general costs and communications & outreach).
- Per the requirements of Generally Accepted Accounting Principles (GAAP) for nonprofits, administrative costs should not be allocated to programs.
- There is no causal relationship—costs would not go away if the program did not exist.

Trade Ally Programs & Customer Service Management

- Costs associated with Energy Trust sponsorship of training and development of a trade ally network for a variety of programs.
- Trade Ally costs are tracked and allocated to programs based on the number of allies associated with that program.
- Costs in support of assisting customers which benefit all Energy Trust programs such as call center operations, customer service manager, complaint handling, etc.
- Customer service costs are tracked and allocated based on # of calls into the call center per month.

True Up

- True-up is a once-a-year process where we take everything we've learned about how much energy programs actually save or generate, and update our reports of historic performance and our software tools for forecasting and analyzing future savings.
- Information incorporated includes improved engineering models of savings (new data factor), anticipated results of future evaluations based on what prior evaluations of similar programs have shown (anticipated evaluation factor), and results from actual evaluations of the program and the year of activity in question (evaluation factor).
- Results are incorporated in the Annual Report (for the year just past) and the True-up Report (for prior years).
- Sometimes the best data on program savings or generation is not available for 2-3 years, especially for market transformation programs. So for some programs, the savings are updated through the annual true-up 2 or 3 times