



# Energy Trust of Oregon

## 2019 Annual Budget and 2019-2020 Action Plan

### DRAFT

Presented to the Board of Directors  
October 17, 2018

---

Energy Trust of Oregon  
421 SW Oak St., Suite 300  
Portland, Oregon 97204  
energytrust.org  
1.866.368.7878

## DRAFT 2019 Annual Budget and 2019-2020 Action Plan

### Table of Contents

<b>Overview</b>	<ul style="list-style-type: none"><li>• Executive Director Message</li><li>• 2019 Budget Overview</li><li>• Frequently Asked Questions</li><li>• 2019 Budget Outreach and Schedule</li><li>• 2019 Budget and Action Plan Slide Presentation</li></ul>
<b>Supporting Memos</b>	<ul style="list-style-type: none"><li>• Staffing Memo</li><li>• Measure Cost-effectiveness Exceptions Memo</li><li>• Planning Assumptions Memo</li><li>• Administrative Cost Memo</li><li>• Scenarios Planning Memo</li><li>• Community Solar Program Memo</li></ul>
<b>Budget Detail</b>	<ul style="list-style-type: none"><li>• Income Statement – Budget, Forecast and Projection</li><li>• 2019 Budget Recap Spending and Savings</li><li>• 2019 Budget Income Statement by Service Territory</li><li>• 2019 Budget Statement of Administrative and Program Support Cost</li><li>• 2019 Budget Program Expenses by Service Territory and Program</li><li>• 2019 Budget Detail by Service Territory and Program</li><li>• Capital Budget</li></ul>
<b>Action Plans</b>	<ul style="list-style-type: none"><li>• Energy Efficiency Action Plans</li><li>• Renewable Energy Action Plans</li><li>• Support Group Action Plans</li><li>• Diversity, Equity and Inclusion Initiative Action Plan</li></ul>
<b>Forecasts</b>	<ul style="list-style-type: none"><li>• 2018 Forecast Recap Spending and Savings</li><li>• 2018 Forecast Income Statement by Service Territory</li><li>• 2020 Projection Recap Spending and Savings</li><li>• 2020 Projection Income Statement by Service Territory</li><li>• 2020 Projection Statement of Administrative and Program Support Cost</li><li>• 2020 Projection Summary by Service Territory and Program</li><li>• 2020 Projection Detail by Service Territory and Program</li></ul>
<b>Glossary</b>	<ul style="list-style-type: none"><li>• Financial Glossary</li></ul>

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Draft 2019 Budget and 2019-2020 Action Plan

I am pleased to present to you Energy Trust of Oregon's Draft 2019 Budget and 2019-2020 Action Plan, which will be the focus of our public board workshop on October 17.

Enclosed are a handout and slide presentation that summarizes the draft budget and action plan. You will see action plans for our energy efficiency and renewable energy programs; support groups; and diversity, equity and inclusion initiative that describes our efforts to further engage Oregon's diverse residents and businesses. As 2019 is the final year of Energy Trust's 2015-2019 Strategic Plan, you will see links between planned activities and strategic plan goals.

The draft budget includes six memos, including memos on staffing details and administrative costs. Three additional memos requested by the Oregon Public Utility Commission summarize planning assumptions shaping the draft budget and action plan, current energy efficiency measure cost-effectiveness exceptions approved or pending by the OPUC, and key triggering events and resulting alternative 2019 budget scenarios. The sixth memo describes Energy Trust's potential role in administering the state's community solar program, including how it is addressed in the 2019 budget.

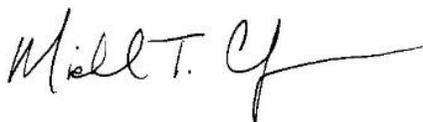
These documents guide Energy Trust in delivering the lowest-cost energy resources available to utilities and their customers, and diversifying Oregon's energy resource mix with small-scale renewable energy generation. The outcomes and benefits of our investments reduce participant utility bills, deliver system benefits to all customers, avoid carbon dioxide emissions and strengthen our economy.

The draft budget and action plan are available for public comment from October 10 through October 31, 2018. The workshop on October 17 is open to advisory council members and the public. I will also provide information on the draft budget to our five affiliated utilities and the OPUC, and will record an on-demand public webinar presentation available online October 17. All materials are available at [www.energytrust.org/budget](http://www.energytrust.org/budget).

Feedback and comments received through these presentations will be incorporated into a Final Proposed 2019 Budget and 2019-2020 Action Plan to be reviewed by the board at the December 14 board meeting.

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

Thank you,



Michael T. Colgrove, Executive Director

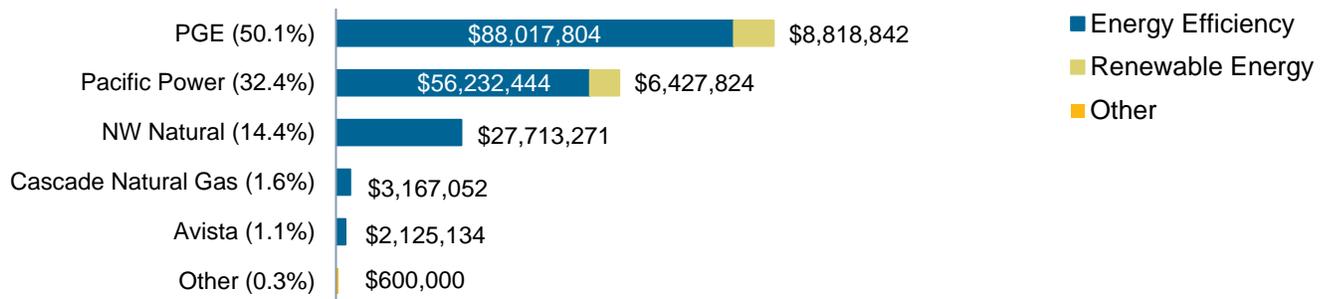
# 2019 Budget Overview

## Investing \$201 Million to Deliver Significant Benefits

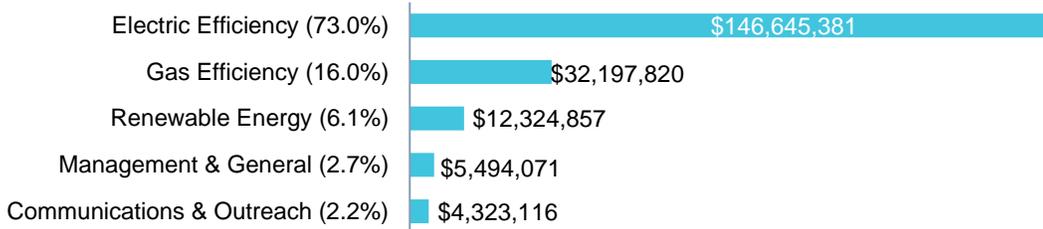
- Participants saving \$665 million on their utility bills over time from projects completed in 2019
- Energy saved at a cost of 3.1 cents/kWh and 40.0 cents/therm, a fraction of the cost of fossil fuels
- Jobs, wages and business income added to the local economy
- Air quality improvements by avoiding 4.5 million tons of carbon dioxide
- Training and support for 2,300 local businesses

## Revenue and Expenses (Oregon and Southwest Washington)<sup>1</sup>

### Annual Revenue: \$193.1 million

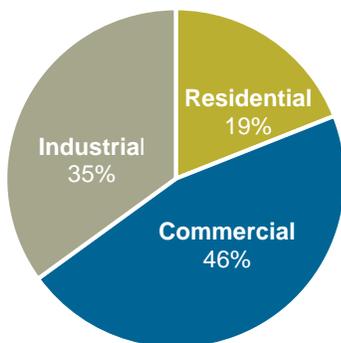


### Annual Expenses: \$201.0 million



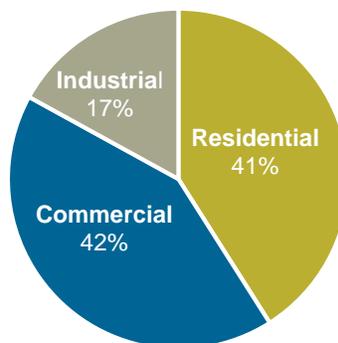
## Energy Efficiency and Generation Goals (Oregon and Southwest Washington)<sup>2</sup>

**Electric savings**  
53.09 aMW (56.45 gross)



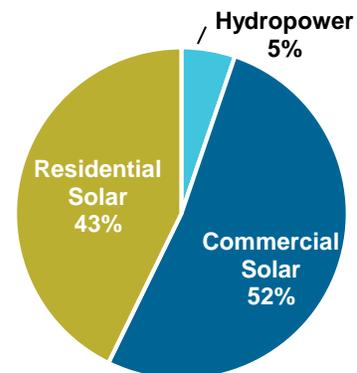
**Residential:** 9.9 aMW; 4.1 cents/kWh  
**Commercial:** 24.4 aMW; 3.6 cents/kWh  
**Industrial:** 18.8 aMW; 2.2 cents/kWh

**Natural gas savings**  
6.45 MMTh (7.05 gross)



**Residential:** 2.64 MMTh; 47.1 cents/therm  
**Commercial:** 2.71 MMTh; 39.8 cents/therm  
**Industrial:** 1.10 MMTh; 23.3 cents/therm

**Renewable generation**  
2.06 aMW



**Solar:** 1.95 aMW  
**Other Renewables:** 0.11 aMW

<sup>1</sup> Reserve funds will be used where planned expenses exceed anticipated revenue.

<sup>2</sup> Notes: MMTh (million annual therms), aMW (average megawatt); this document reports in net except where noted. Costs/kWh or therm are levelized.

## 2019 Organizational Goals

Energy Trust determined six organizational goals as an outcome of its new business planning process to prioritize new and existing work. These goals ensure alignment of activities across the organization.

1. **Improve program performance, viability and relevance**
2. **Increase customer participation and awareness**
3. **Establish 2020-2024 strategic direction**
4. **Improve productivity and efficiency**
5. **Increase flexibility and adaptability**
6. **Effectively manage an accessible and transparent organization**

## Notable Strategies and Activities

### **Maintaining many core services and approaches to serving customers**

Continue to deliver information, cash incentives and contractor connections to help residential, commercial, industrial and agricultural customers use less energy and generate renewable power.

### **Focusing on delivering benefits to underserved customers, including renters, rural customers, low- and moderate-income customers and communities of color**

Deliver and report progress on 10 diversity, equity and inclusion goals; explore partnerships with community-based organizations to improve awareness and access for low-income customers and single-family rental homes; develop marketing and engagement for non-English speaking and culturally diverse customers.

### **Developing new sources of savings and preparing for market changes**

Launch and promote new offerings and delivery strategies; launch pilots to test new offerings; use lean startup methodology to design new offers; evolve programs to adapt to code changes, market changes and market transformation; value peak savings in measure analyses.

### **Reducing the above-market costs of renewable energy projects**

Support solar systems that provide additional value to the grid; support the solar industry in making business and technical improvements that reduce non-equipment costs; help irrigation districts modernize infrastructure and install hydropower systems; support water recovery facilities and other projects using anaerobic digestion to generate biopower.

### **Supporting communities engaged in energy planning and targeted load management**

Support targeted load management pilots and coordinate with utility demand response programs to drive efficiency savings; provide resources and guidance to cities engaged in community energy planning.

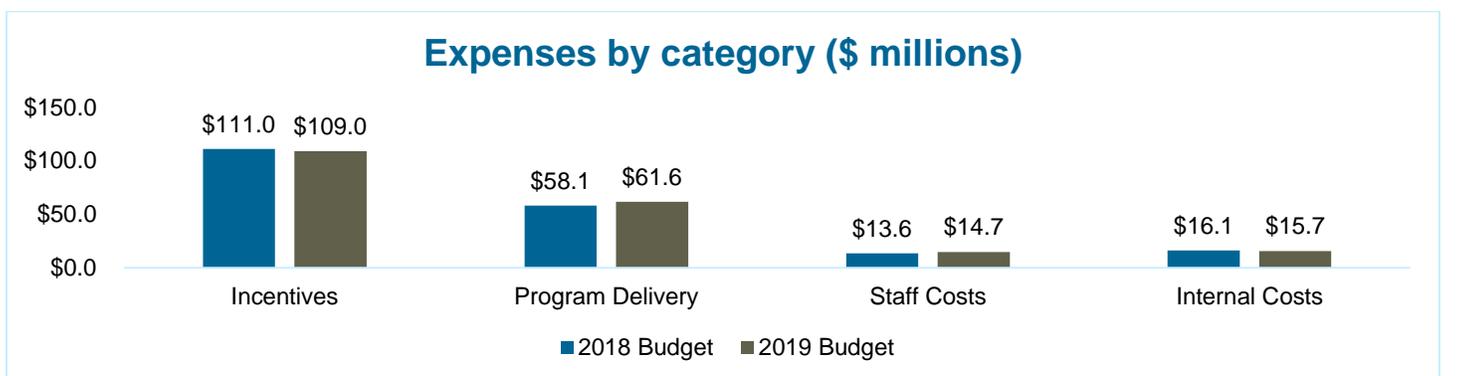
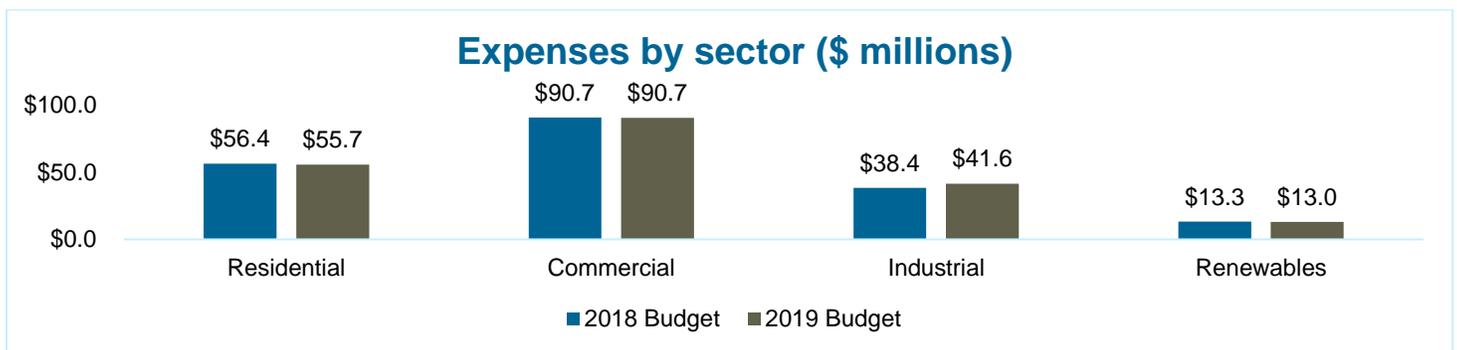
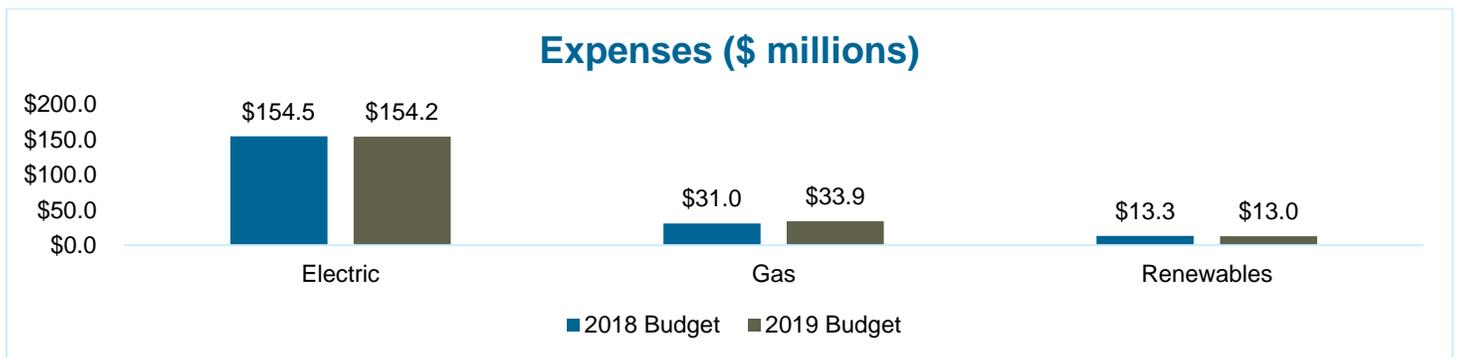
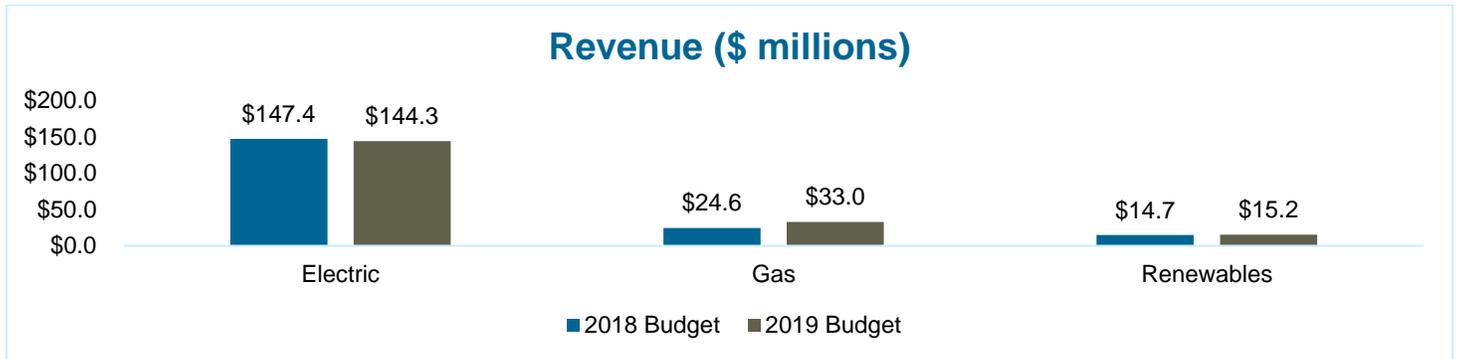
## Budget Process and Public Engagement

Energy Trust of Oregon's annual budget and two-year action plan are developed through a transparent, public process. They guide our delivery of low-cost energy efficiency resources for the benefit of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista customers, and diversify Oregon's energy resource mix with clean power from small-scale renewable energy systems.

Learn more at [www.energytrust.org/budget](http://www.energytrust.org/budget).

## Year-to-year Comparison of Budgeted Revenues and Expenses (Oregon and Washington)

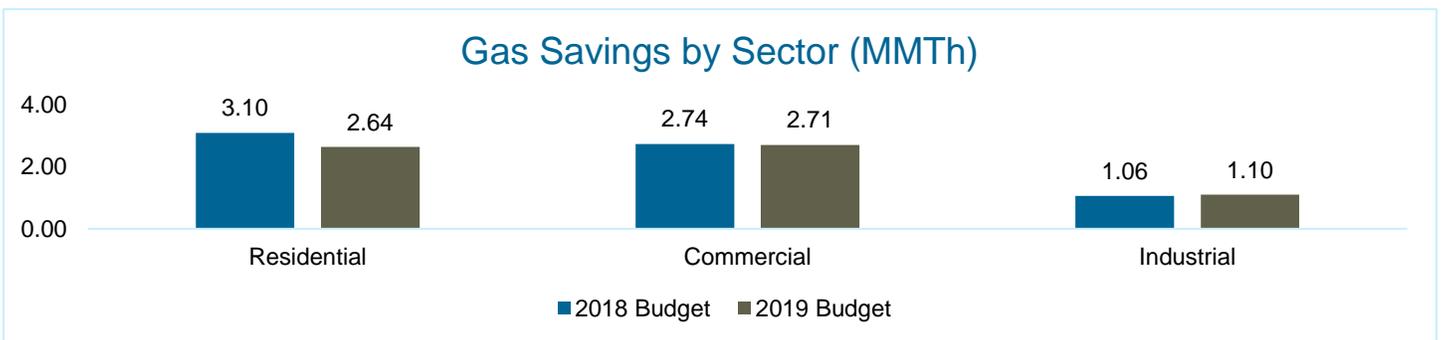
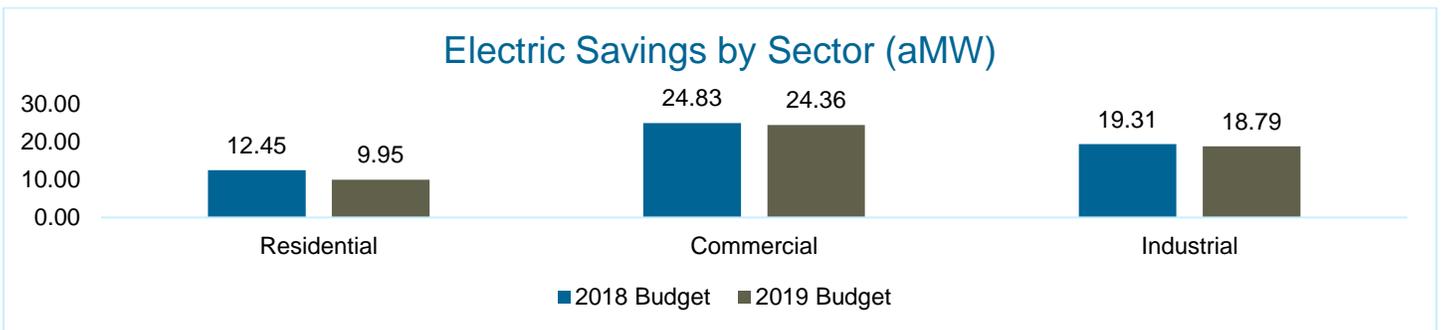
- Revenues up slightly, increasing 3.3% over the 2018 budget
- Expenses up slightly, increasing 1.1% over the 2018 budget
- Compared to 2018, staff costs are up slightly, and internal costs are down slightly. Both remain low compared to the overall budget.



## Year-to-year Comparison of Budgeted Savings, Generation, Levelized Costs (Oregon and Washington)

	Electric Savings (aMW)	Gas Savings (MMTh)	Electric Generation (aMW)
2018 Budget	56.59	6.91	1.89
2019 Budget	53.09	6.45	2.06
% change	-6.2%	-6.7%	8.9%

	Electric Levelized Cost (cents/kWh)	Gas Levelized Cost (cents/therm)
2018 Budget	2.97	33.29
2019 Budget	3.14	39.97



## Administrative and Program Support Costs and Staffing Costs

- Administrative and program support costs are at 7 percent of revenues, under OPUC performance measure cap of 8 percent.

	Administrative & Program Support Cost	OPUC Performance Measure Compliance
2019	7.0%	✓

- Staffing costs are increasing due to growing resource demands, healthcare cost increases and compensation adjustments.
- In 2019, Energy Trust projects meeting the OPUC performance measure for staffing costs, which is to not exceed 7.25 percent on a 3-year rolling average.

	Annual Staffing Costs (3-yr rolling avg.)	OPUC Performance Measure Compliance
2019	7.0%	✓

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

---

### How is your budget and action plan developed?

Our annual budget and two-year action plan are developed through a transparent, public process that includes stakeholder review and input. Our five-year Strategic Plan and each utility's Integrated Resource Plan (IRP) serve as primary building blocks for the budget.

Annually starting in July and continuing through December, we work with Portland General Electric (PGE), Pacific Power, NW Natural, Cascade Natural Gas, Avista and our Conservation Advisory Council to build action plans and identify the amount of energy efficiency that can be cost-effectively acquired in the coming year. We also work to determine planned renewable energy generation and project development within PGE and Pacific Power territories and obtain input from our Renewable Energy Advisory Council. In October and November, we post our draft budget online and present it publicly to our board of directors, stakeholders and OPUC. In December, after revisions are made, we post a final proposed budget online and present it for board approval.



### How can I participate?

Public comments are actively solicited and help shape our final proposed budget and action plan presented to the board of directors. 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 meeting invites public comment. The OPUC hearing is also open to the public.

Written public comments are due to Energy Trust by 5 p.m., Wednesday, October 31. Comments may be emailed to [info@energytrust.org](mailto:info@energytrust.org), or mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

### Who reviews and approves the budget and action plan?

Budget goals and action plans are reviewed by our board of directors, Conservation Advisory Council, Renewable Energy Advisory Council, OPUC, PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We also engage the public and a variety of stakeholders and utility customers. Public comment is actively sought through our website and public meetings.

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.

### **Where can I find more information about the 2019 budget and action plan?**

Visit our website at [www.energytrust.org/budget](http://www.energytrust.org/budget) to find the draft budget and action plan, view the budget schedule and view an on-demand presentation by Executive Director Michael Colgrove. Budget presentations and materials delivered at board and advisory council meetings are available at [www.energytrust.org/about/public-meetings](http://www.energytrust.org/about/public-meetings).

### **What do you take into account when setting the budget?**

We work closely with all five 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 resources drive our five-year strategic plan and guide our annual budget and two-year action plan.

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 partner utilities, two advisory councils, the OPUC and the board of directors.

### **What benefits will the budget provide?**

Our budget and action plan are designed to serve a range of customers—from homeowners and renters to large businesses around the state. We deliver the low-cost energy efficiency utilities rely on to meet their customers' energy needs, and add clean, renewable power to the electric grid. Projects and actions resulting from our budget reduce participating customer utility bills, help keep energy costs lower than they otherwise would be for all utility customers, avoid carbon emissions and strengthen local economies.

### **How are programs and services funded?**

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

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

At year-end, any 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 higher than projected due to unexpected weather changes. Renewable energy project development often occurs over multiple years and requires an upfront funding commitment. Some carryover funds are dedicated for those project commitments.

### **What accountability measures are in place to ensure funds are spent wisely?**

All expenditures must comply with legal requirements 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 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 do you report on expenditures and progress to 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 submitted to the Oregon Legislature every two years by the OPUC.

## 2019 Budget Outreach and Schedule

---

### Outreach and Schedule

*Key dates for the public noted in bold text*

August 21	Discuss significant changes and new activities for 2019 with each utility
September 14	Present draft energy efficiency and renewable energy action plans to the Renewable Energy Advisory Council and Conservation Advisory Council
September, October	Meet with each utility to review early budget information, and discuss and determine funding levels for 2019 and 2020, including any related rate adjustments needed to reach savings targets
<b>October 10</b>	<b>Public comment period opens; draft budget and action plan posted online</b>
October 12	Present draft Planning & Evaluation group and Northwest Energy Efficiency Alliance action plans to the Conservation Advisory Council
<b>October 17</b>	<b>Present the draft budget and action plan to the Board of Directors at a public budget workshop, which includes a participatory workshop activity with the board, public and staff to review program and support group activities</b>
<b>October 17</b>	<b>Post online an on-demand webinar with Executive Director Michael Colgrove presenting an overview of the draft budget and action plan; opportunities to submit comments and ask questions via email</b>
<b>October 31</b>	<b>Public comment period closes</b>
<b>November 8</b>	<b>Present the draft budget and action plan at a public workshop of the Oregon Public Utility Commission, held at the OPUC Main Hearing Room, 201 High Street SE, Salem, Oregon</b>
<b>November 14</b>	<b>Provide an update on budget development and report on workshop findings and public comments to the Board of Directors</b>
<b>November 30</b>	<b>Review any changes to the draft materials with the Renewable Energy Advisory Council and Conservation Advisory Council</b>
December 7	Final proposed budget documents posted online
<b>December 14</b>	<b>Present the final proposed budget and action plan to the Board of Directors, presentation includes a summary of public comments; after making any final changes, the board votes on the budget</b>

## **Submitting comments, attending public meetings**

Written public comments are due to Energy Trust by 5 p.m., Wednesday, October 31, 2018. Comments may be emailed to [info@energytrust.org](mailto:info@energytrust.org), or mailed or submitted in person to Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

Energy Trust Board of Directors, Conservation Advisory Council and Renewable Energy Advisory Council meetings are open to the public and held at Energy Trust of Oregon, 421 SW Oak St., Suite 300, Portland, Oregon 97204.

## **Resources**

Visit the Energy Trust website at [www.energytrust.org/budget](http://www.energytrust.org/budget) for links to budget and action plan materials and to view the most up-to-date budget schedule. Check back October 17 to access the on-demand webinar.

All Energy Trust board and advisory council meeting agendas, packet materials and meeting notes are online at [www.energytrust.org/about/public-meetings](http://www.energytrust.org/about/public-meetings).



# Draft 2019 Annual Budget & 2019-20 Action Plan

October 17, 2018



# Presentation Outline

- Draft 2019 budget summary
- Developing the budget and action plan
- Draft 2019 budget and metric highlights
- Key takeaways
- Next steps





# Draft 2019 Budget Summary

- Investing \$201 million
- Saving 53.1 aMW and 6.5 MMTh
  - Electric savings down by 6.2%
  - Gas savings down by 6.7%
- Delivering highly cost-effective energy
  - 3.14 cents/kWh levelized
  - 39.97 cents/therm levelized
- Generating 2.1 aMW
- Expanding outreach and services
- Creating operational efficiencies
- Preparing for the future

*Comparisons are draft 2019 budget to 2018 budget*

# Draft 2019 Budget Summary, continued

- Overall spending up 1.1% largely due to increased volume of smaller projects, outreach and technical services
- Incentives are 54.2% of total planned expenditures
- Revenue up slightly; reserves decrease slightly
- Administrative and program support costs at 7%, up slightly
- Staffing costs at 7% (three-year rolling average), below OPUC performance measure

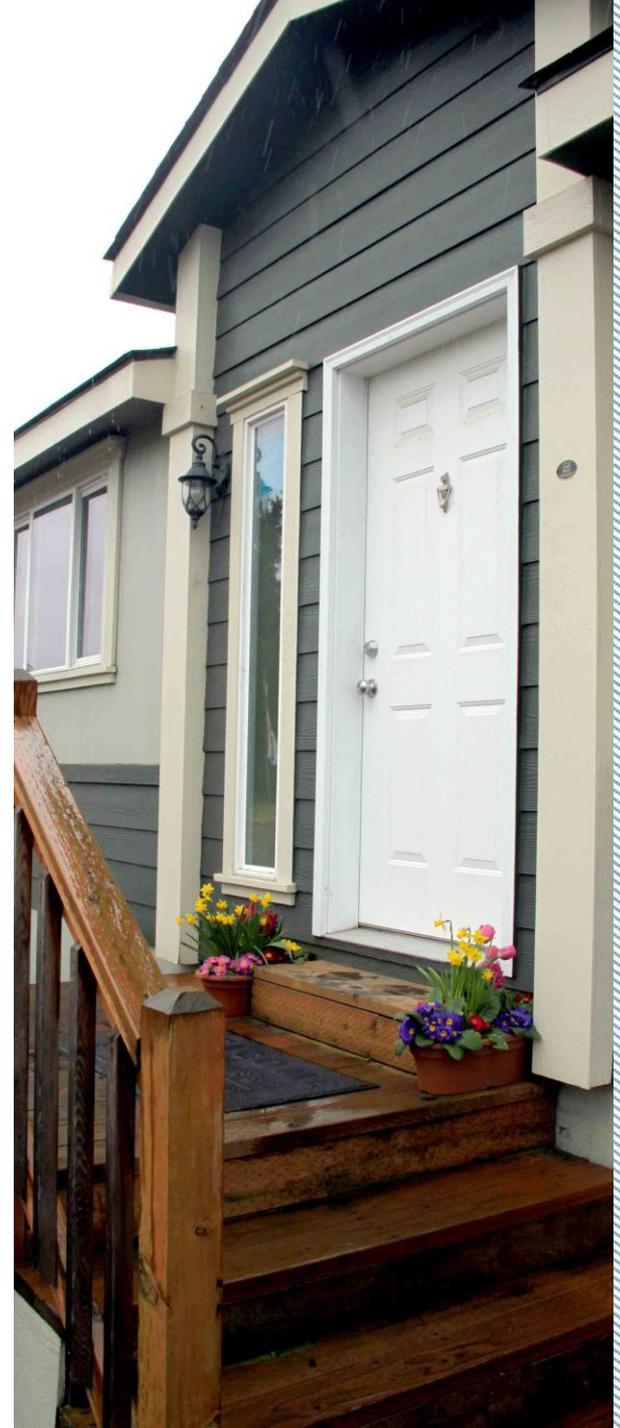


# Key Takeaways

1. Underserved markets a strong focus moving forward
2. Increasing cost per unit of savings from smaller projects
  - Due to market transformation successes, lower avoided costs, fewer savings per business project, shift in residential savings, increased outreach
3. Residential lighting transition will complete in 2020

# Key Takeaways, continued

4. Despite high volumes of projects and customer transactions, seeing declining savings
  - Expect this to continue into 2020
5. Solar market in transition; challenging renewable project economics
6. Resource demands on organization continue growing
7. Investing in key internal projects to enhance adaptability and operational efficiency





# Customer Benefits from 2019 Investments

- \$665 million in future bill savings
- Improved air quality by avoiding 4.5 million tons of carbon dioxide
- Enough energy to power 46,900 homes and heat 9,750 homes
- Continued high customer satisfaction
- Expanded access and participation statewide
- Training and support for 2,300 local businesses

# Developing the Budget & Action Plan

# Building Blocks for Budget and Action Plan

1

2015-2019  
Strategic Plan  
goals and  
strategies

2

Utility  
Integrated  
Resource  
Plans  
Renewable  
resource  
availability

3

Market  
knowledge  
and context

4

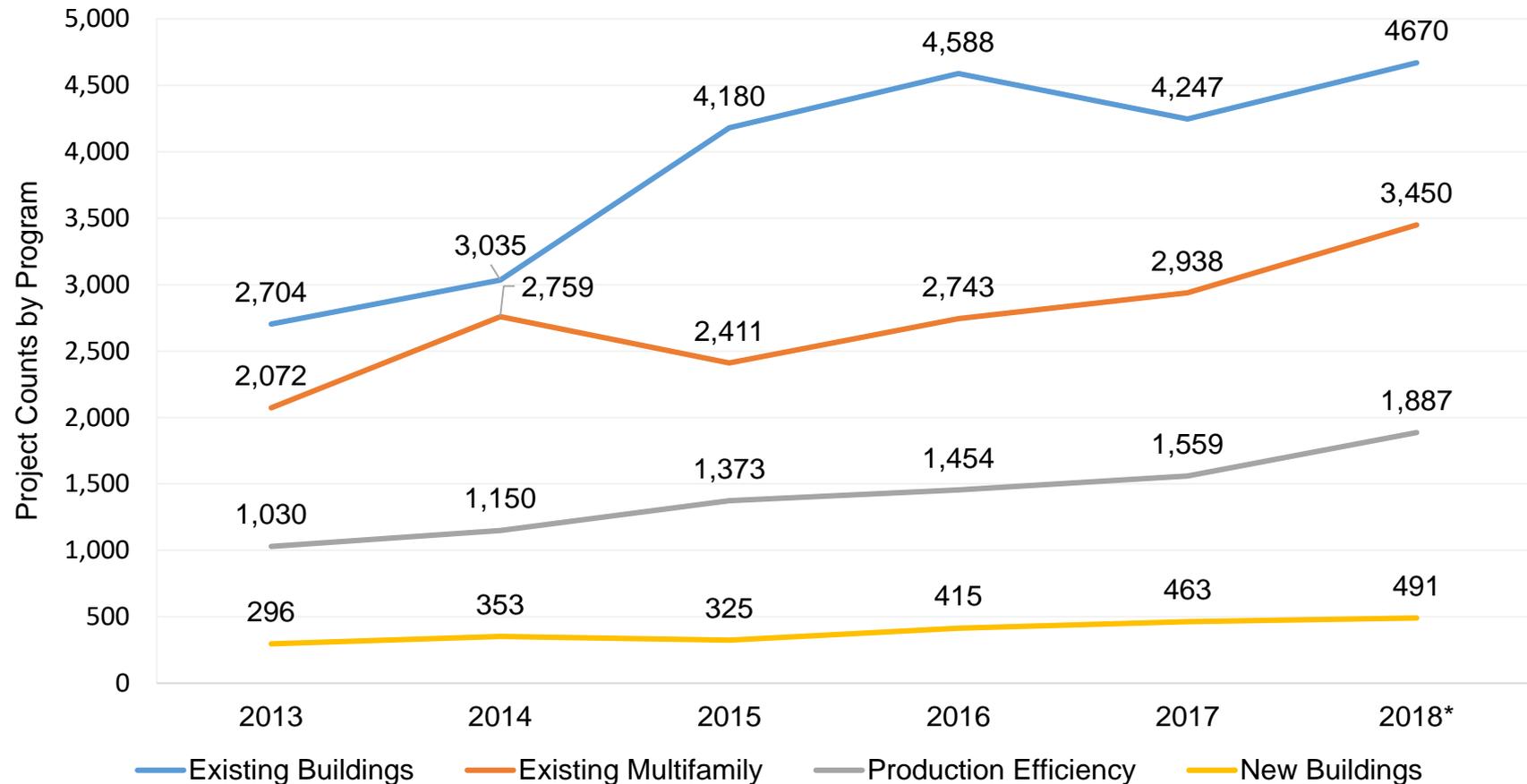
Business  
planning and  
prioritization

# Market Knowledge and Context



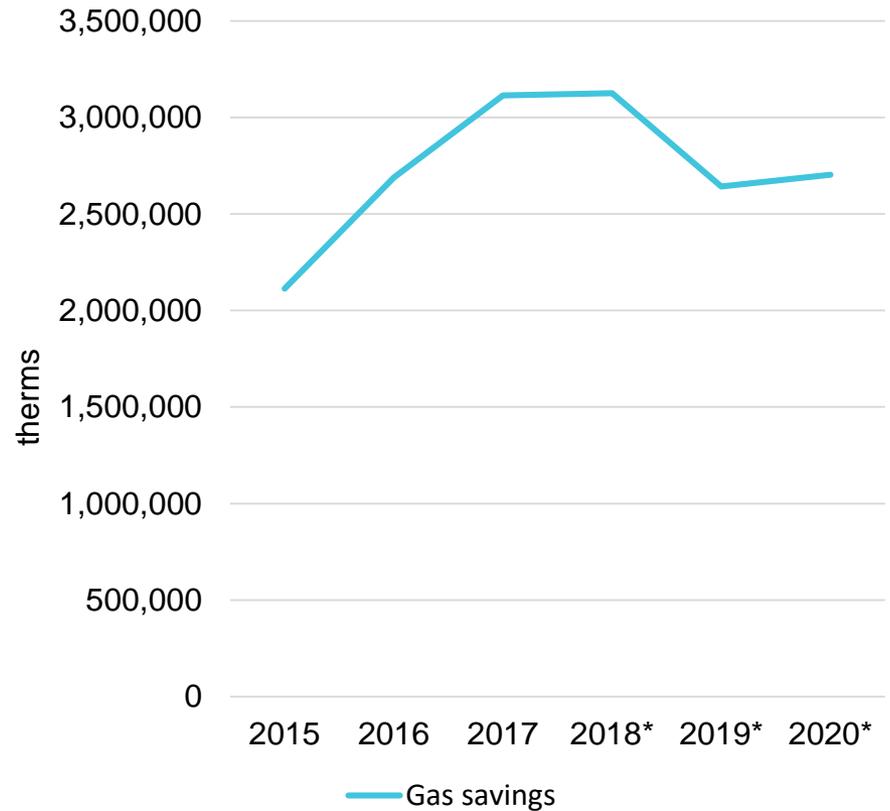
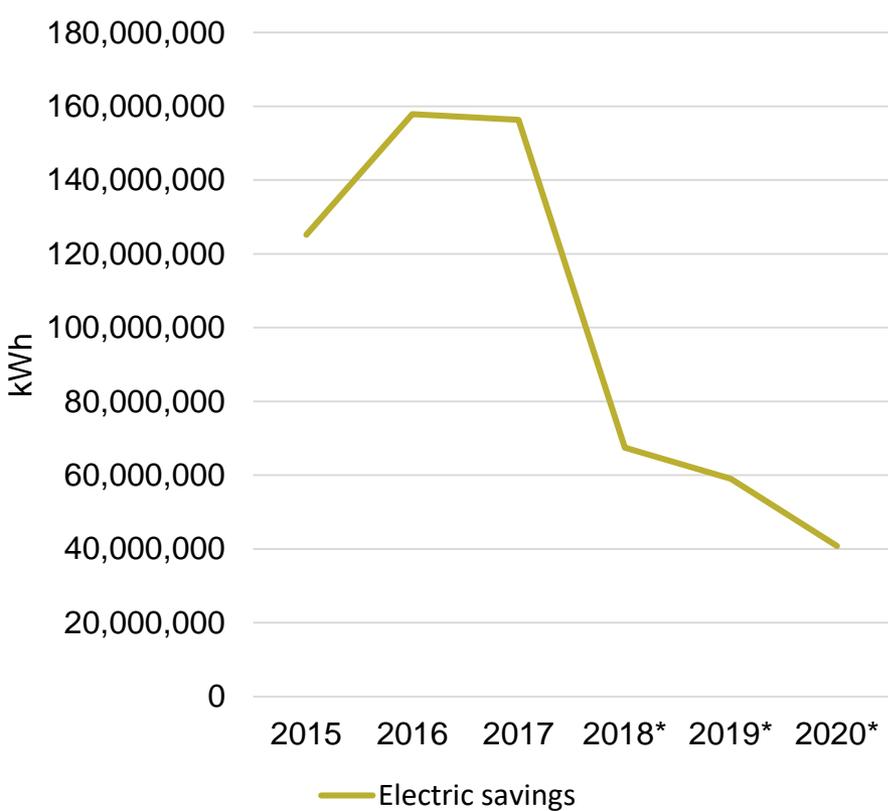
- 5<sup>th</sup> year of strategic plan—continued focus on expanding participation and new approaches
- Stable economy driving high activity in some program areas
- Changing policies, codes, markets and technologies
  - Ex. Community Solar, Portland Clean Energy Fund
- Core residential lighting changes complete by 2020
- Oregon population diversifying, stakeholders actively seeking diversity, equity and inclusion
- Focus on smaller projects with fewer savings
- Avoided cost shifts
- Cost-effectiveness challenges

# Increasing Volume of Business Projects Continues



\* Forecasted activity for 2018, project counts are expected to shift by year-end

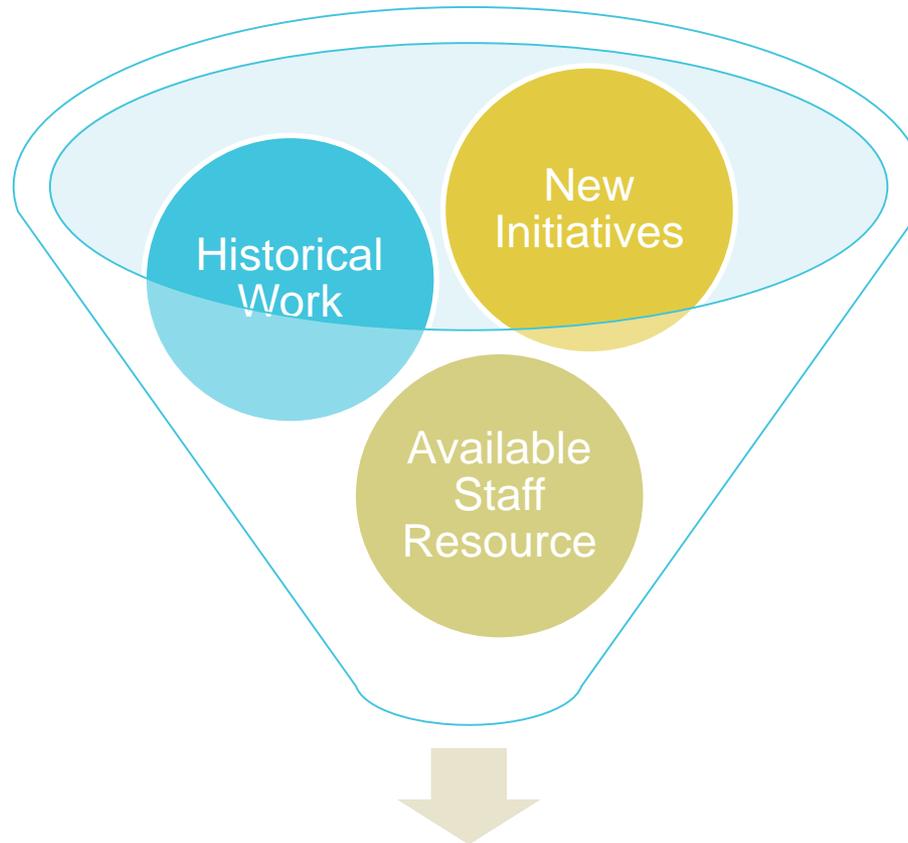
# Rebuilding Residential Savings Portfolio



Net savings

Chart shows 2015-2017 actuals, 2018 forecast and 2019-2020 draft budget

# Implemented Business Planning Process



2019 Business Plan Activities

# 2019 Annual Goals



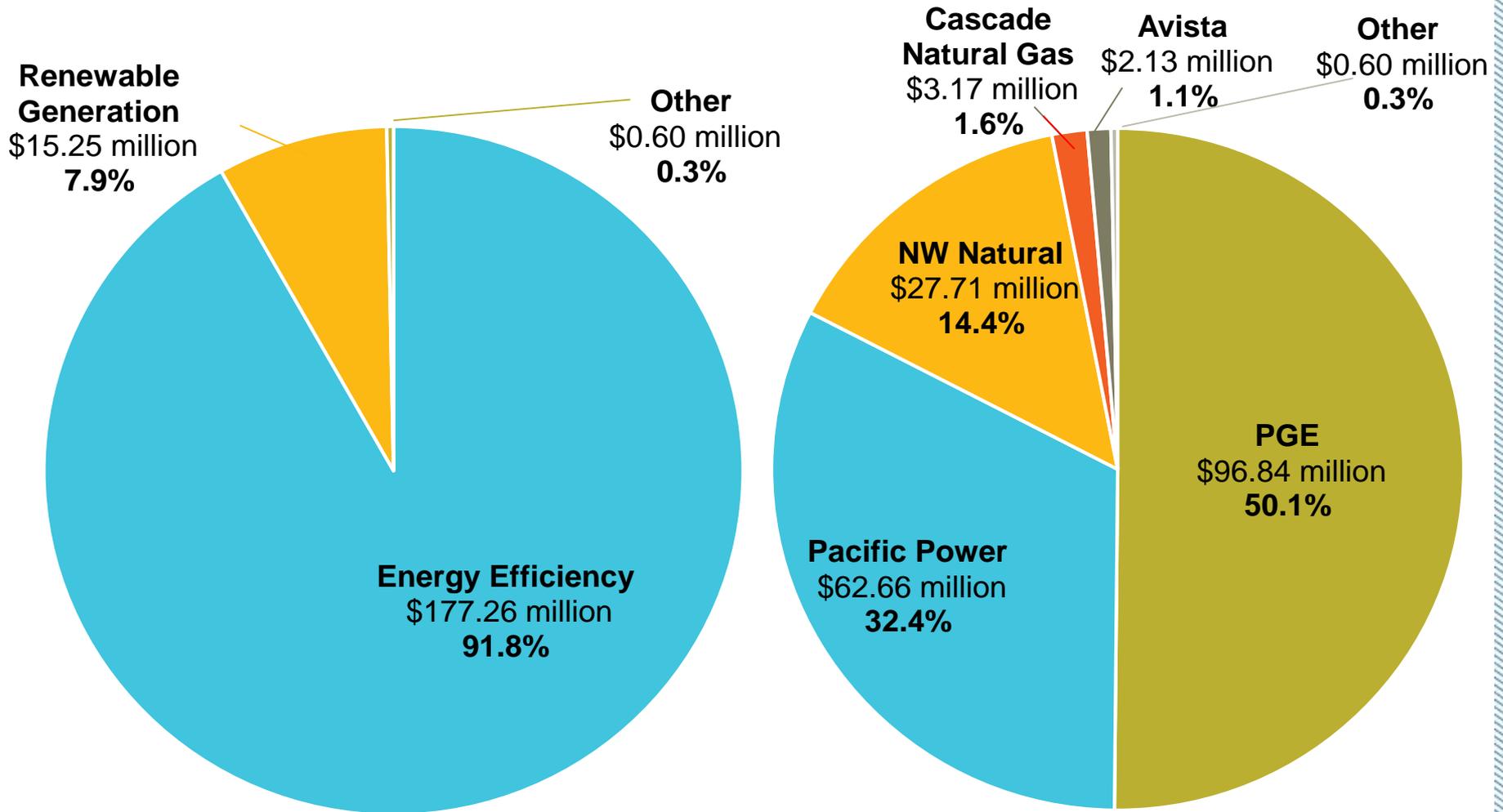
- 1 Improve Program Performance & Viability
- 2 Increase Customer Participation & Awareness
- 3 Establish 2020-2024 Strategic Direction
- 4 Improve Productivity & Efficiency
- 5 Increase Flexibility & Adaptability
- 6 Manage Organization Effectively

# Action Plan Overview

- 200+ separate initiatives and activities across all programs and support groups
- All tied to accomplishing our 6 annual goals
- Detailed action plans included in budget materials
- Some common themes you will observe:
  - Maintaining many core services for customers
  - Developing new sources of savings, preparing for code changes and measure exits, and valuing peak savings
  - Focus on small businesses, renters, rural customers, communities, affordable housing and underserved customers
  - Recruitment of diverse trade ally contractors
  - Focus on diversity, equity and inclusion plan goals
  - System and process enhancements

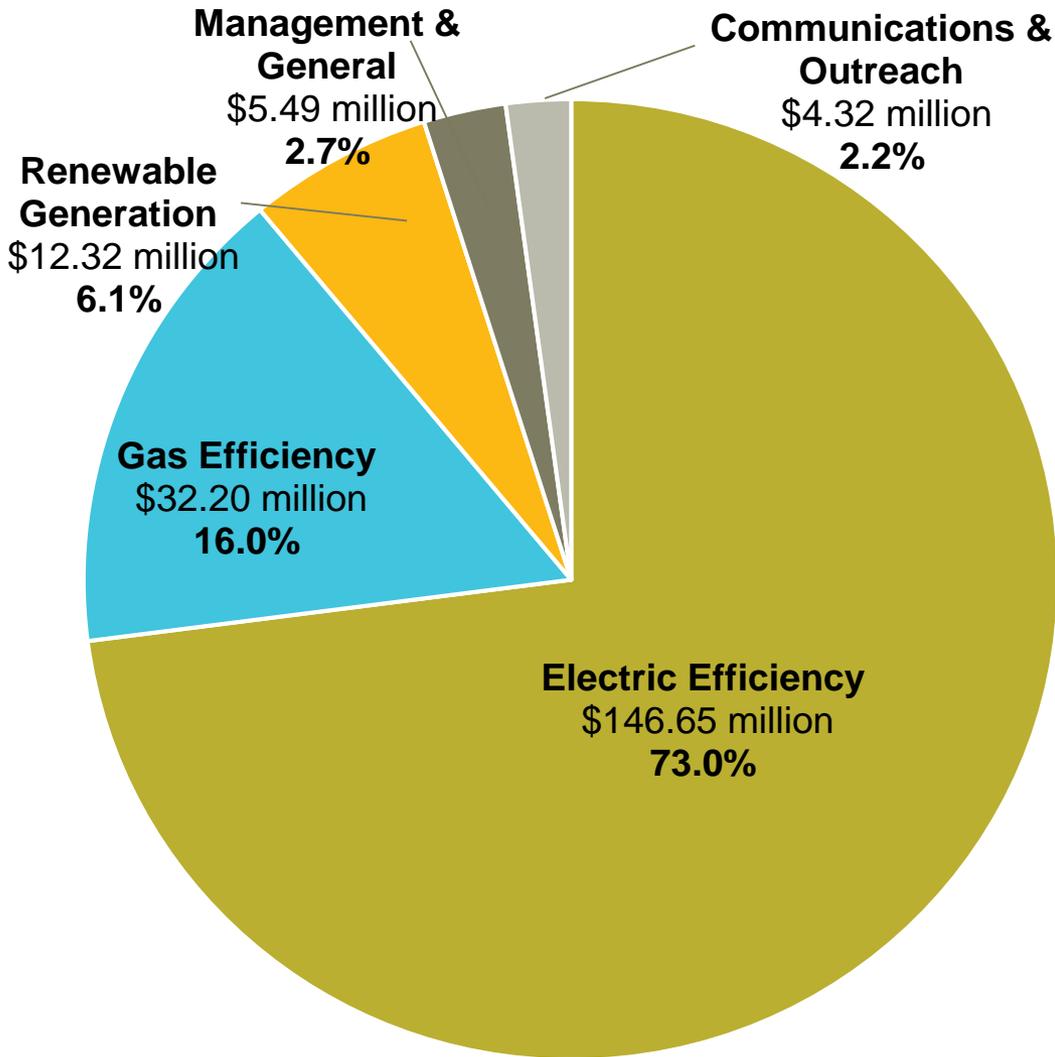
# Draft 2019 Budget and Metric Highlights

# 2019 Draft Budget Revenue



Total 2019 revenue \$193.1 million, up 3.3%

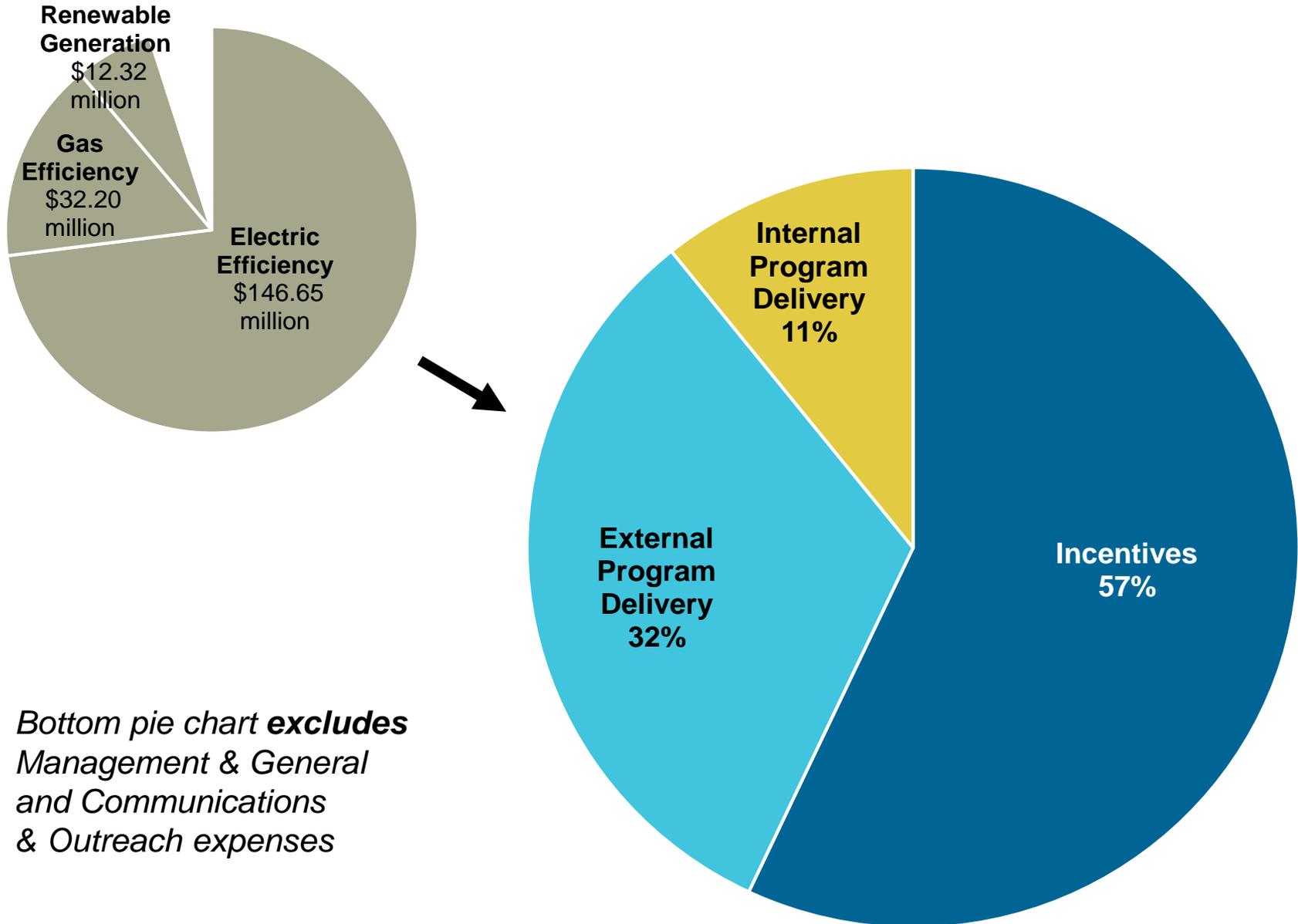
# 2019 Draft Budget Expenditures



**\$201 million**  
Up 1.1% from 2018

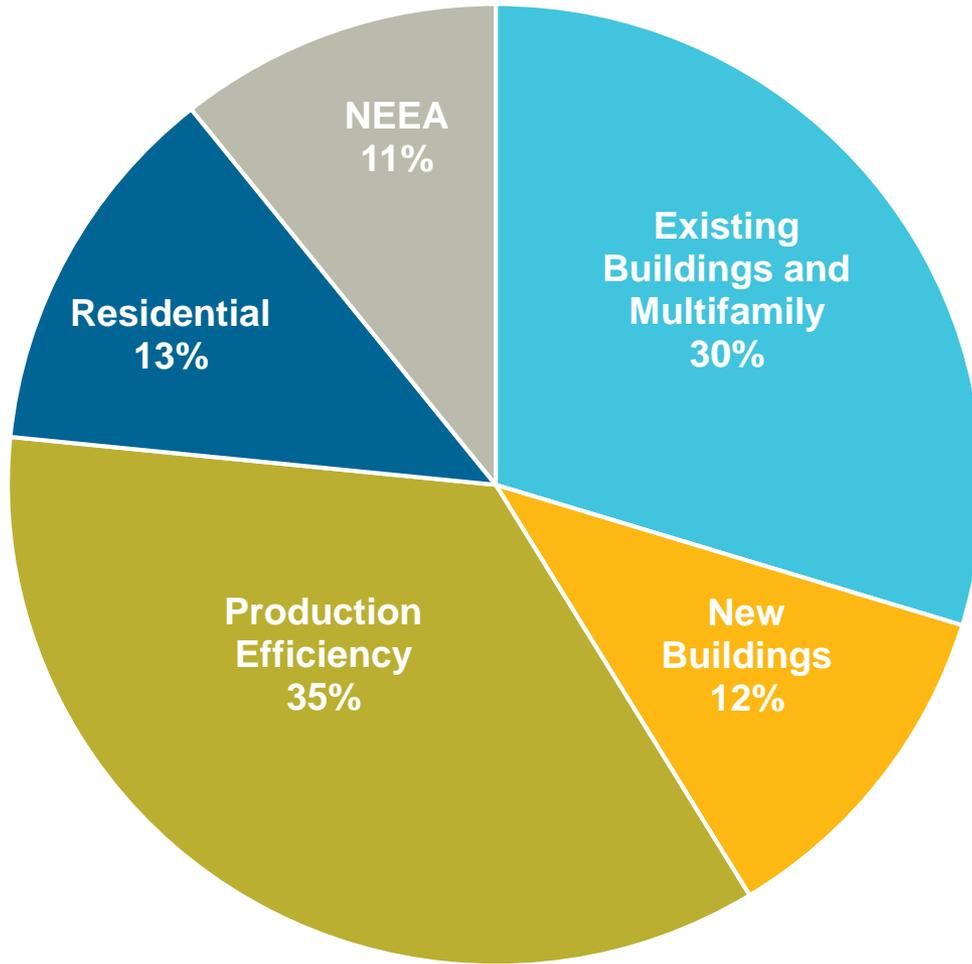
*The 2019 budget utilizes reserves to cover planned expenses in excess of anticipated revenue*

# 2019 Draft Budget Expenditures Detail



*Bottom pie chart **excludes** Management & General and Communications & Outreach expenses*

# 2019 Electric Savings by Program

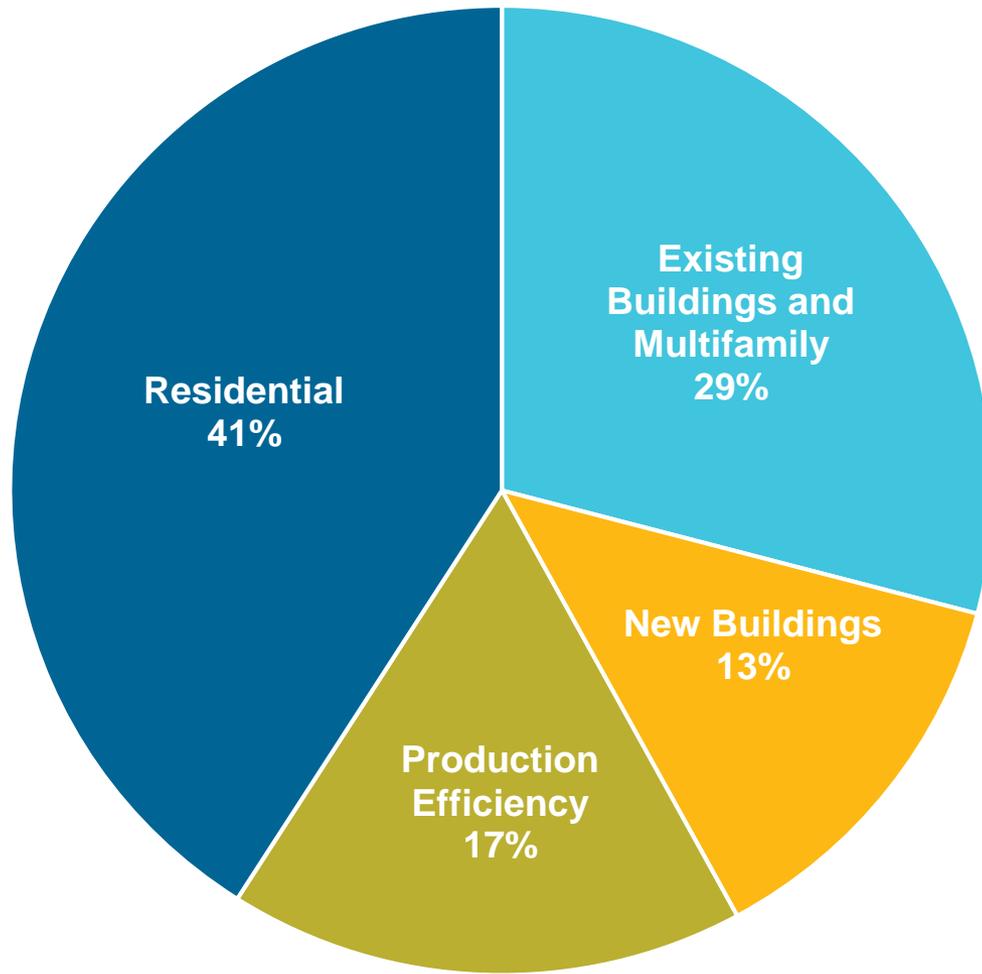


53.1 aMW savings  
3.14 cents/kWh

- Savings down 6.2%
- \$154.2 million in total costs, including customer incentives, services and delivery

*aMW: average megawatts  
Cost per kilowatt hour is levelized*

# 2019 Natural Gas Savings by Program

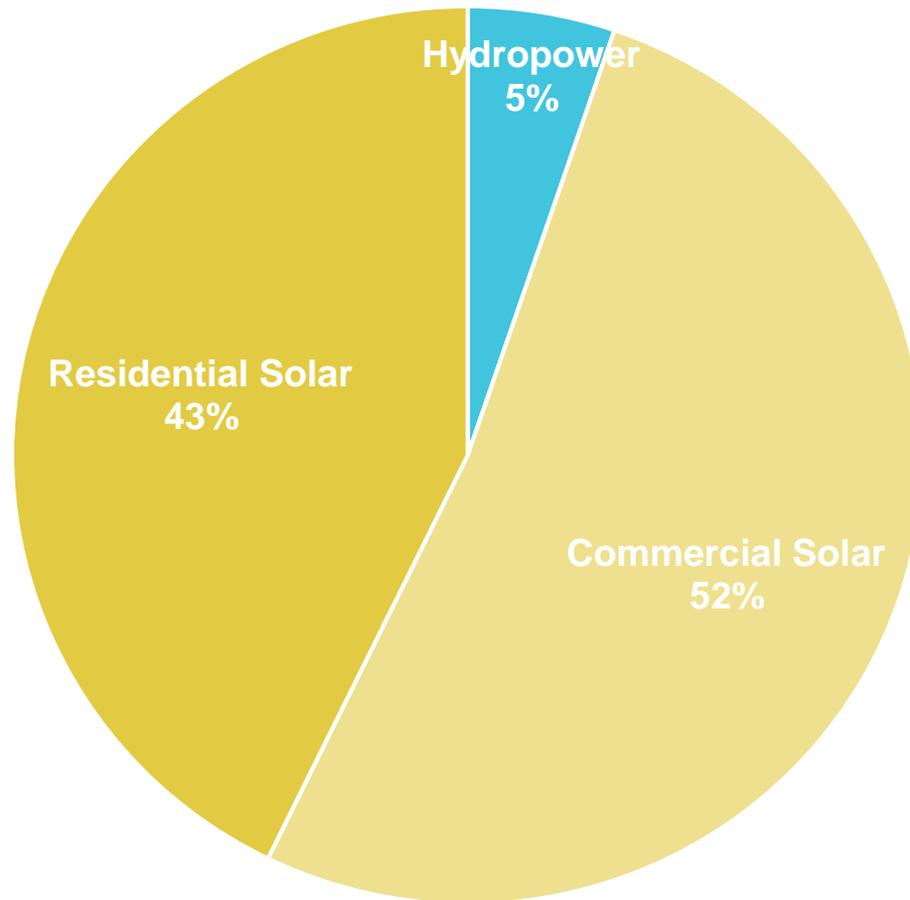


6.5 MMTh savings  
39.97 cents/therm

- Savings down 6.7%
- \$33.85 million in total costs, including customer incentives, services and delivery

*MMTh: million annual therms  
Cost per therm is levelized*

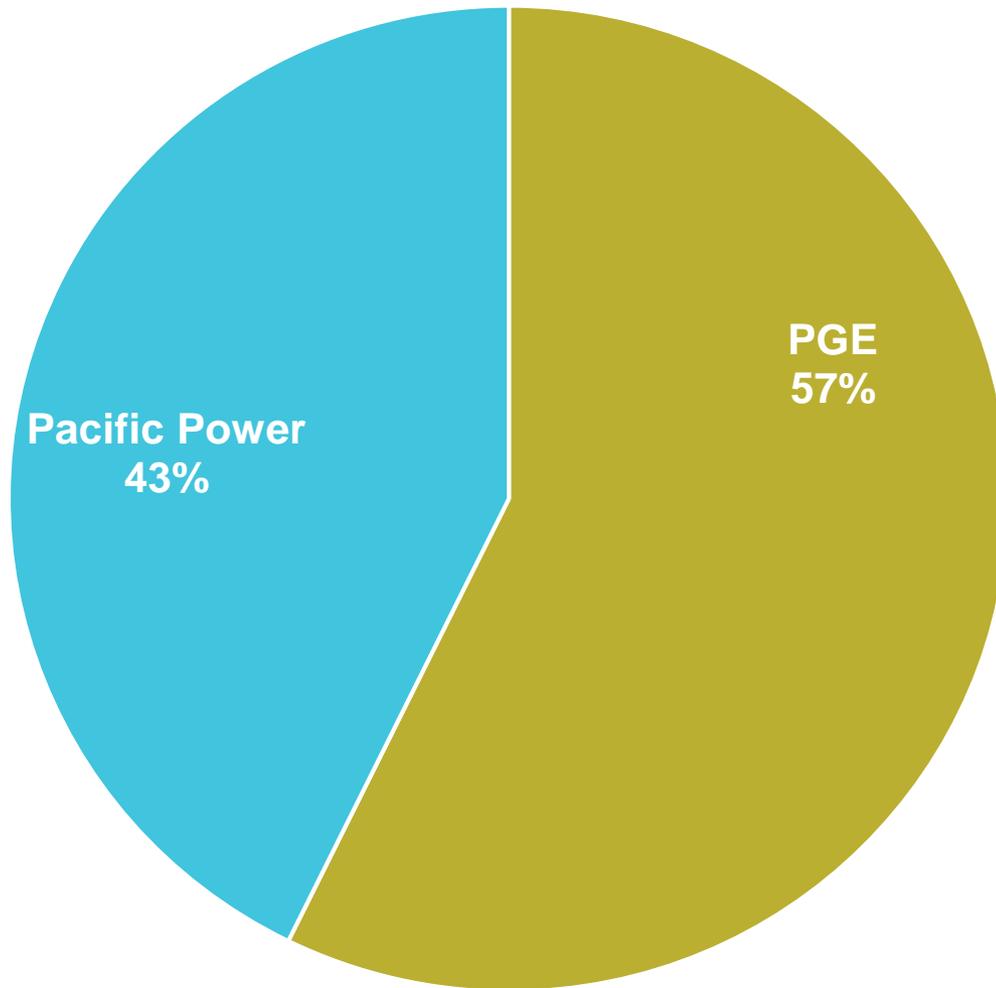
# 2019 Renewable Generation



2.1 aMW generation

- Generation up 8.9%
- \$12.96 million in total costs, including customer incentives, services and delivery

# 2019 NEEA Electric Savings by Utility



5.7 aMW savings  
1.97 cents/kWh

- Savings down 20.5%
- \$7.2 million in total costs for electric market transformation

*Energy Trust allocated \$1.4 million budget to NEEA for gas market transformation activities; savings are expected in subsequent years*

# Savings Summary by Utility

	<b>2019 Budget Savings (Net) aMW or MMTh</b>	<b>2019 Budget Savings (Gross) aMW or MMTh</b>
<b>PGE (Efficiency)</b>	33.45	35.66
<b>Pacific Power (Efficiency)</b>	19.64	20.79
<b>NW Natural (OR)</b>	5.20	5.73
<b>NW Natural (WA)</b>	0.39	0.39
<b>Cascade Natural Gas</b>	0.50	0.54
<b>Avista</b>	0.36	0.40

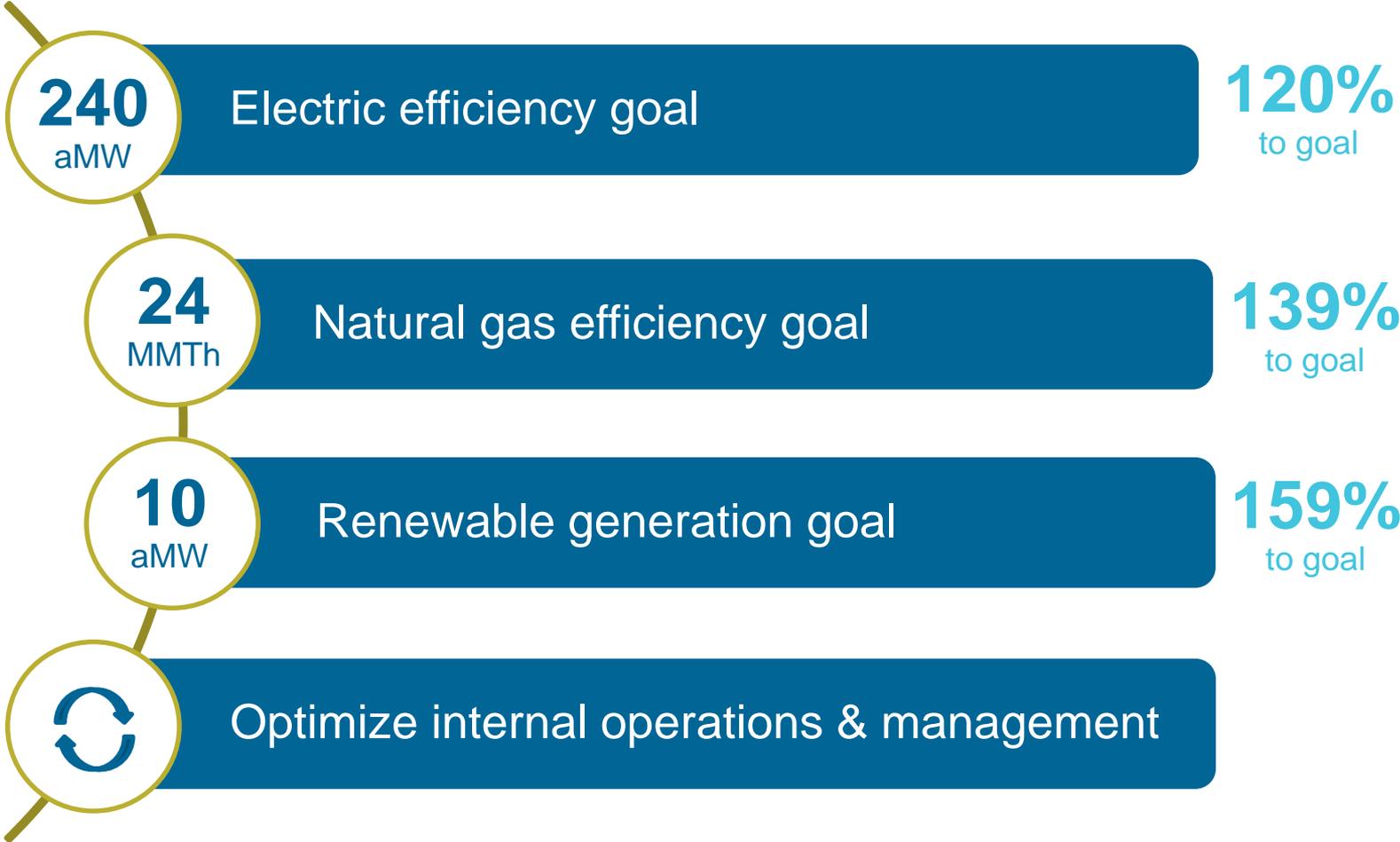
- Net savings are equivalent to Energy Trust's reportable savings
- Gross savings represent all savings from program participants, regardless of whether they are free riders
  - Aligns with regional and national reporting

# OPUC Performance Measures

- Achieve minimum electric and natural gas savings below a specified levelized cost cap, for each utility\*
- Achieve minimum solar generation, and achieve other renewable energy generation under a cost cap per MWh\*
- Report on specified renewable energy project development assistance and results, and on innovative custom solar project attributes
- Receive an unmodified financial opinion
- Keep administrative and program support costs within an annual cost cap\* and to less than a 10% annual increase
- Keep staffing costs within a three-year rolling average cost cap\* and to less than a 10% annual increase
- Obtain minimum 85% customer satisfaction ratings for the organization overall and for experience with program representatives
- Report benefit/cost ratios using both utility system and total resource perspectives

*\*OPUC performance measures for Energy Trust include specific metrics and are established annually by the Commission through a public process after Energy Trust's annual budget is adopted, usually in February.*

# Progress to 2015-2019 Strategic Plan Goals: Through 2019



# Budget Trends

# Expenditures Trends

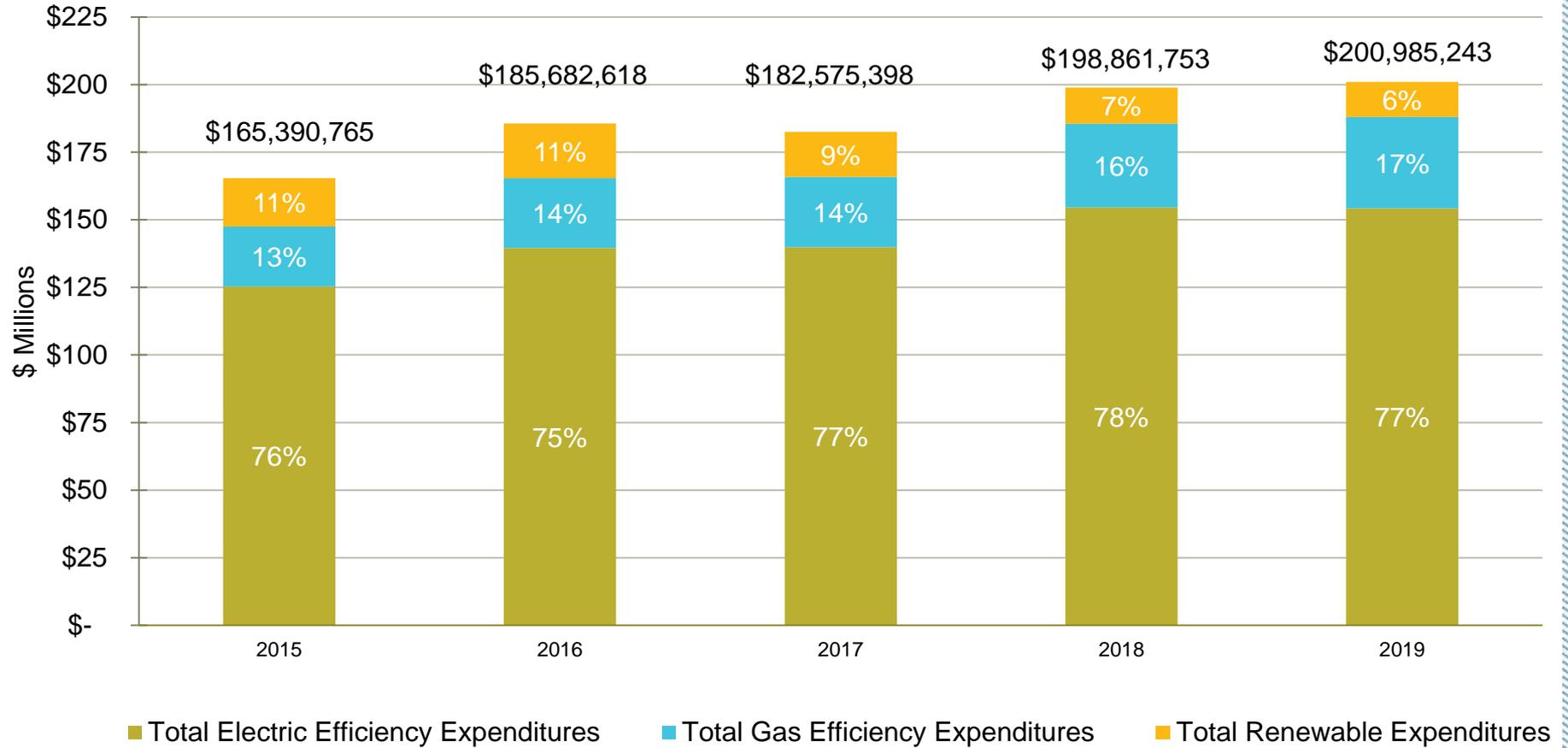
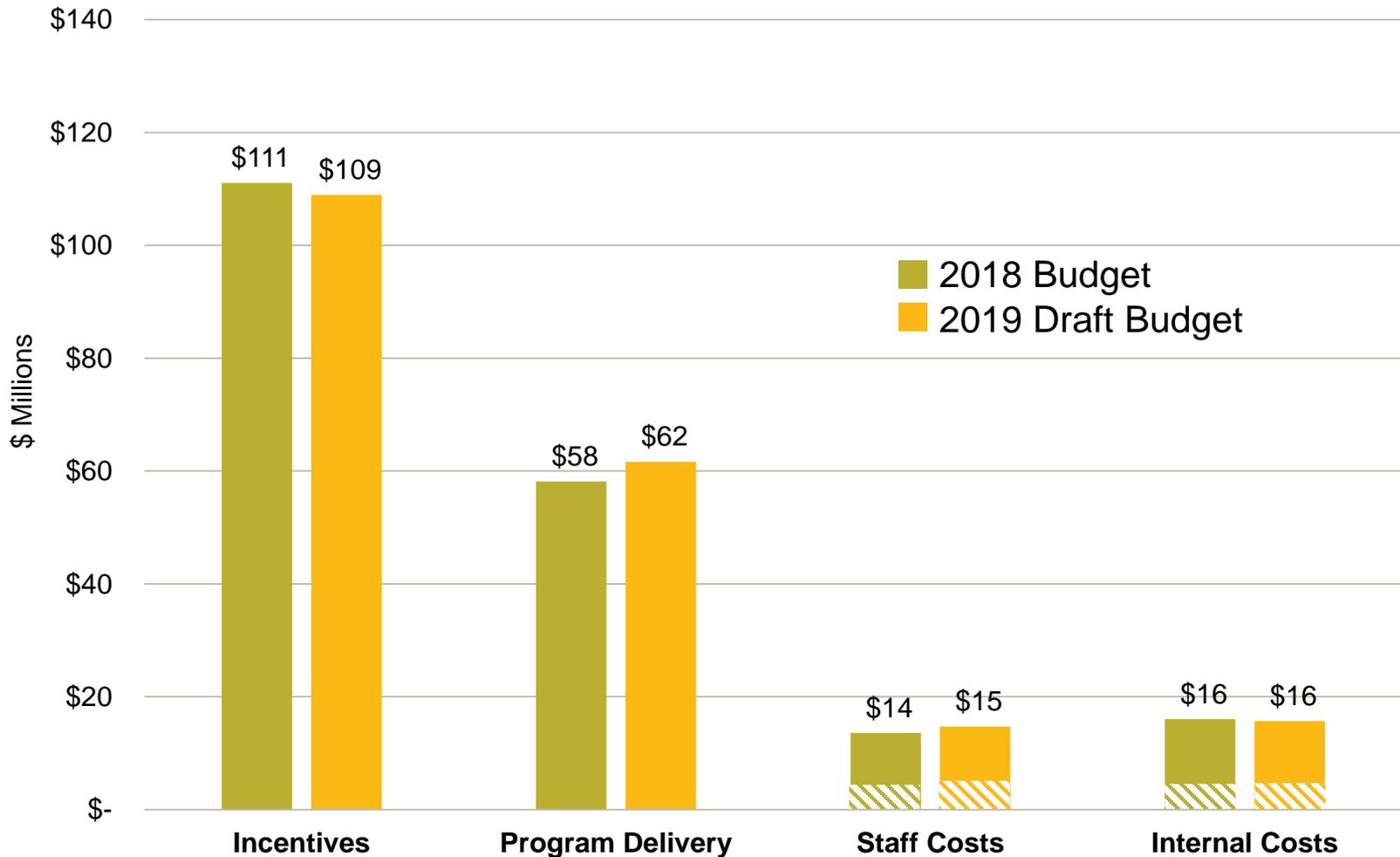


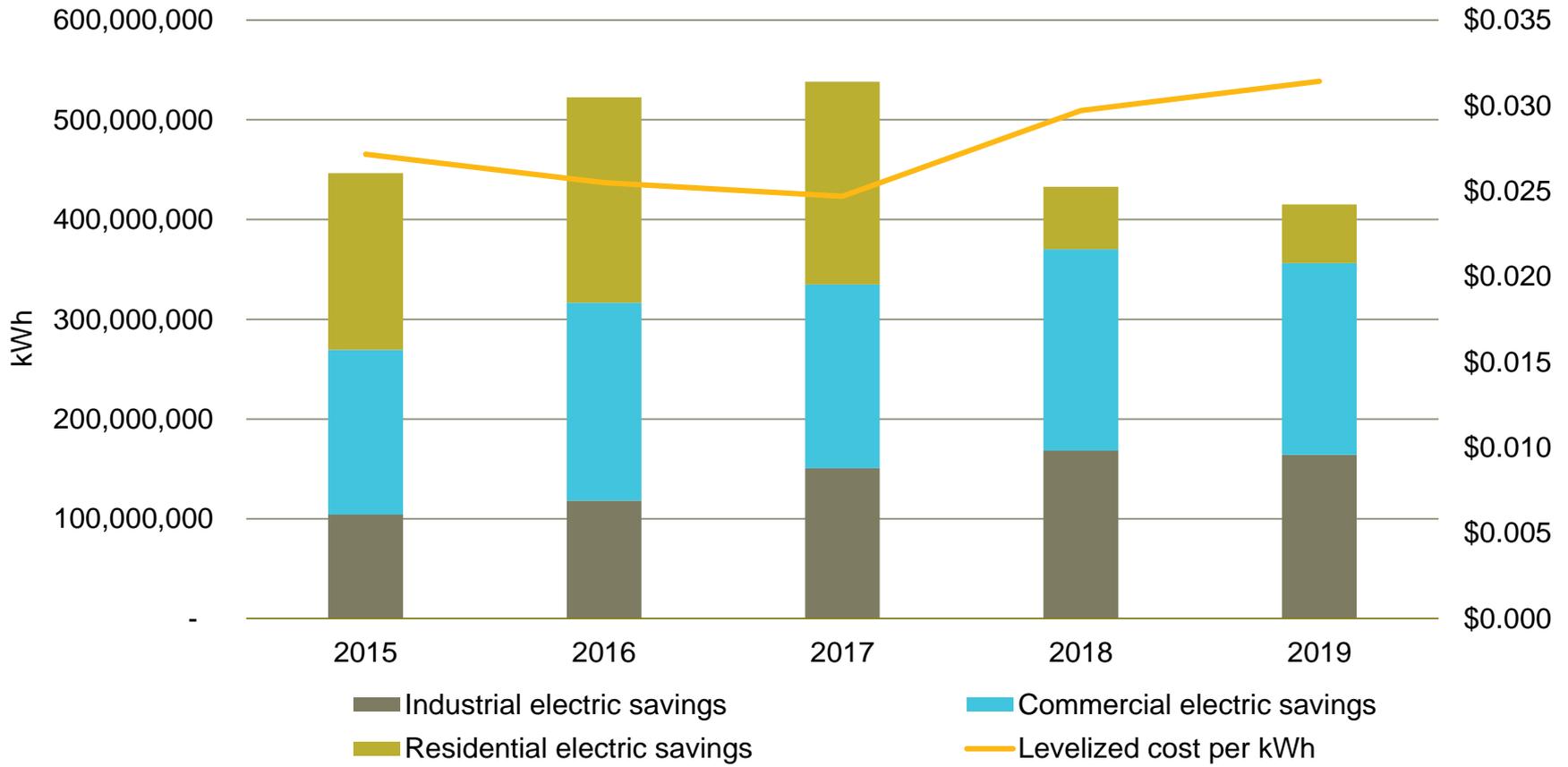
Chart shows 2015-2017 actuals, 2018 budget and draft 2019 budget

# 2018 Budget Compared to 2019 Draft Budget



*Cross-hatches represent Management & General and Communications & Outreach as a portion of Staff Costs and Internal Costs. The remaining portion represents Internal Program Delivery.*

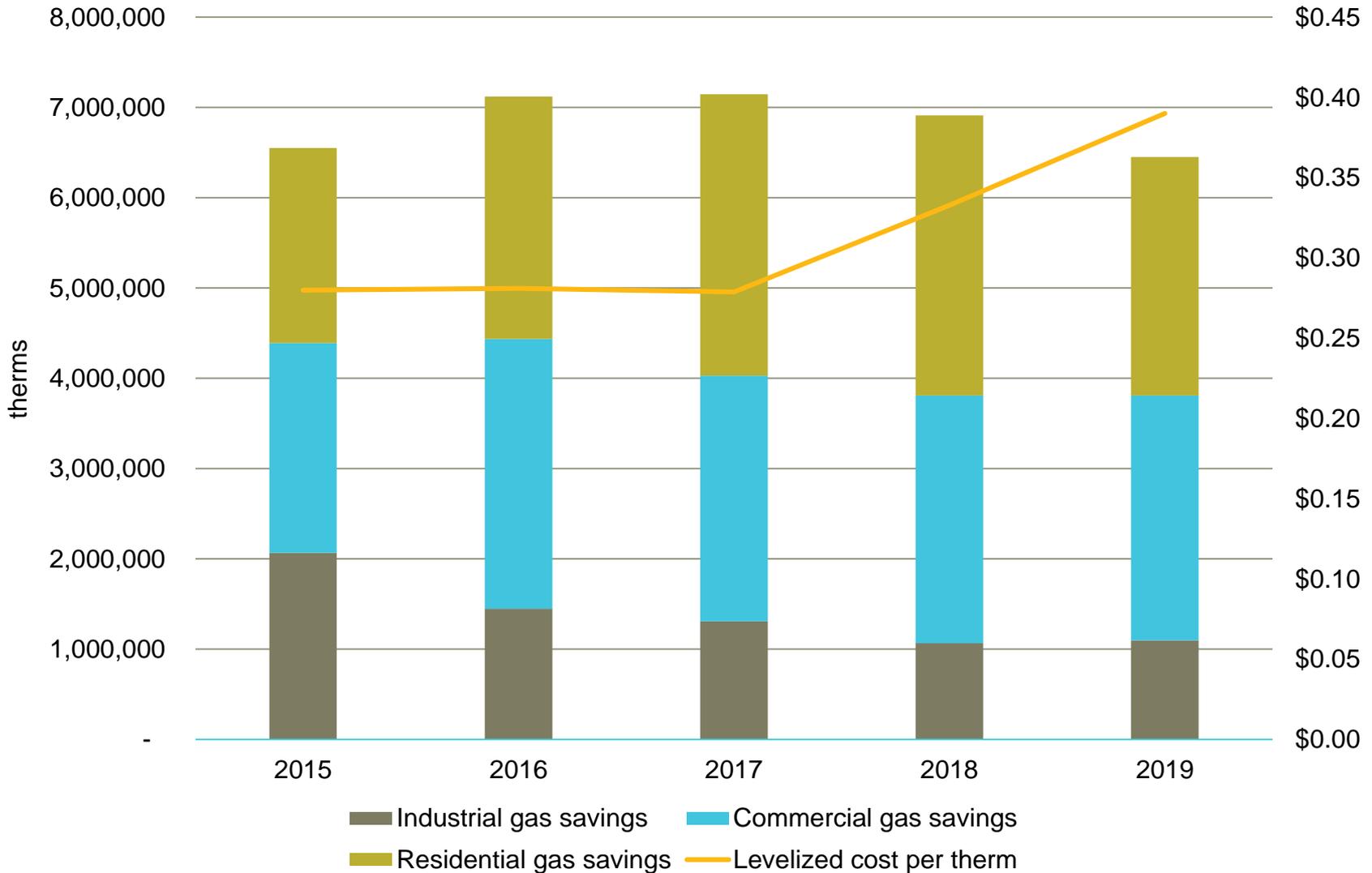
# Electric Savings and Cost Trends by Sector



Net savings – does not include NEEA

Chart shows 2015-2017 actuals, 2018 budget and draft 2019 budget

# Gas Savings and Cost Trends by Sector



Net savings

Chart shows 2015-2017 actuals, 2018 budget and draft 2019 budget

# Renewable Generation Trends

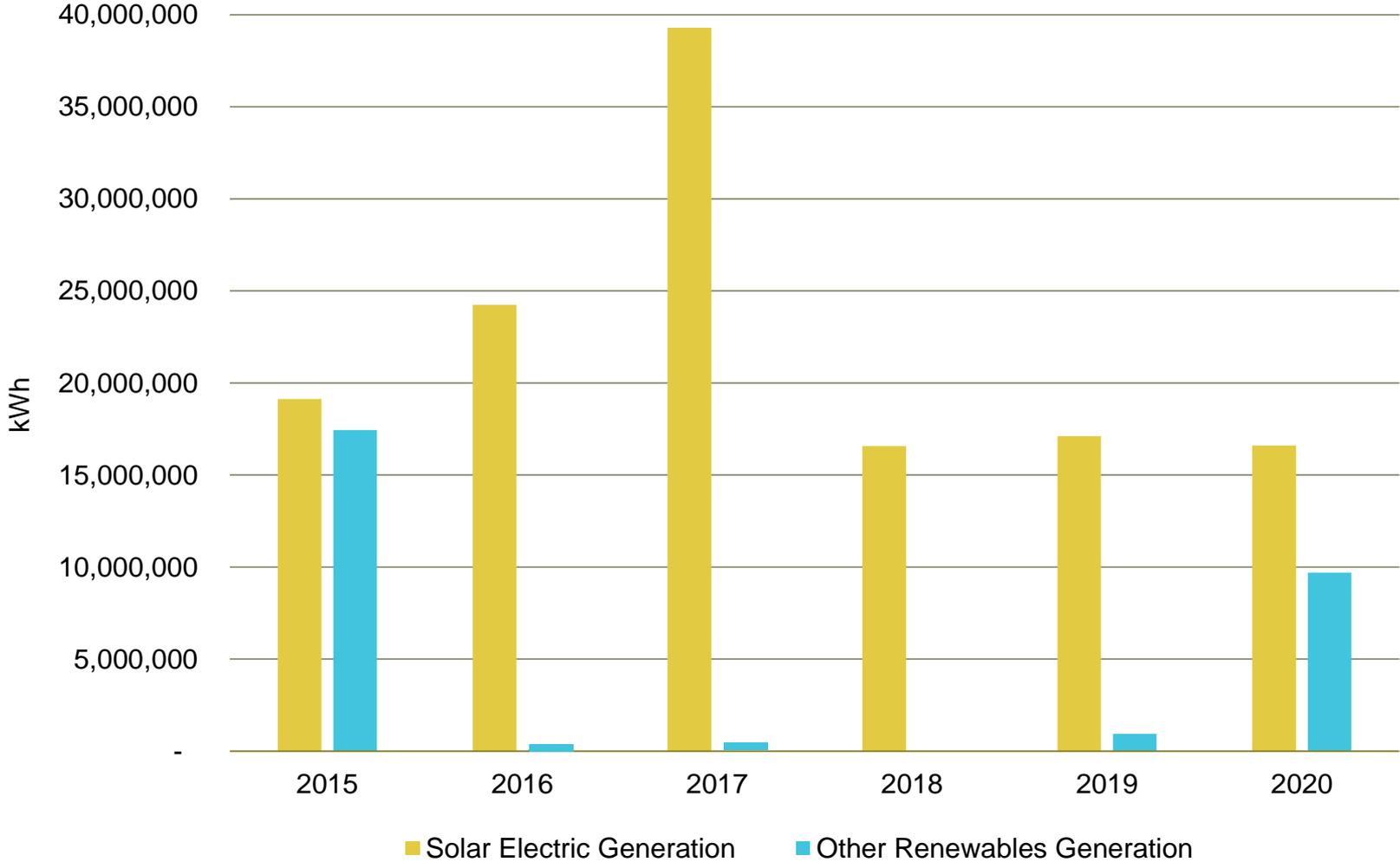
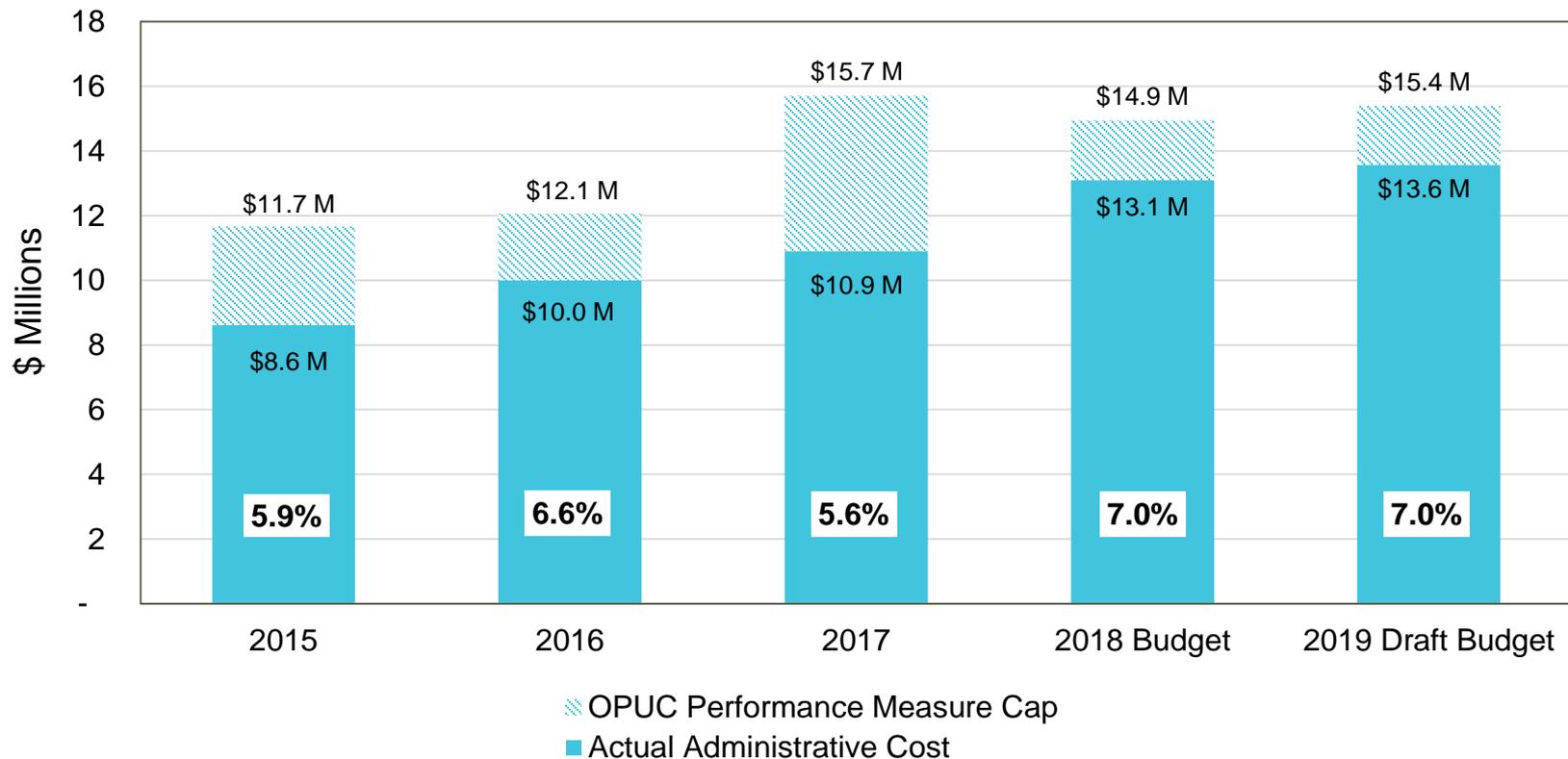


Chart shows 2015-2017 actuals, 2018 budget and draft 2019-2020 budget

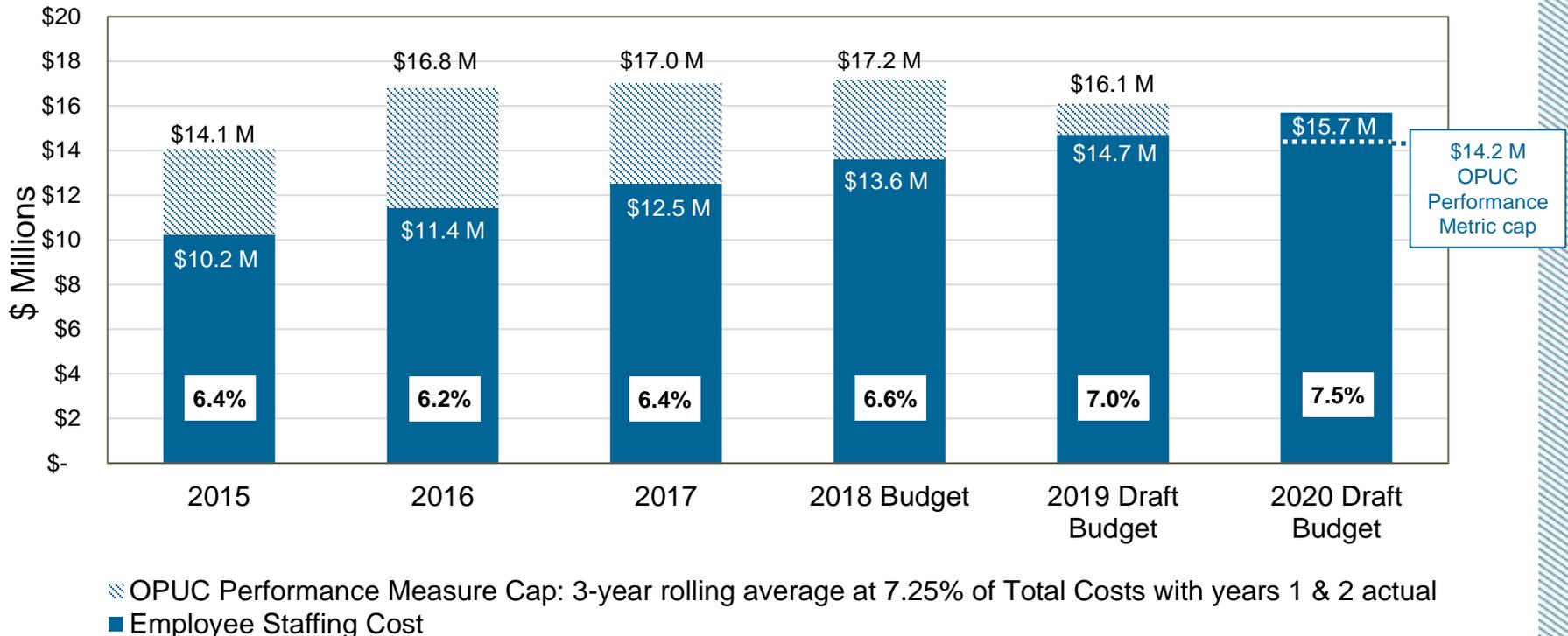
# Administrative and Program Support Costs

- Administrative and program support costs below 2019 OPUC performance measure cap of 8% of revenue
- Costs increasing 4% from 2018 budget



# Staffing Costs

- Staffing costs below 2019 OPUC performance measure
  - Chart shows costs and caps for all years using 2019 performance measure parameters (3-year rolling average of 7.25%)
- Costs increasing due to growing resource demands, healthcare cost increases and compensation adjustments



Staffing costs are embedded in internal program delivery, general communications & outreach, and management & general.

# Summary

# Key Takeaways

1. Underserved markets a strong focus moving forward
2. Increasing cost per unit of savings from smaller projects
  - Due to market transformation successes, lower avoided costs, fewer savings per business project, shift in residential savings, increased outreach
3. Residential lighting transition will complete in 2020
4. Despite high volumes of projects and customer transactions, seeing declining savings
  - Expect this to continue into 2020
5. Solar market in transition; challenging renewable project economics
6. Resource demands on organization continue growing
7. Investing in key internal projects to enhance adaptability and operational efficiency

# Budget Outreach Schedule

## October & November

Draft budget online, Oct. 10  
Recorded webinar online, Oct. 17  
Public workshop with board, Oct. 17  
**Public comments due, Oct. 31**  
OPUC public meeting, Nov. 8  
Board update, Nov. 14

+ [www.energytrust.org/budget](http://www.energytrust.org/budget)

+ **Comments due October 31**  
Send comments to [info@energytrust.org](mailto:info@energytrust.org)

## December

Final proposed budget online,  
Dec. 7  
Board action on final proposed  
budget, Dec. 14



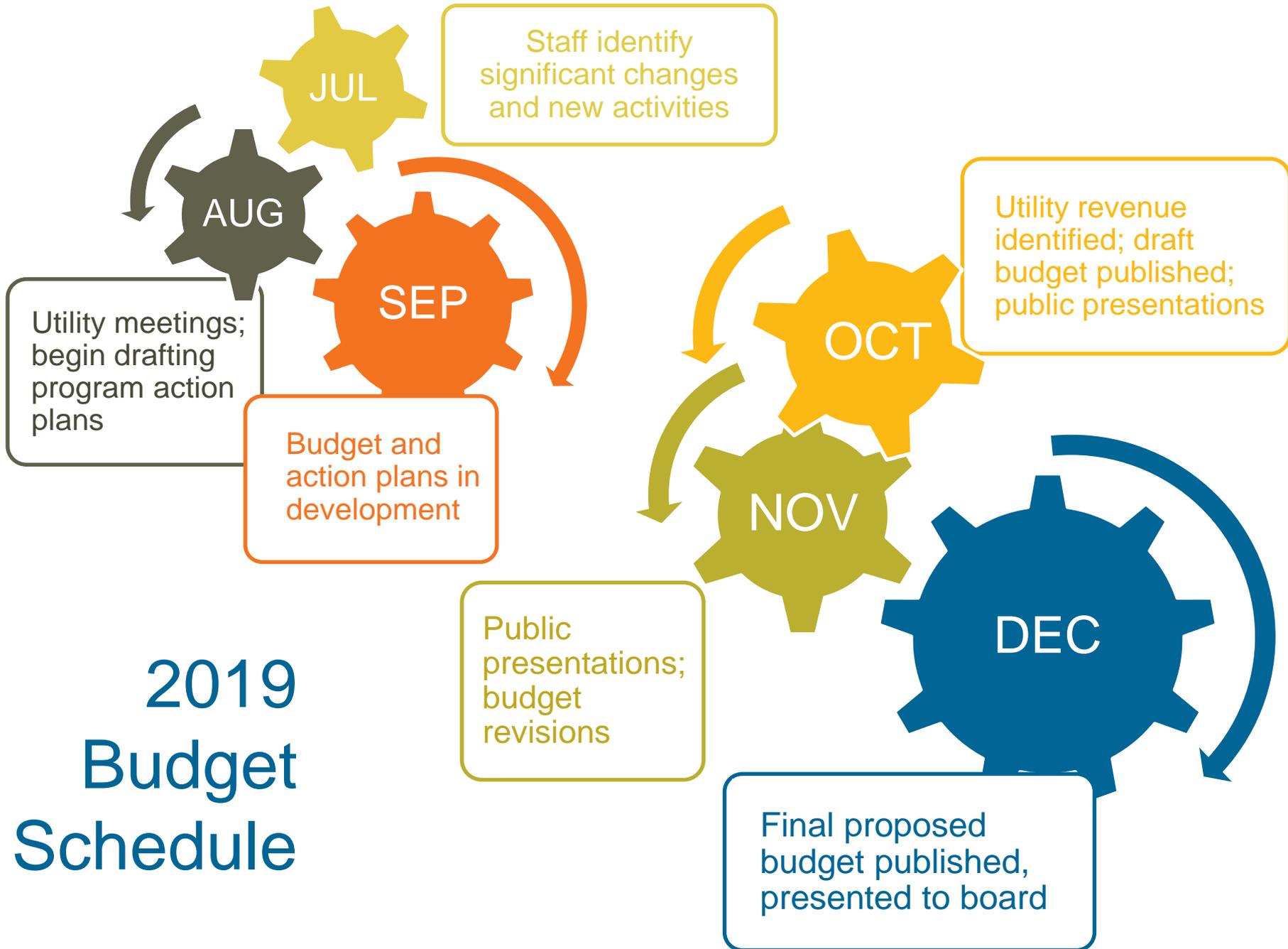
# Suggested Discussion Questions

- Do you understand the trends and what's causing them?
- Do our areas of focus and investment seem balanced and appropriate? Where would you like to see more/different focus?
- Do you see opportunities you feel are higher priority than what we reflect in the budget and action plan?

# Supplemental Information

# Budget Development Detail

# 2019 Budget Schedule



# Process changes based on feedback

- Earlier engagement of CAC and RAC on major program and measure changes
- Expanded time for utility meetings and feedback
- Published draft budget earlier; added trend information
- Earlier draft budget presentations to board and OPUC
- Longer public comment period
- More time in the process to respond to input from stakeholders before revising budget
- Board workshop to support interaction between stakeholders and board

# Building Blocks for Budget and Action Plan

1

2015-2019  
Strategic Plan  
goals and  
strategies

2

Utility  
Integrated  
Resource  
Plans  
Renewable  
resource  
availability

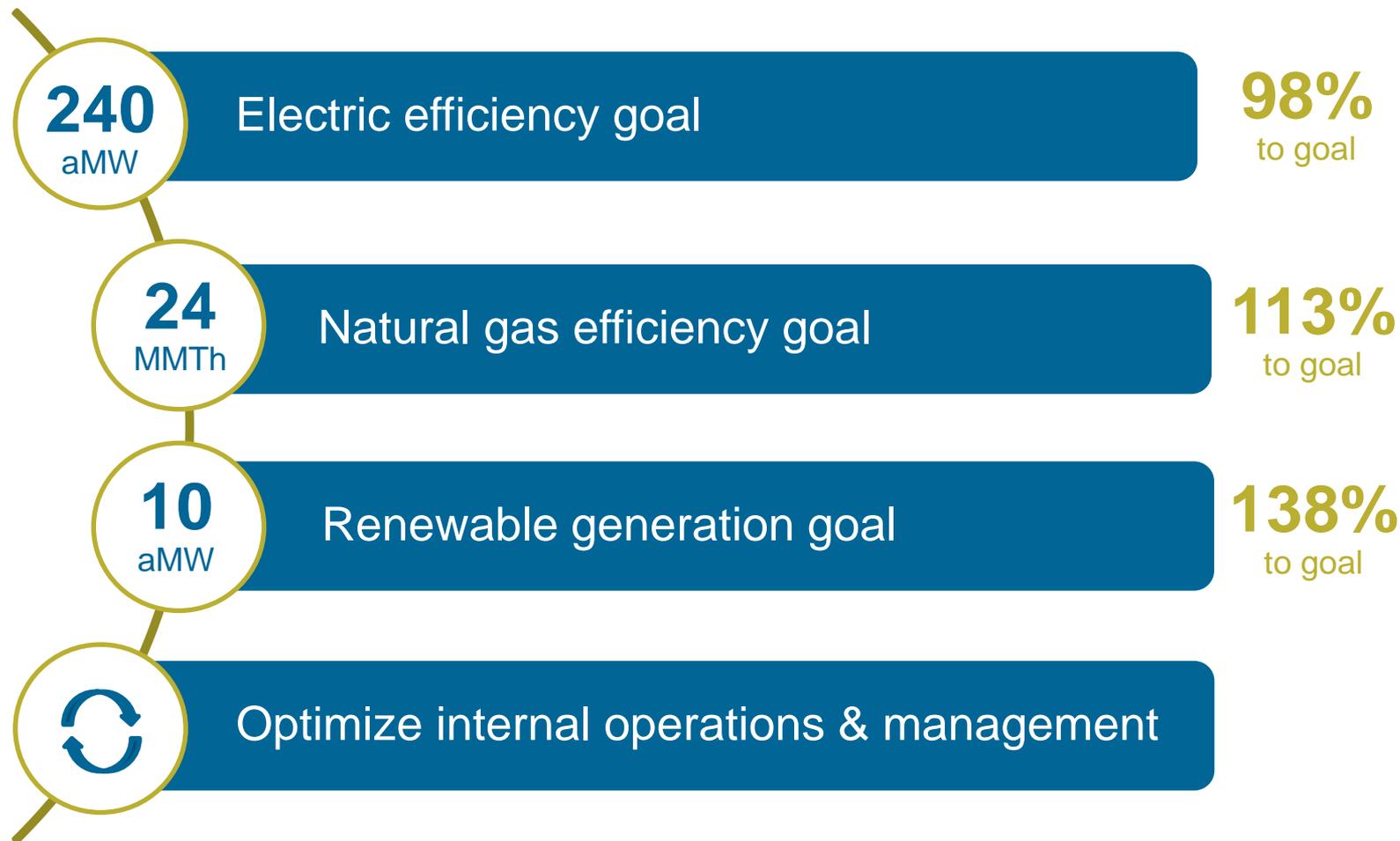
3

Market  
knowledge  
and context

4

Business  
planning and  
prioritization

# Progress to 2015-2019 Strategic Plan Goals: Through 2018



*Progress to goal includes 2015 – forecasted 2018 activity*

# 2015-2019 Strategic Plan Strategies

Expand participation

Flexibly support mature renewable technologies

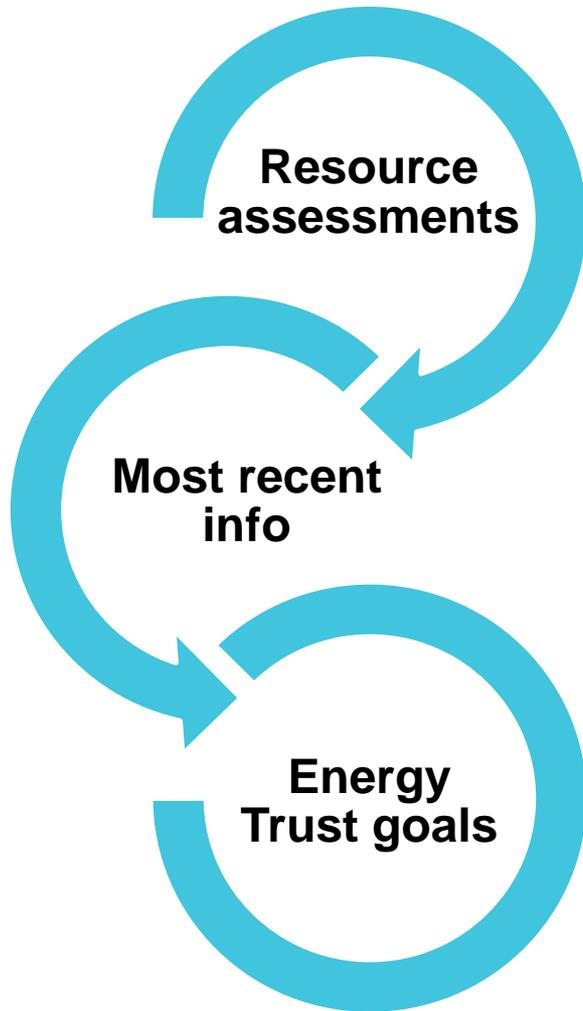
New approaches, emerging technology

Pursue complementary initiatives with others

Strengthen operational effectiveness

Manage transitions

# Annual Goal Setting



- Annual savings goals related to each utility's Integrated Resource Plan (IRP) target
  - Staggered two-year IRP cycles
  - Energy Trust annual goals can be higher because of new information
  - Utilities file tariffs to collect funding necessary to meet annual goal
- Generation goals informed by resource availability and market drivers

# Savings and Generation Detail

# 2019 Utility Savings & Generation Summary

	2018 Budget Savings & Generation (Net) aMW or MMTh	2018 Budget (\$ Million)	2019 Budget Savings & Generation (Net) aMW or MMTh	2019 IRP Target* (Net) aMW or MMTh	2019 Budget (\$ Million)	2019 Budget Levelized Cost per kWh or therm
<b>PGE (Efficiency)</b>	36.40	\$96.67	33.45	34.9	\$96.33	3.1¢
<b>Pacific Power (Efficiency)</b>	20.18	\$57.85	19.64	19.6	\$57.84	3.2¢
<b>NW Natural (OR)</b>	5.66	\$24.79	5.20	5.19	\$26.66	39.3¢
<b>NW Natural (WA)</b>	0.36	\$2.37	0.39	0.37	\$2.56	42.3¢
<b>Cascade Natural Gas</b>	0.55	\$2.72	0.50	0.58	\$2.72	42.2¢
<b>Avista</b>	0.35	\$1.14	0.36	0.29	\$1.92	38.4¢
<b>PGE (Renewable)</b>	1.08	\$6.81	1.16	N/A	\$6.16	N/A
<b>Pacific Power (Renewable)</b>	0.82	\$6.52	0.90	N/A	\$6.80	N/A

MMTh: million annual therms  
aMW: average megawatts  
Net savings

\* IRP targets reflected in net savings using 2019 Energy Trust net-to-gross ratios. These net targets align with the energy efficiency potential incorporated in current utility IRP filings.

# 2019 Electric Savings, Budget by Program

	2018 Budget aMW Savings (Net)	2018 Electric Cost (\$ Million)	2019 Budget aMW Savings (Net)	2019 Electric Cost (\$ Million)	2019 Levelized Cost/kWh	% 2019 Savings
<b>Production Efficiency</b>	19.23	\$35.2	18.74	\$38.5	2.2¢	35%
<b>Existing Buildings</b>	14.96	\$49.0	14.24	\$47.6	3.6¢	27%
<b>Existing Multifamily</b>	1.79	\$8.8	1.54	\$8.7	5.5¢	3%
<b>Residential</b>	7.17	\$34.5	6.73	\$33.4	4.9¢	13%
<b>New Buildings</b>	6.26	\$19.9	6.14	\$18.7	3.2¢	12%
<b>NEEA</b>	7.16	\$7.1	5.70	\$7.2	2.0¢	11%
<b>TOTAL</b>	<b>56.59</b>	<b>\$154.5</b>	<b>53.09</b>	<b>\$154.2</b>	<b>3.1¢</b>	

*aMW: average megawatts*

*Columns may not total due to rounding*

*Net savings*

# 2019 Natural Gas Savings, Budget by Program

	2018 Budget MMTh Savings (Net)	2018 Gas Cost (\$ Million)	2019 Budget MMTh Savings (Net)	2019 Gas Cost (\$ Million)	2019 Levelized Cost/therm	% 2019 Savings
<b>Production Efficiency</b>	1.06	\$2.9	1.10	\$2.9	23.0¢	17%
<b>Existing Buildings</b>	1.64	\$7.0	1.74	\$8.2	42.0¢	27%
<b>Existing Multifamily</b>	0.17	\$1.1	0.14	\$1.4	72.9¢	2%
<b>Residential</b>	3.10	\$16.3	2.64	\$17.5	44.0¢	41%
<b>New Buildings</b>	0.94	\$2.2	0.84	\$2.5	25.2¢	13%
<b>NEEA</b>	0.00	\$1.5	0.00	\$1.4	N/A	
<b>TOTAL</b>	<b>6.91</b>	<b>\$31.0</b>	<b>6.45</b>	<b>\$33.9</b>	<b>39.97¢</b>	

*MMTh: million annual therms  
Columns may not total due to rounding  
Net savings*

*Energy Trust allocated budget to NEEA for gas market  
transformation activities; savings are expected in  
subsequent years.*

# Utility Detail

# PGE: 2019 Savings, Budget by Program

	2018 Savings Goal aMW	2018 Savings Forecast aMW	2019 Savings Goal aMW	2019 Budget (\$ Million)	2019 Levelized Cost/kWh	% of 2019 Savings
<b>Existing Buildings</b>	9.03	8.41	8.98	\$29.6	3.5¢	27%
<b>Existing Multifamily</b>	1.35	1.41	1.16	\$6.4	5.4¢	3%
<b>New Buildings</b>	4.05	5.17	4.34	\$13.7	3.3¢	13%
<b>Production Efficiency</b>	13.61	11.81	11.95	\$23.3	2.0¢	36%
<b>Residential</b>	4.27	4.49	3.76	\$19.2	5.1¢	11%
<b>NEEA Combined</b>	4.10	4.23	3.26	\$4.1	2.3¢	10%
<b>Total</b>	<b>36.40</b>	<b>35.50</b>	<b>33.45</b>	<b>\$96.3</b>	<b>3.1¢</b>	

# Pacific Power: 2019 Savings, Budget by Program (net)

	2018 Savings Goal aMW	2018 Savings Forecast aMW	2019 Savings Goal aMW	2019 Budget (\$ Million)	2019 Levelized Cost/kWh	% of 2019 Savings
<b>Existing Buildings</b>	5.93	5.44	5.26	\$18.0	3.8¢	27%
<b>Existing Multifamily</b>	0.45	0.43	0.38	\$2.3	5.8¢	2%
<b>New Buildings</b>	2.21	1.83	1.80	\$5.0	2.9¢	9%
<b>Production Efficiency</b>	5.62	6.24	6.80	\$15.2	2.5¢	35%
<b>Residential</b>	2.91	3.51	2.97	\$14.2	4.6¢	15%
<b>NEEA Combined</b>	3.06	2.94	2.43	\$3.1	1.7¢	12%
<b>Total</b>	<b>20.18</b>	<b>20.38</b>	<b>19.64</b>	<b>\$57.8</b>	<b>3.2¢</b>	

# Pacific Power: 2019 Savings, Budget by Program (gross)

	2018 Savings Goal aMW	2018 Savings Forecast aMW	2019 Savings Goal aMW	2019 Budget (\$ Million)	2019 Levelized Cost/kWh	% of 2019 Savings
<b>Existing Buildings</b>	7.27	6.75	6.04	\$18.0	3.3¢	31%
<b>Existing Multifamily</b>	0.54	0.51	0.44	\$2.3	4.9¢	2%
<b>New Buildings</b>	2.19	1.81	1.79	\$5.0	3.0¢	9%
<b>Production Efficiency</b>	6.58	7.61	7.61	\$15.2	2.2¢	39%
<b>Residential</b>	2.93	3.51	2.48	\$14.2	5.6¢	13%
<b>NEEA Combined</b>	3.06	2.94	2.43	\$3.1	1.7¢	12%
<b>Total</b>	<b>22.57</b>	<b>23.13</b>	<b>20.79</b>	<b>\$57.8</b>	<b>3.1¢</b>	

Gross savings

# NW Natural: 2019 Savings, Budget by Program (Oregon, without Industrial)

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	720,841	659,968	755,842	\$3.7	44.4¢	19%
<b>Existing Multifamily</b>	142,323	103,940	113,978	\$1.2	75.4¢	3%
<b>New Buildings</b>	541,482	520,910	694,430	\$2.1	25.6¢	18%
<b>Production Efficiency</b>	255,710	918,351	257,100	\$0.7	20.8¢	7%
<b>Residential</b>	2,479,440	2,601,281	2,086,155	\$14.0	44.6¢	53%
<b>NEEA Combined</b>	-	-	-	\$1.3	-	-
<b>Total</b>	<b>4,139,795</b>	<b>4,804,450</b>	<b>3,907,505</b>	<b>\$22.9</b>	<b>43.1¢</b>	

*Net savings*

Energy Trust allocated budget to NEEA for gas market transformation activities; savings are expected in subsequent years.

# NW Natural: 2019 Savings, Budget for Oregon (Industrial DSM)

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	497,146	475,254	504,405	\$1.70	30.5¢	39%
<b>New Buildings</b>	267,298	249,394	18,289	\$0.04	19.9¢	1%
<b>Production Efficiency</b>	751,105	699,339	774,642	\$2.02	23.1¢	60%
<b>Total</b>	<b>1,515,548</b>	<b>1,423,987</b>	<b>1,297,337</b>	<b>\$3.8</b>	<b>25.9¢</b>	

# NW Natural: 2019 Savings, Budget by Program (Washington)

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	160,000	162,880	147,481	\$0.99	47.3¢	38%
<b>Residential</b>	199,880	220,833	238,306	\$1.57	48.8¢	62%
<b>Total</b>	<b>359,880</b>	<b>383,713</b>	<b>385,788</b>	<b>\$2.56</b>	<b>48.2¢</b>	

# NW Natural: 2019 Savings, Budget by Program (All Programs, Both States)

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	1,377,987	1,298,102	1,407,729	\$6.4	39.7¢	25%
<b>Multifamily</b>	142,323	103,940	113,978	\$1.2	75.4¢	2%
<b>New Buildings</b>	808,780	770,304	712,719	\$2.1	25.4¢	13%
<b>Production Efficiency</b>	1,006,815	1,617,690	1,031,742	\$2.7	22.5¢	18%
<b>Residential</b>	2,679,320	2,822,114	2,324,461	\$15.5	45.0¢	42%
<b>NEEA Combined</b>	-	-	-	\$1.3	-	-
<b>Total</b>	<b>6,015,224</b>	<b>6,612,150</b>	<b>5,590,630</b>	<b>\$29.2</b>	<b>39.9¢</b>	

*Energy Trust allocated budget to NEEA for gas market transformation activities in Oregon; savings are expected in subsequent years.*

# Cascade Natural Gas: 2019 Savings, Budget by Program

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	211,339	174,266	207,223	\$1.0	48.9¢	42%
<b>Existing Multifamily</b>	6,053	5,190	4,694	\$0.04	60.2¢	1%
<b>New Buildings</b>	79,795	78,103	76,011	\$0.2	25.3¢	15%
<b>Production Efficiency</b>	48,176	43,493	45,427	\$0.2	35.3¢	9%
<b>Residential</b>	201,744	218,540	164,087	\$1.1	41.7¢	33%
<b>NEEA Combined</b>	-	-	-	\$0.1	0.0¢	0%
<b>Total</b>	<b>547,106</b>	<b>519,592</b>	<b>497,442</b>	<b>\$2.7</b>	<b>42.2¢</b>	

*Energy Trust allocated budget to NEEA for gas market transformation activities; savings are expected in subsequent years.*

# Avista: 2019 Savings, Budget by Program

	2018 Savings Goal Therms	2018 Savings Forecast Therms	2019 Savings Goal Therms	2019 Budget (\$ Million)	2019 Levelized Cost/therm	% of 2019 Savings
<b>Existing Buildings</b>	52,367	70,212	121,996	\$0.8	57.7¢	34%
<b>Existing Multifamily</b>	17,416	16,777	21,038	\$0.2	61.1¢	6%
<b>New Buildings</b>	47,465	52,225	47,254	\$0.1	22.1¢	13%
<b>Production Efficiency</b>	9,762	7,951	18,636	\$0.05	19.6¢	5%
<b>Residential</b>	222,510	246,678	153,279	\$0.8	32.6¢	42%
<b>Total</b>	<b>349,520</b>	<b>393,843</b>	<b>362,203</b>	<b>\$1.9</b>	<b>38.4¢</b>	

# PGE: 2019 Renewable Energy, Budget by Program (P&L)

	2018 Generation Goal aMW	2018 Generation Forecast aMW	2019 Generation Goal aMW	2019 Budget (\$ Million)
<b>Other Renewables</b>	0.00	0.00	0.00	\$0.6
<b>Solar</b>	1.08	1.37	1.16	\$5.6
<b>Total</b>	<b>1.08</b>	<b>1.37</b>	<b>1.16</b>	<b>\$6.2</b>

*Budget for Other Renewables program is dedicated to project development assistance activities that reduce early stage development barriers and financial risk, building a pipeline of future projects.*

# Pacific Power: 2019 Renewable Energy, Budget by Program (P&L)

	2018 Generation Goal aMW	2018 Generation Forecast aMW	2019 Generation Goal aMW	2019 Budget (\$ Millions)
<b>Other Renewables</b>	0.00	0.00	0.11	\$3.3
<b>Solar</b>	0.82	1.02	0.79	\$3.5
<b>Total</b>	<b>0.82</b>	<b>1.02</b>	<b>0.90</b>	<b>\$6.8</b>

# Draft 2020 Budget



# 2020 Budget Projection

- Expenditures projected to decrease 7.25%
- Savings expected to decrease
  - Electric savings down 19.9%
  - Gas savings down 1.37%
- Levelized costs projected to increase
  - Electric increasing to 3.5¢/kWh (3.14¢/kWh in 2019)
  - Gas increasing to 42.3¢/therm (39.97¢/therm in 2019)
- Renewable generation is expected to increase 45.7%

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Staffing for the Draft 2019 Budget and 2019-2020 Action Plan

Energy Trust's proposed staffing budget is based on a balance of organizational needs, staffing cost drivers and compliance with OPUC cost metrics. The staffing expenditures in the draft 2019 budget are compliant with the OPUC minimum performance measure related to staffing costs.

This memo provides background and information to support understanding of organizational needs, the cost drivers associated with the 2019 staffing budget, and actions taken in response to comments received last year from stakeholders on the staffing costs in the draft 2018 budget. This supporting information is provided in the following sections:

- I. Staffing for Organizational Needs
- II. Staffing Costs and Cost Drivers for the Draft 2019 Budget
- III. Response to Comments Received on Staffing and Compliance with Staffing Cost Metrics
- IV. Energy Trust Staffing Approach and Planning

## **I. Staffing for Organizational Needs**

The draft 2019 budget aligns staffing resources with priority organizational needs for the year. Pursuant to recommendations from the Organization Review project, Energy Trust's Management Team undertook an extensive business planning process in 2018, identifying "business as usual" and "new" initiatives, assessing employee and contracted staff capacity needed for those initiatives and comparing that to current available staffing resources. Management Team reduced "business as usual" and "new" initiatives to match available capacity. Energy Trust is planning for staffing in 2019 with this business planning information and OPUC staffing cost performance metrics in mind. In line with these parameters, this budget does not include resources for any additional employee staff positions nor does Energy Trust envision any recruiting for new positions. Instead and beginning in 2018, Energy Trust's Management Team, hiring managers and Human Resources group are examining organizational staffing needs and priorities critically, particularly when an opening arises. If appropriate based on this critical review, employee staffing resources have been, and will be, redistributed based on organizational needs and priorities.

In at least three instances in 2018, Energy Trust has taken the opportunity of staff openings to examine needs across the organization and change the responsibilities and location of an open position to a different role consistent with organization needs and priorities. Energy Trust will continue to use this approach as openings arise in 2019.

## **II. Staffing Costs and Cost Drivers for the Draft 2019 Budget**

In the draft 2019 budget, staffing costs, excluding agency contractor staff, represent 7.01 percent of the organization's total budget on a three-year rolling average. This is an 8 percent increase over the 2018 staff budget. Factors contributing to this increase include cost increases

in healthcare insurance, staff compensation, and adjustments associated with compliance with Oregon’s new Pay Equity Law.

No new staff positions are recommended for the coming year. While staffing cost increases are not attributable to expansion of staff numbers, there are two primary drivers to the 2019 increase:

- Employee healthcare premiums for 2019 are expected to increase up to 28 percent compared to 2018. To keep increases as low as possible Energy Trust went to market for competitive rates. The organization’s health insurance utilization rate is high, driving costs up and reducing options for competitive bids. In 2017, Energy Trust was able to negotiate initial health insurance cost increases down substantially, resulting in an overall 11 percent increase in healthcare benefits, but in 2018 the utilization profile changed. To incent and support low utilization, Energy Trust continues to require employees to pay a percentage of their healthcare costs and encourage participation in wellness programs and preventative care. However, in some circumstances, when serious health issues arise, utilization rates will rise notwithstanding these efforts. Given Energy Trust’s current level of utilization and trends in the healthcare market, we anticipate similar cost increases to maintain employee healthcare over the next few years.
- The draft 2019 budget includes 5 percent for staff compensation adjustments. The 5 percent allows for merit in line with regional averages of 3.2 percent with remaining dollars to support promotions and other pay adjustments as needed to retain talented staff in a competitive job market.

For historical context, the table below compares employee staffing costs, excluding agency contractor costs, year over year.

	2015	2016	2017	2018	2019	2020
Employee Cost	10,233,136	11,433,837	12,524,401	13,608,430	14,712,487	15,705,861
Three year rolling average	6.40%	6.19%	6.41%	6.62%	7.01%	7.51%
Year/Year \$ Change	\$633,219	\$1,200,701	\$1,090,564	\$1,084,029	\$1,104,057	\$993,374
Year/Year % Change	6.6%	11.7%	9.5%	8.7%	8.1%	6.8%
<b>Drivers</b>						
Employee count (FTE)	104.0	105.0	108.5	108.5	108.5	108.5
Interns (FTE)	5.1	8.8	4.0	7.5	8.5	8.5
Salary adjustment pool	6%	8%	8%	4%	5%	5%
Benefit rate increase	-9%	8%	0%	11%	25%	19.8%

### III. Response to Comments Received on Staffing and Compliance with Staffing Cost Metrics

Energy Trust received comments on staffing costs from the OPUC last year on the 2018 Budget. The Commission expressed concern regarding year-over-year staffing cost increases and requested changes to the OPUC’s staffing cost performance measure for Energy Trust be applied to the 2019 budget. Specifically, OPUC requested a year-over-year limit on staffing cost increases of 10 percent. Additionally, OPUC requested two adjustments to the three-year rolling average staffing cost metric as a percent of expenditures: 1) reducing it from 7.75 percent to 7.25 percent, and 2) extracting agency contractor costs from the staffing costs used to calculate the metric.

Energy Trust worked with the OPUC to revise the staffing cost measure accordingly and to identify a year-over-year staffing cost increase cap. Energy Trust's staffing budget for 2019 complies with these metrics. Looking ahead, Energy Trust projects that the 7.25 percent staffing cost ratio may be exceeded. Given anticipated reductions in revenue and some year-over-year increases in staffing costs (assumed at 7 percent), Energy Trust projects that the three-year rolling average will be 7.51 percent in 2020. Energy Trust has shared this information with OPUC staff and welcomes OPUC guidance on how to approach the staffing metric in future years.

#### **IV. Energy Trust Staffing Approach and Planning**

Energy Trust employees are the basis of the organization's strategic and operations management and accountability. The functions appropriate for employees include program design, strategic planning and direction, budget authority, financial transacting, negotiating contracts, core reporting and communications functions, stakeholder engagement, and managing employees and contractors.

In 2018 and ongoing into 2019, employee staffing decisions have been made solely through filling vacancies. In order to ensure that staffing resources are deployed to highest priority areas in the organization, Energy Trust's Management Team now assesses every staff position opening, to analyze and determine if the vacant role should be restructured into another position to fit an organizational need. If the vacant position still serves the best purpose for the organization as is, it is filled with no or minimal changes to the position.

In this way, Energy Trust's approach to staffing has become more holistic for the organization, beginning in 2018 and driven in significant part by recommendations made by the Organization Review project. Energy Trust determines staffing needs by assessing resources available to meet annual and strategic goals. Our 2019 staffing strategy will continue to be focused on deploying existing employee resources in a more flexible and most efficient manner.

Driven by research conducted by the Organizational Review team and findings from strategic planning work, we are preparing to reorganize specific program support functions under programs for more efficient program delivery, and examining processes and structures to build flexibility across the organization. To support these efforts, we have identified and are practicing three different approaches to adding flexibility to our current workforce: leveraging matrixed and shared staffing approaches where applicable, developing a more robust staff development and career planning program, and developing a structure for succession planning. This three-pronged approach provides the flexibility for Energy Trust to respond with intention and efficiency to market and program changes and opportunities.

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Measure Cost-effectiveness Exceptions Status as of October 3, 2018

In the Oregon Public Utility Commission's comments on the Energy Trust draft 2016 budget, dated November 17, 2015, the Commission requested that Energy Trust summarize energy efficiency measure cost-effectiveness exceptions in future draft budget and action plan materials so it is readily available to OPUC staff, stakeholders and the public. In response to this request, Energy Trust has compiled information pertaining to measure cost-effectiveness exceptions as they relate to the draft 2019 budget, including a list of all current measure cost-effectiveness exceptions.

## Background

Commission Order No. 94-590 in Docket UM 551 specifies that the total resource cost test (TRC) must be used to determine if energy efficiency measures and programs are cost-effective. The same order allows for measures that are not cost-effective to be included in utility programs if it is demonstrated that:

- A. The measure produces significant non-quantifiable, non-energy benefits. In this case, the incentive payment should be set at no greater than the cost-effective limit (defined as present value of avoided costs plus 10 percent) less the perceived value of bill savings, e.g., two years of bill savings.
- B. Inclusion of the measure will increase market acceptance and is expected to lead to reduced cost of the measure.
- C. The measure is included for consistency with other demand-side management programs in the region.
- D. Inclusion of the measure helps to increase participation in a cost-effective program.
- E. The package of measures cannot be changed frequently, and the measure will be cost-effective during the period the program is offered.
- F. The measure or package of measures is included in a pilot or research project intended to be offered to a limited number of customers.
- G. The measure is required by law or is consistent with Commission policy and/or direction.

## Summary of Measures With Exceptions That Will Be Offered In 2019

Several measures are pending exceptions by the OPUC. This document is written as if exception requests will be granted according to OPUC staff recommendations. The OPUC has granted or is expected to grant exceptions on 36 measures that are currently being offered in five programs, including:

- Existing Buildings
- Existing Multifamily

- New Buildings (including new multifamily)
- Residential (including single-family and manufactured homes, products, new construction)
- Production Efficiency

The following tables represent the portion of total Energy Trust savings from measures with exceptions for 2017 and 2018 (year to date through October 3, 2018).

<b>2017 Measures</b>	<b>kWh</b>	<b>kWh % of total</b>	<b>therms</b>	<b>therms % of total</b>
Measures with cost-effectiveness exceptions	7,437,506	1.3%	111,842	1.6%
Packages that contain measures with cost-effectiveness exceptions	555,160	0.1%	6,505	0.1%
Other savings	583,144,272	98.6%	6,791,264	98.3%
<b>Total</b>	<b>591,136,938</b>	<b>100.0%</b>	<b>6,909,611</b>	<b>100.0%</b>

<b>2018 Measures (year-to-date through 10/3/2018)</b>	<b>kWh</b>	<b>kWh % of total</b>	<b>therms</b>	<b>therms % of total</b>
Measures with cost-effectiveness exceptions	4,085,079	1.9%	42,760	1.4%
Packages that contain measures with cost-effectiveness exceptions	2,219,675	1.0%	23,153	0.7%
Other savings	212,832,292	97.1%	3,089,160	97.9%
<b>Total</b>	<b>219,137,046</b>	<b>100.0%</b>	<b>3,155,073</b>	<b>100.0%</b>

Of the 79 measures that are on record with an exception or pending exception from the OPUC:

- 3 are pending approval by the OPUC.
- 33 will be offered by programs in 2019 under exceptions.
- 13 have been redesigned into cost-effective measures, and will be offered in 2019.
- 30 are considered “minor measures”. A “minor measure” is one where the total dollars and savings associated with the measure are less than 5 percent of total annual program activity or the total resource cost (TRC) for the measure is greater than 0.8. As such, these measures do not require Commission approval and are typically approved via email from OPUC staff.

Measure exceptions were approved by the OPUC according to the criteria outlined in the “Background” section above. The following table identifies how many measures qualified for each criteria listed above. *Note some measures meet multiple criteria.*

Exception Criteria	Number of Instances
A	28
B	20
C	37
D	39
E	8
F	7
G	0

**Complete List of 2019 Energy Trust Measures with Cost-effectiveness Exceptions (by date exception was granted)**

<b>Program(s)</b>	<b>Measure</b>	<b>Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2019 Avoided Costs*</b>	<b>Offered in 2019</b>	<b>Comments</b>
Existing Buildings, Multifamily, Production Efficiency	Various T8 lamps	D	Pending	Pending	No	Yes	
Residential	NEEM 2.0 gas homes	C, E	Pending	Pending	No	Yes	
Production Efficiency	Irrigation - new or rebuilt brass impact sprinkler	A, C, D	Pending	Pending	No	Yes	
Residential	Smart thermostats direct-install gas with PGE co-funding	F	8/31/18	12/31/21	No	Yes	
Production Efficiency	Irrigation – drop tubes	A, C, D	8/3/18	12/31/21	No	Yes	
Residential	EPS Path 1	B, C, D	5/22/18	12/31/19	No	Yes	
Residential	Heat pump water heaters direct-install pilot	F	4/27/18	N/A	Yes	Yes	
Existing Buildings Multifamily, Residential	Gas storage water heaters: ENERGY STAR	B	11/8/17	12/31/20	No	Yes	
Residential	Manufactured homes (gas)	C, D	11/8/17	12/31/20	No	Yes	
Existing Homes	Ductless heat pumps in manufactured homes replacing electric zonal heat	A, B, C,	11/7/17	12/31/19	No	Yes	
Production Efficiency	Irrigation - rotating impact sprinkler	A, C, D	11/7/17	12/31/19	N/A	No	Savings revised for 2019 now passing
Production Efficiency	Irrigation - multi-trajectory low pressure sprinkler replacement	A, C, D	11/7/17	12/31/19	N/A	No	Savings revised for 2019 now passing
Production Efficiency	Irrigation - goose necks	A, C, D	11/7/17	12/31/19	N/A	No	Savings revised for 2019 now passing
Production Efficiency	Irrigation - flow control nozzle for impact sprinkler	A, C, D	11/7/17	12/31/19	N/A	No	Savings revised for 2019 now passing
Production Efficiency	Irrigation - drain replacement	A, C, D	11/7/17	12/31/19	N/A	No	Savings revised for 2019 now passing

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost-Effective with 2019 Avoided Costs*	Offered in 2019	Comments
Production Efficiency	Irrigation - drop tube or hose extension	A, C, D	11/7/17	12/31/18	N/A	No	Savings revised for 2019, new exception granted 8/3/18
Production Efficiency	Irrigation - new or rebuilt brass impact sprinkler	A, C, D	11/7/17	12/31/18	N/A	No	Savings revised for 2019, new exception pending
Production Efficiency	Irrigation - rotating sprinkler for low-pressure	A, C, D	11/7/17	12/31/18	N/A	No	Savings revised for 2019, measure no longer offered
Existing Homes	Ductless heat pumps in single family replacing electric zonal heat	A, B, C,	11/7/17	12/31/19	No	Yes	
Existing Buildings Multifamily	Ductless heat pumps in multifamily	A, B, C,	11/7/17	12/31/19	No	Yes	
Existing Buildings Multifamily	Single-pane windows electric	A	11/7/17	12/31/19	No	Yes	Only a subset of 2017's measures will be offered in 2019
New Homes	EPS Path 4 (gas)	B, D	11/7/17	12/31/19	No	Yes	
New Homes	EPS Path 2 (electric)	B, C, D	11/7/17	12/31/19	No	Yes	
New Homes	EPS Path 1 (electric)	B, C, D	11/7/17	12/31/18	No	Yes	Exception extended on 5/22/18
Existing Buildings Multifamily	Ceiling insulation (gas) UCT	C	05/25/17	N/A	No	Yes	
Existing Buildings Multifamily, Residential	Gas storage water heaters: ENERGY STAR	B	12/29/16	12/31/17	N/A	No	Measure redesigned, new exception 11/7/17
Existing Buildings Multifamily	Ductless heat pump in Existing Multifamily (Portland) 3/4 ton	D	10/19/16	12/30/17	N/A	No	Measure redesigned, new exception 11/7/17
Existing Buildings Multifamily (≤ 4 units or side-by-side)	Ceiling insulation incentive cap (gas)	A	9/8/16	N/A	No	Yes	
Existing Buildings Multifamily (≤ 4 units or side-by-side)	Floor insulation incentive cap (gas)	A	9/8/16	N/A	No	Yes	

<b>Program(s)</b>	<b>Measure</b>	<b>Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2019 Avoided Costs*</b>	<b>Offered in 2019</b>	<b>Comments</b>
Existing Buildings Multifamily ( $\leq$ 4 units or side-by-side)	Wall insulation (including knee wall) incentive cap (gas)	A	9/8/16	N/A	No	Yes	
New Homes	Path 4 (EPS) advanced whole home subtype weighted	B, C, D	8/18/16	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Existing Buildings Multifamily ( $>$ 4 units)	Windows (electric)	A	4/29/16	12/31/17	N/A	No	Measure redesigned, new exception 11/7/17 for a subset of these measures
New Buildings	Market Solutions - retail building type good-to-better (incremental)	D	11/2/15	N/A	No	Yes	Now cost effective for electric buildings, not for gas
New Buildings	Market Solutions - schools lighting reduction	D, E	11/2/15	N/A	No	Yes	
Existing Buildings, New Buildings	Oversized air cooled condenser w/vfd compared to vfd on standard (cz2) per ton	D	10/28/15	N/A	No	Yes	
New Homes, Products	Clothes washers (gas only)	C	9/2/15	N/A	No	Yes	
Existing Buildings Multifamily, Residential	Gas storage water heaters: 0.67, 0.70	B	9/2/15	12/31/16	N/A	No	Measure redesigned, new exception 11/7/17
Existing Single Family	Ductless heat pumps	B, C	9/2/15	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Existing Buildings Multifamily ( $\leq$ 4 units), Existing Single Family	Ceiling insulation incentive cap (gas)	A	4/30/15	N/A	No	Yes	Some ceiling insulation measures are now cost effective, but not all
Existing Buildings Multifamily ( $\leq$ 4 units), Existing Single Family	Floor insulation incentive cap (gas)	A	4/30/15	N/A	No	Yes	

<b>Program(s)</b>	<b>Measure</b>	<b>Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2019 Avoided Costs*</b>	<b>Offered in 2019</b>	<b>Comments</b>
Existing Buildings Multifamily ( $\leq 4$ units), Existing Single Family	Wall (including knee wall) insulation incentive cap (gas)	A	4/30/15	N/A	No	Yes	
Existing Buildings, New Buildings	LED refrigeration case lighting (t12 to LED low power)	D	3/12/15	N/A	N/A	No	Measure was redesigned in 2016. Equivalent measures are cost effective
Existing Buildings Multifamily	Ceiling insulation (electric)	A, C	1/29/15	N/A	Yes	Yes	
Existing Buildings Multifamily	Floor insulation (electric)	A	1/29/15	N/A	Yes	Yes	
New Buildings Multifamily	Pilot - gas condo pack	F	1/29/15	N/A	N/A	No	Not currently offered, but available if there is market interest
Existing Buildings, New Buildings, Production Efficiency	Receiver capacity addition (retrofit)	C	1/15/15	N/A	No	Yes	
Existing Buildings, New Buildings, Production Efficiency	Zero loss drains	C	1/15/15	N/A	N/A	No	
Existing Buildings	2 lamp 4 foot T8 to 25W LED	E	11/10/14	N/A	N/A	No	Measure redesigned. now cost effective
Existing Manufactured Homes	Manufactured home duct and air sealing (gas)	C	10/1/14	N/A	No	Yes	
Existing Buildings Multifamily (stacked)	Ceiling insulation (gas)	A	10/1/14	N/A	Yes	Yes	
Existing Single Family	Pilot - air sealing as added requirement for ceiling insulation	F	10/1/14	N/A	N/A	No	
Existing Buildings, Existing Single Family, New Homes, Products	Spa covers (gas)	C	10/1/14	N/A	N/A	No	

<b>Program(s)</b>	<b>Measure</b>	<b>Criteria</b>	<b>Date Granted</b>	<b>Expiration Date</b>	<b>Cost-Effective with 2019 Avoided Costs*</b>	<b>Offered in 2019</b>	<b>Comments</b>
New Homes	New homes Builder Option Package with 0.67 water heater	B, C	10/1/14	N/A	N/A	No	Measure redesigned to EPS
New Buildings	New commercial buildings condensing tank water heater - schools	B	10/1/14	N/A	N/A	No	Measure redesigned for 2019, now cost effective
New Buildings Multifamily	Market Solutions - good-to-better and better-to-best (gas)	A, B, D, E	10/1/14	N/A	N/A	No	Multifamily Market Solutions revised in 2015
New Buildings	Market Solutions - tankless water heat in offices	A, B, D, E	10/1/14	N/A	N/A	No	Office Market solutions revised in 2016
Existing Buildings Multifamily (≤ 4 units), Existing Single Family	Pilot - condensing gas furnace (rental)	F	8/20/14	N/A	N/A	No	Pilot revised into a cost-effective measure in 2017
Existing Buildings Multifamily, Existing Single Family	Duct insulation (electric)	A, D	7/22/14	N/A	yes	Yes	
Existing Buildings, New Buildings	Commercial vent hoods with vfd < 2HP (electric)	D	7/22/14	N/A	No	Yes	
New Homes	Zonal electric advanced electric resistance home	C, D	7/22/14	N/A	N/A	No	Redesigned for 2017
Existing Buildings, New Buildings	LED A-lamp (omnidirectional 310 to 749 lm)	B	7/22/14	N/A	N/A	No	Redesigned in 2016, equivalent cost effective
Existing Buildings, New Buildings	Ozone laundry - motel	D	7/22/14	N/A	N/A	No	
New Buildings, New Buildings Multifamily	HVAC - AAHP 5 ton	D	7/22/14	N/A	N/A	No	
New Buildings, New Buildings Multifamily	HVAC - GSHP 2 ton	D	7/22/14	N/A	N/A	No	
New Buildings, New Buildings Multifamily	HVAC - WSHP 2 ton	D	7/22/14	N/A	N/A	No	

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost-Effective with 2019 Avoided Costs*	Offered in 2019	Comments
New Buildings, New Buildings Multifamily	HVAC - AC Unit 12.5 ton	D	7/22/14	N/A	N/A	No	
New Buildings	Market Solutions - radiant heating and cooling in offices	A, B, E	7/22/14	N/A	N/A	No	Office Market solutions revised in 2016
New Buildings	Market Solutions - air barriers in offices	C, D, E	7/22/14	N/A	N/A	No	Office Market solutions revised in 2016
New Buildings	Market Solutions - fan static pressure in offices and retail	B, E	7/22/14	N/A	N/A	No	Office Market solutions revised in 2016
Existing Single Family	Pilot - nest thermostat	F	7/22/14	N/A	N/A	No	Pilot revised into a cost-effective measure
New Buildings	Market Solutions - phantom plug load in offices	B, C	7/22/14	N/A	N/A	No	Office Market solutions revised in 2016.
Production Efficiency	Irrigation - drain replacement	C, D	7/22/14	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Production Efficiency	Irrigation - drop tube or hose extension	C, D	7/22/14	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Production Efficiency	Irrigation - new or rebuilt brass impact sprinkler	C, D	7/22/14	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Production Efficiency	Irrigation - rotating sprinkler for low-pressure	C, D	7/22/14	N/A	N/A	No	Measure redesigned, new exception 11/7/17
Existing Buildings, Production Efficiency	Various high performance 4' T8 lamps	C, D	7/22/14	N/A	N/A	No	
Existing Buildings, New Buildings	Street lights for Pacific Power - schedule 51 70W HPS / 48W LED	C, D	5/2/14	N/A	No	No	
Existing Buildings	Pilot - Pay for Performance	F	2/18/14	N/A	N/A	No	Pilot granted exception, moved forward into measure expected to be cost effective

\*Measures not offered in 2019 or have been redesigned have not been tested for 2019 cost-effectiveness.

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Planning Assumptions for the Draft 2019 Budget and 2019-2020 Action Plan

In the Oregon Public Utility Commission's comments on the Energy Trust draft 2016 budget, the Commission requested that Energy Trust document major planning assumptions and changes, and include this information in future draft budget and action plan materials so it is readily available to Oregon Public Utility Commission staff, stakeholders and the public.

In response to this request, Energy Trust compiled the following list of major planning assumptions that shape the direction and content of Energy Trust's draft 2019 budget. Program-specific key assumptions, risks and challenges are also included in program action plans.

- **Oregon has experienced robust economic growth** for the last few years. It is assumed that the economy will remain strong through 2019 even if growth decelerates. This will result in customers in all sectors having capacity to invest in energy efficiency and renewable energy projects that meet project criteria. The state of the Oregon economy seems more uncertain beginning in 2020. Regardless, current budget projections for 2020 assume that economic conditions will remain stable because it is still too soon to assume an economic decline in 2020. The State of Oregon Economic and Revenue Forecast states:

"While economic growth continues and nearly all leading indicators flash green, the shape of the business cycle may be coming into focus. Specifically, economists are becoming more comfortable talking about plausible recession scenarios given the expected path of federal policy. To be clear, the flow of economic data remains healthy and the risks to the near-term outlook are balanced, if not tilted toward the upside.

However, potential danger lurks around the corner with many forecasters pointing at the confluence of events beginning in 2020. At this time, federal fiscal policy will be a drag on economic growth and monetary policy is expected to have transitioned from accommodative to neutral, and potentially even restrictive. Should this fully come to pass, a recession is likely to follow. However, this outcome is not a foregone conclusion. Rather, for really the first time this cycle, it is a reasonable, and clear scenario for how this expansion ends. Even so, between now and then, economic growth is expected to be at or above potential.

Here in Oregon, the economy follows the U.S. business cycle overall albeit with more volatility. The good news is Oregon continues to hit the sweet spot. Job gains are enough to match population growth and absorb the workers coming back into the labor market. Wages are rising faster than in the typical state, as are household incomes. That said, growth is slower today than a few years ago. The regional economy continues to transition down to more sustainable rates. This pattern of slower gains, but also

improvements in these deeper measures of economic well-being are expected to continue until the onset of the next recession.”<sup>1</sup>

- **Oregon’s population will continue to expand and diversify** in 2019 and beyond. Energy Trust will strive through its Diversity, Equity and Inclusion Initiative to engage a broader and more diverse set of customers to ensure that all ratepayers are able to leverage the benefits that Energy Trust programs provide.
- **Avoided costs for Oregon energy efficiency measures** were updated for 2018 measure and program planning and these avoided costs remained static for 2019 measure and program planning. Energy Trust is participating in an OPUC docket to update Oregon avoided costs, the outcomes of which are expected to be available in January 2019 for use for 2020 measure and program planning. However, the Energy Trust board is set to meet in December 2018, before the updates become available, to conduct a final review and potentially approve the 2019 budget, which includes a forecasted 2020 budget. Therefore, that 2020 budget assumes that avoided costs will remain constant with those used for 2019 budgeting.
- **Avoided costs for Washington energy efficiency measures** were updated for 2019 measure and program planning and these avoided costs are expected to remain static for 2020 measure and program planning.
- **Prescriptive measure baselines for many residential and commercial measures have been updated** due to changes in federal minimum equipment efficiency standards, state energy building codes and market preferences, and new information from field tests. Measures with baseline changes include LED lighting and water-saving measures such as showerheads and faucet aerators. We are anticipating that Oregon commercial building code will have a significant impact on savings from commercial new construction projects. For some measures, more efficient baseline assumptions have led to declines in savings per unit installed.
  - Energy Trust is monitoring the potential impact of the federal Energy Independence and Security Act (EISA), the final phase of which is scheduled to go into effect January 1, 2020. This has potential to impact the baseline of the majority of screw-in lighting products.
  - Energy Trust will continue to track equipment standards and market trends, and these may result in additional adjustments for Energy Trust’s 2020 budget.
- **Energy efficiency program savings realization rates remain similar or have increased for all programs.** This is due to increasing Savings Realization Rates and/or decreasing free-ridership as determined by results from recent impact evaluations.
- **Participation in the Solar program will be influenced by:**
  - Continued lower demand in the residential market following the recent expiration of Oregon’s Residential Energy Tax Credit.
  - Moderate declines in solar costs. Module costs are expected to decline and import tariffs for modules will step down from 30 percent to 25 percent in 2019. This will be offset somewhat by a recently announced 25 percent tariff on Chinese-made inverters.
  - An assumption of no significant changes to the net metering policy in 2019.
  - The reduction of the 30 percent Investment Tax Credit that is available in 2019 to 26 percent in 2020.
- **Participation in the Other Renewables program will be influenced by:**
  - Flat or declining avoided-cost rates available for renewable projects that sell power on the wholesale energy market, potentially leading to higher above-market costs.

---

<sup>1</sup> Oregon Economic and Revenue Forecast, September 2018, Page 2  
<https://www.oregon.gov/das/OEA/Documents/forecast0918.pdf>

- Continued demand from the nascent clean fuels marketplace for sources of biogas to be processed into renewable natural gas for vehicle fueling and pipeline injection. This will reduce feedstock availability for renewable electricity generation.
- **Energy Trust anticipates continued engagement in all major efficiency market sectors.** Programs will continue in their previous forms.
- **Based on a regulatory agreement in 2017 that increased the PGE large customer incentive spending cap, Energy Trust will not exceed the incentive spending caps for large energy-using customers in PGE or Pacific Power territory.** Energy Trust will continue to track SB 838 spending in relation to the cap for large energy-using customers. If a 2019 analysis indicates that 2018 spending on large energy using customers exceeded the cap, Existing Buildings, New Buildings and Production Efficiency programs will need to act to reduce spending on these customers.
- **Lighting activity is expected to remain strong for commercial and industrial sectors through 2019,** as we expect continued customer investment in LED projects.
- **Increased LED market share and reduced incremental costs for the residential sector** indicate that Energy Trust incentives will eventually no longer be necessary to encourage some customers to buy LED lighting products across sectors. This will result in a reduction of the savings that Energy Trust claims for lighting, a decline that already began in 2018. Energy Trust continues to monitor baselines for LED lamps. Baselines have already been adjusted for some measures and it is anticipated that incentives will no longer be necessary for many screw-in LED products at some point in 2020 or 2021.
- **Existing Multifamily program will save less energy from measures directly installed in dwelling units,** including LEDs, showerheads and faucet aerators. This results from the program's success saturating the market and the increasing efficiency of market baselines.
- **Successful market penetration and evolving market conditions lead to a continued focus on midstream approaches** in residential and commercial sectors in 2019-2020.
- **Interest in peak load management continues to grow** as utilities anticipate more load constraints. Energy Trust will continue to engage with Pacific Power, NW Natural, PGE and other stakeholders to design and deliver demand reduction activities that are linked to energy efficiency and renewable generation objectives.
- **Energy Trust will continue to fund NEEA in Oregon,** and NEEA will continue to engage in deep collaboration with other funding partners in pursuit of electric and gas market transformation programs.
- **Energy Trust has not included funds to facilitate coordination and project development with the City of Portland if the Portland Clean Energy Fund policy goes into effect.** If the policy passes, the budget will be revised to include this function.
- **The current budget does not account for Energy Trust serving as a subcontractor to deliver the state's community solar program.** Energy Trust does not yet have a signed contract in place to provide these services. When a contract is signed the budget will be revised to include this function.

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Administrative and Program Support Costs for the Draft 2019 Budget and 2019-2020 Action Plan

Energy Trust's draft 2019 budget includes administrative and program support costs that provide a necessary foundation enabling high-performing programs and organizational accountability. Detailed descriptions of activities charged as administrative and program support costs can be found in the draft 2019-2020 action plans included in the draft budget.

The administrative and program support costs in the draft 2019 budget are 7 percent of total revenue, which is compliant with the OPUC performance measure capping administrative and program support costs at 8 percent of total revenue.

This memo provides a deeper look at the nature and purpose of administrative costs and background on recent efforts to further increase the transparency of Energy Trust's reporting of administrative costs.

## **Administrative Costs Defined**

All organizations no matter the size or purpose have administrative costs. Administrative costs are necessary to lead the organization, support the board of directors, execute strategic direction, engage with stakeholders, manage risk, comply with laws and regulations, manage funds responsibly, and take care of employees, among other things.

Nonprofit entities are required to categorize costs by function, as Program, Management and General or Fundraising. These functional costs are reported in a nonprofit's financial statements and Form 990 tax return. According to generally accepted accounting standards, shared costs such as building rent and technology can be allocated among programs and administration.

What is considered reasonable administrative cost varies by industry, organization size, complexity and development stage. While there is no one right answer, there are benchmarks published by nonprofit watchdog organizations. An example is Charity Navigator's 15 percent cap, which, if met, qualifies an organization for its highest rating. Charity Navigator uses the Management and General and Fundraising totals on an organization's 990 tax return to calculate the administrative cost.

## **Energy Trust Administrative and Program Support Activities and Cost Oversight**

Energy Trust administrative and program support activities include:

- **Management & General:** Providing core finance, legal, human resources, office administration and board of directors administration to ensure general management and operations of the organization.
- **Communications & Outreach:** Ensuring the organization's accountability, accessibility and responsiveness through general communications, quarterly and annual reporting to the board

and OPUC, public and stakeholder relations, website management and content, and general outreach and marketing functions.

- Shared Office Space and Equipment: Provides general services such as office space rent, furniture, maintenance and copy machines to provide an efficient work space for staff and to support board and stakeholder meetings.
- Information Technology: Development and maintenance of information systems software and hardware to enable efficient functioning of the organization and its programs, as well as data capture necessary for business planning and public accountability reporting.
- Program Support: Program indirect costs include travel, meetings, conferences, dues and general materials managed and used by programs to perform effectively.

The OPUC, in its oversight role of Energy Trust, established a performance measure for administrative cost that is even more stringent than the general nonprofit benchmarks described above. The OPUC performance measure includes both administrative cost and program support costs and limits this total to no more than 8 percent of utility revenue. Last year, in its comments on Energy Trust's draft 2018 budget, the OPUC also noted that starting with the 2019 budget they will expand the performance metric to include a cap on administrative and program support cost increases of no more than 10 percent from year to year.

In June 2018, the Audits Division of the Oregon Secretary of State issued findings for its performance audit of the Oregon Public Utility Commission (OPUC) oversight of Energy Trust. Following a year-long review process, auditors determined that the cost controls governing Energy Trust's administrative costs—the costs for goods and services used to manage Energy Trust—are reasonable. It also found that Energy Trust has consistently spent below the established annual cap set by the OPUC for such costs.

### **Efforts to Increase Transparency**

One of the recommendations in the Secretary of State audit report is to improve the financial report disclosure of the costs underlying the OPUC performance metric, and to show the value in dollars as well as the percentage of revenue. The auditors observed that the calculation formula is complex and required further explanation. The OPUC and Energy Trust management agreed that a new report format would be beneficial.

To simplify the calculation, we identified support costs charged to planning, customer service and trade ally management that could be directly charged as administrative and program support costs. The improved report necessitated changing the allocation model. The changes have been made for 2019 and applied retroactively to preceding years for comparability.

## Historical Perspective of Administrative and Program Support Costs and the Performance Measure

	2015	2016	2017	2018 Budget	2019 Budget
Annual revenue	145,843,858	150,791,320	196,357,749	186,772,918	192,502,371
Performance measure	8%	8%	8%	8%	8%
Maximum cost allowed per measure at 8%	11,667,509	12,063,306	15,708,620	14,941,833	15,400,190
<b>Administrative cost and program support</b>	<b>8,620,600</b>	<b>9,998,165</b>	<b>10,901,915</b>	<b>13,097,175</b>	<b>13,569,697</b>
<b>Actual % of revenue</b>	<b>5.9%</b>	<b>6.6%</b>	<b>5.6%</b>	<b>7.0%</b>	<b>7.0%</b>
<b>Increase from prior year</b>		<b>1,377,565</b>	<b>903,750</b>	<b>2,195,260</b>	<b>472,522</b>
<b>Increase percentage</b>		<b>16%</b>	<b>9%</b>	<b>20%</b>	<b>4%</b>
<i>note: Administrative Cost and Program Support, as originally calculated</i>	<i>7,957,783</i>	<i>9,283,716</i>	<i>10,141,700</i>	<i>12,291,474</i>	<i>13,411,012</i>

## Detail Breakdown of the 2019 Draft Budget

### 2019 Budget Detail Classified by OPUC Performance Measure

	Total	Program	Administrative and Program Support
Incentives	\$108,966,261	\$108,966,261	
Program Delivery Subcontracts	61,622,098	61,622,098	
Employee Salaries & Fringe Benefits	14,712,495	7,374,266	7,338,229
Agency Contractor Services	1,647,059	793,139	853,920
Planning and Evaluation Services	3,702,872	3,628,035	74,837
Advertising and Marketing Services	3,273,949	2,101,949	1,172,000
Other Professional Services	4,286,850	2,929,800	1,357,050
Travel, Meetings, Trainings & Conferences	524,840		524,840
Dues, Licenses and Fees	241,883		241,883
Software and Hardware	540,409		540,409
Depreciation & Amortization	264,647		264,647
Office Rent and Equipment	1,059,933		1,059,933
Materials Postage and Telephone	137,450		137,450
Miscellaneous Expenses	4,500		4,500
<b>TOTAL</b>	<b>200,985,246</b>	<b>187,415,548</b>	<b>13,569,698</b>

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Key Trigger Events and Scenarios for Draft 2019 Budget and 2019-2020 Action Plan

In comments on our draft 2018 budget, OPUC staff requested a matrix of key triggering events and resulting alternative budget scenarios for the 2019 budget. The following table provides a list of triggering events, scenarios and next steps relative to the 2019 budget, provided to OPUC staff in early September 2018. Status updates are noted in the table, where applicable, based on new information.

Potential Triggering Event	Status as of September 1, 2018	Alternative Budget Scenario if Trigger Occurs	Next Steps
1. EISA assumptions not accepted by OPUC.	Energy Trust assuming EISA will not be implemented on schedule. Budgeting LED incentives for 2019, last year for standard LED in residential. Expecting to support only specialty LEDs in 2020. <b>Oct. 1 update: OPUC accepted lighting market exit approach</b>	Energy Trust will budget to exit market in early 2019. This could cause a backslide to less efficient bulbs in the market and disruption in coordination with regional utilities and BPA, who are maintaining incentives in 2019.	Energy Trust highlighting LED assumptions and exit strategy on August 28 to Commission. <b>Oct. 1 update: Energy Trust draft budget will include incentives for 2019 and implementation.</b>
2. Multifamily program cost-effectiveness.	After successfully reaching significant portions of the market, the program is cost-effective in its current design for 2019 but not for 2020. If EISA assumptions are not accepted by OPUC, direct install offer would not be cost-effective and savings would also be reduced for gas. <b>Oct. 1 update: OPUC accepted lighting market exit approach</b>	Analysis is complete, so trigger will not occur in 2019. No alternative is needed unless EISA assumptions are not accepted, in which case direct install will be eliminated and both electric and gas savings will be reduced.	Energy Trust highlighting LED assumptions and exit strategy on August 28 to Commission. Energy Trust will redesign Multifamily program in 2019 to ensure cost-effective offerings in 2020 targeting underserved parts of the market. <b>Oct. 1 Update: Energy Trust will proceed as planned.</b>
3. Year-end forecast are not as expected.	Per the Q2 forecast, current rates are expected to supply sufficient reserves for 2019 and 2020. <b>Oct. 1 update: Forecasted reserves</b>	If Q3 forecast shows reserves are not sufficient for a utility, Energy Trust will negotiate a rate adjustment with the applicable utilities.	Share Q2 forecast information with utilities and OPUC in August budget kickoff meetings. Update utilities in mid-October with Q3

	<b>appear to be on track as anticipated in the 2018 budget projections for 2019.</b>		forecast and finalize funding models. Inform OPUC staff.
4. Year-end forecast shows significant variances in savings potential and costs.	Program market intelligence or IRP information will significantly impact savings and cost projections for next year's budget. <b>Oct. 1 update: No major events or major project changes are foreseen at this time to cause remedial action.</b>	If forecasts show significant variances impacting next year's savings and expenditures Energy Trust will surface issues with OPUC, utilities and CAC and present alternatives for accommodation in draft budget.	Energy Trust will surface issues at OPUC draft budget review and utility funding meetings in September.
5. Avoided cost changes drive significant cost reallocation to gas funders.	Avoided cost changes will land in Q1 2019 and may affect the 2020 budget project allocation. 2019-2020 budget will not reflect allocation changes.	Run high-level budget scenario for 2020 to analyze avoided cost change impact on utility budgets.	Present findings to OPUC and utilities when analysis is complete, before end of Q2 2019.
6. Healthcare costs dramatically increase.	Rising healthcare premiums are anticipated over the next two years, potentially impacting the OPUC staffing cost performance measure. <b>Oct. 1 update: Draft 2019 budget includes confirmed healthcare premium cost increases. Energy Trust remains in compliance with staffing cost performance measure for 2019.</b>	Determine impact on staffing cost as compared to previous years costs. If the 7.25% 3-yr rolling average and 10% annual cost increase caps are exceeded due to this cost increase, work with OPUC staff to determine if a performance measure change is warranted.	Meet with OPUC staff in October when budget numbers are available and analysis is complete to determine course of action. <b>Oct 1 update: Based on current healthcare premium increase estimates for 2020, compliance with staffing cost performance measure may be in question for 2020. Energy Trust will seek OPUC guidance.</b>

# MEMO

**Date:** October 10, 2018  
**To:** Board of Directors  
**From:** Michael Colgrove, Executive Director  
**Subject:** Planning for Potential Subcontract with Community Solar Program Administrator

Senate Bill 1547 (Oregon's Clean Electricity and Coal Transition Plan) was passed by the Oregon Legislature in 2016 and included a directive to the Oregon Public Utility Commission to establish a community solar program for customers of Portland General Electric, Pacific Power and Idaho Power.

In 2018, the State of Oregon conducted a competitive selection process to solicit proposals for solar program administrators. Energy Trust participated as a subcontractor on two proposals with other organizations as primary contractors. The state has announced that it intends to award the contract to one of these two primary contractors. Following final selection, we expect contract negotiations to occur throughout fall 2018. If Energy Trust is selected as a subcontractor of the community solar program, we estimate that work to develop and implement the program would begin in 2019.

Given uncertainty regarding final selection and contracting details as we prepare our draft 2018 budget, we have not included expenditures and revenue for potential subcontracting work on the community solar program.

Once a program administrator is selected and contracts have been executed, expected in late 2018 or early 2019, Energy Trust will revise its 2019 budget. Budget revisions will be shared with the Oregon Public Utility Commission for input and presented to the board in early 2019 for review and approval.

Regardless of the program administrator selected, Energy Trust expects to coordinate with the new community solar program to help customers make informed decisions, connect them to resources and ensure a clear and consistent customer experience.

**Energy Trust of Oregon  
Income Statement  
2018 to 2020**

	<b>Budget 2018</b>	<b>Forecast 2018</b>	<b>Budget 2019</b>	<b>Projection 2020</b>
<b><u>REVENUES</u></b>				
Public Purpose Funds-PGE	37,484,629	37,416,478	38,961,842	38,961,842
Incremental Funds - PGE	64,656,625	67,030,916	57,874,804	52,874,804
Public Purpose Funds-PacifiCorp	28,525,981	28,537,673	28,848,138	28,848,138
Incremental Funds - PacifiCorp	31,515,755	32,419,066	33,812,130	31,812,130
Public Purpose Funds-NW Natural	18,279,834	18,558,144	21,558,144	24,058,144
NW Natural - Industrial DSM	520,024	1,319,026	3,758,909	3,924,362
Public Purpose Funds-Cascade	2,167,052	2,167,052	3,167,052	2,867,052
Public Purpose Funds-Avista	1,156,870	1,325,134	2,125,134	2,125,134
<b>Total Oregon PPC Revenue</b>	<b>184,306,770</b>	<b>188,773,488</b>	<b>190,106,153</b>	<b>185,471,606</b>
NW Natural - Washington	2,466,148	2,428,171	2,396,217	2,670,797
Revenue from Investments	230,000	600,000	600,000	600,000
<b>Total Other Sources of Revenue</b>	<b>2,696,148</b>	<b>3,028,171</b>	<b>2,996,217</b>	<b>3,270,797</b>
<b>TOTAL REVENUE</b>	<b>187,002,918</b>	<b>191,801,659</b>	<b>193,102,371</b>	<b>188,742,404</b>
<b><u>EXPENSES</u></b>				
Incentives	111,030,753	111,824,233	108,966,261	96,365,911
Program Delivery Subcontracts	58,297,400	58,729,340	61,622,098	59,575,211
Employee Salaries & Fringe Benefits	13,608,430	13,272,829	14,712,494	15,705,863
Agency Contractor Services	1,536,000	1,410,000	1,647,059	1,272,139
Planning and Evaluation Services	4,028,074	3,188,144	3,702,872	3,193,872
Advertising and Marketing Services	2,832,975	2,746,975	3,273,949	2,974,999
Other Professional Services	4,596,049	3,603,709	4,286,850	4,568,850
Travel, Meetings, Trainings & Conferences	476,550	466,344	524,840	534,250
Dues, Licenses and Fees	220,091	233,132	241,883	226,383
Software and Hardware	515,379	515,378	540,409	510,971
Depreciation & Amortization	522,465	396,000	264,647	285,789
Office Rent and Equipment	1,054,433	1,054,433	1,059,933	1,060,570
Materials Postage and Telephone	138,650	135,976	137,450	138,355
Miscellaneous Expenses	4,500	4,712	4,500	4,500
<b>TOTAL EXPENSES</b>	<b>198,861,748</b>	<b>197,581,206</b>	<b>200,985,245</b>	<b>186,417,664</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(11,858,831)</b>	<b>(5,779,547)</b>	<b>(7,882,874)</b>	<b>2,324,739</b>

**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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	47.6	7.2	54.8	14.24	3.6	1,589,467	41.50
Business Energy Solutions – Multifamily	8.7	1.4	10.1	1.54	5.5	139,710	72.88
Business Energy Solutions – New Buildings	18.7	2.5	21.2	6.14	3.2	835,985	25.21
Mkt Transformation (Alliance)	3.2	0.4	3.6	2.44	2.4		
<b>Total Commercial</b>	<b>78.3</b>	<b>11.4</b>	<b>89.7</b>	<b>24.36</b>	<b>3.6</b>	<b>2,565,162</b>	<b>39.88</b>
<b>Industrial</b>							
Production Efficiency	38.5	2.9	41.4	18.74	2.2	1,095,805	22.96
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.04	4.8		
<b>Total Industrial</b>	<b>38.7</b>	<b>2.9</b>	<b>41.6</b>	<b>18.79</b>	<b>2.2</b>	<b>1,095,805</b>	<b>23.30</b>
<b>Residential</b>							
Home Energy Solutions – Residential	33.4	15.9	49.3	6.73	4.9	2,403,521	43.53
Mkt Transformation (Alliance)	3.8	1.1	4.9	3.21	1.7		
<b>Total Residential</b>	<b>37.2</b>	<b>17.0</b>	<b>54.1</b>	<b>9.95</b>	<b>4.1</b>	<b>2,403,521</b>	<b>47.40</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		1.0	1.0			147,481	47.27
Home Energy Solutions – Residential		1.6	1.6			238,306	48.79
<b>Total Washington</b>		<b>2.6</b>	<b>2.6</b>			<b>385,788</b>	<b>48.15</b>
<b>Total Energy Efficiency</b>	<b>\$154.2</b>	<b>\$33.9</b>	<b>\$188.0</b>	<b>53.09</b>	<b>3.1</b>	<b>6,450,276</b>	<b>39.97</b>

**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	5.3		3.9	0.40	13.19	0.11	35.95
Solar Electric	9.5		9.1	1.66	5.69	1.95	4.66
<b>Total Renewable Resources</b>	<b>\$14.7</b>		<b>\$13.0</b>	<b>2.06</b>	<b>7.14</b>	<b>2.06</b>	<b>6.29</b>

**TOTAL BUDGET - ALL**

**\$201.0**

<sup>1</sup> some columns may not add due to rounding

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2019 Draft Annual Budget**

	ENERGY EFFICIENCY							Oregon Total	NWN WA	ETO Total
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista			
<b>REVENUES</b>										
Public Purpose Funding	30,143,000	22,420,314	52,563,314		21,558,144	3,167,052	2,125,134	79,413,644		79,413,644
Incremental Funding	57,874,804	33,812,130	91,686,934	3,758,909				95,445,843	2,396,217	97,842,061
Grant Revenue										
Revenue from Investments										
<b>TOTAL PROGRAM REVENUE</b>	<b>88,017,804</b>	<b>56,232,444</b>	<b>144,250,248</b>	<b>3,758,909</b>	<b>21,558,144</b>	<b>3,167,052</b>	<b>2,125,134</b>	<b>174,859,488</b>	<b>2,396,217</b>	<b>177,255,705</b>
<b>EXPENSES</b>										
Incentives	51,933,175	30,165,136	82,098,312	2,264,206	12,161,416	1,503,769	1,063,949	99,091,651	1,370,485	100,462,136
Program Delivery Subcontracts	31,010,938	19,680,961	50,691,897	1,029,288	7,483,563	862,747	590,846	60,658,341	625,741	61,284,082
Employee Salaries and Fringe Benefits	1,958,110	1,185,310	3,143,420	84,005	481,573	51,154	37,842	3,797,995	115,444	3,913,439
Agency Contractor Services	306,062	178,809	484,872	15,703	47,125	6,826	5,507	560,035	0	560,035
Planning and Evaluation Services	1,800,259	1,121,058	2,921,317	48,616	210,870	21,548	15,523	3,217,873	25,000	3,242,873
Advertising and Marketing Services	859,503	541,635	1,401,137	28,773	295,806	30,261	21,974	1,777,950	18,000	1,795,950
Other Professional Services	1,083,182	567,998	1,651,179	27,393	281,653	27,802	23,721	2,011,750	21,550	2,033,300
Travel, Meetings, Trainings and Conferences	62,909	39,953	102,862	2,102	22,273	2,177	1,587	131,000	5,250	136,250
Dues, Licenses and fees	32,701	19,679	52,380	1,745	4,974	1,083	876	61,057	36,423	97,480
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone (direct charges)	3,869	2,454	6,323	289	267	72	48	7,000	0	7,000
Shared Office Space	246,829	149,881	396,709	10,940	59,146	6,274	4,620	477,688	16,375	494,063
Shared Information Technology	1,018,940	594,374	1,613,314	26,483	333,084	32,054	24,844	2,029,779	55,628	2,085,407
Customer Service Management	112,120	77,266	189,387	515	71,178	5,814	4,371	271,267	0	271,267
Trade Ally Management	135,547	82,148	217,694	3,949	45,621	4,743	3,650	275,658	41,804	317,462
Planning & Evaluation Management	1,061,986	612,588	1,674,575	31,308	281,469	29,496	23,390	2,040,237	102,218	2,142,455
<b>TOTAL PROGRAM EXPENSES</b>	<b>91,626,129</b>	<b>55,019,251</b>	<b>146,645,378</b>	<b>3,575,317</b>	<b>21,780,018</b>	<b>2,585,818</b>	<b>1,822,750</b>	<b>176,409,283</b>	<b>2,433,918</b>	<b>178,843,201</b>
<b>ADMINISTRATIVE COSTS</b>										
Management & General (Notes 1 & 2)	2,632,908	1,581,001	4,213,910	102,746	625,838	74,300	52,376	5,069,168	69,974	5,139,142
Communications & Customer Svc (Notes 1 & 2)	2,071,754	1,244,043	3,315,797	80,847	492,453	58,464	41,213	3,988,774	55,060	4,043,834
<b>Total Administrative Costs</b>	<b>4,704,662</b>	<b>2,825,044</b>	<b>7,529,707</b>	<b>183,593</b>	<b>1,118,291</b>	<b>132,764</b>	<b>93,589</b>	<b>9,057,942</b>	<b>125,034</b>	<b>9,182,976</b>
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>96,330,791</b>	<b>57,844,295</b>	<b>154,175,085</b>	<b>3,758,910</b>	<b>22,898,309</b>	<b>2,718,582</b>	<b>1,916,339</b>	<b>185,467,225</b>	<b>2,558,952</b>	<b>188,026,177</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(8,513,110)</b>	<b>(1,803,125)</b>	<b>(10,316,236)</b>	<b>(38,462)</b>	<b>(1,138,468)</b>	<b>438,480</b>	<b>217,169</b>	<b>(10,837,516)</b>	<b>65,761</b>	<b>(10,771,756)</b>
<b>NET ASSETS - RESERVES</b>										
Cumulative Carryover at 12/31/18 (Forecast)	10,756,706	3,411,872	14,168,578	200,000	2,408,236	(150,930)	2,070	16,627,954	362,734	16,990,688
Change in net assets this year	(8,513,110)	(1,803,125)	(10,316,236)	(38,462)	(1,138,468)	438,480	217,169	(10,837,516)	65,761	(10,771,756)
<b>Ending Net Assets - Reserves</b>	<b>2,243,596</b>	<b>1,608,747</b>	<b>3,852,342</b>	<b>161,538</b>	<b>1,269,768</b>	<b>287,550</b>	<b>219,239</b>	<b>5,790,438</b>	<b>428,495</b>	<b>6,218,932</b>
<b>Ending Reserve by Category</b>										
Program Reserves (Efficiency and Renewables)	2,243,596	1,608,747	3,852,342	161,538	1,269,768	287,550	219,239	5,790,438	428,495	6,218,932
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>2,243,596</b>	<b>1,608,747</b>	<b>3,852,342</b>	<b>161,538</b>	<b>1,269,768</b>	<b>287,550</b>	<b>219,239</b>	<b>5,790,438</b>	<b>428,495</b>	<b>6,218,932</b>

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

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2019 Draft Annual Budget**

	<u>RENEWABLE ENERGY</u>			<u>Other</u>	<u>TOTAL</u>
	<u>PGE</u>	<u>PacifiCorp</u>	<u>Total</u>		<u>All Programs</u>
<b>REVENUES</b>					
Public Purpose Funding	8,818,842	6,427,824	15,246,666		94,660,310
Incremental Funding					97,842,061
Grant Revenue					
Revenue from Investments				600,000	
<b>TOTAL PROGRAM REVENUE</b>	<b>8,818,842</b>	<b>6,427,824</b>	<b>15,246,666</b>	<b>600,000</b>	<b>193,102,371</b>
<b>EXPENSES</b>					
Incentives	4,019,310	4,484,814	8,504,124		108,966,260
Program Delivery Subcontracts	187,289	150,727	338,016		61,622,098
Employee Salaries and Fringe Benefits	516,528	775,188	1,291,716		5,205,155
Agency Contractor Services	140,476	92,628	233,104		793,139
Planning and Evaluation Services	18,376	16,624	35,000		3,277,873
Advertising and Marketing Services	185,689	120,310	305,999		2,101,949
Other Professional Services	346,453	345,047	691,500		2,724,800
Travel, Meetings, Trainings and Conferences	37,238	30,262	67,500		203,750
Dues, Licenses and fees	8,675	7,325	16,000		113,480
Software and Hardware	104,987	66,413	171,400		171,400
Materials Postage and Telephone (direct charge)	350	350	700		7,700
Shared Office Space	75,338	111,310	186,648		680,711
Shared Information Technology	133,756	197,622	331,378		2,416,785
Customer Service Management	19,314	12,278	31,593		302,860
Trade Ally Management	9,296	5,880	15,176		332,638
Planning & Evaluation Management	51,400	53,603	105,002		2,247,457
<b>TOTAL PROGRAM EXPENSES</b>	<b>5,854,476</b>	<b>6,470,381</b>	<b>12,324,856</b>		<b>191,168,057</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General (Notes 1 & 2)	168,566	186,362	354,929		5,494,071
Communications & Customer Svc (Notes 1 & 2)	132,639	146,643	279,283		4,323,117
Total Administrative Costs	301,205	333,005	634,212		9,817,188
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>6,155,681</b>	<b>6,803,386</b>	<b>12,959,068</b>	<b>-</b>	<b>200,985,245</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>2,697,536</b>	<b>(408,654)</b>	<b>2,288,881</b>	<b>600,000</b>	<b>(8,482,874)</b>
<b>NET ASSETS - RESERVES</b>					
Cumulative Carryover at 12/31/18 (Forecast)	8,746,455	6,335,921	15,082,376	10,241,309	42,314,373
Change in net assets this year	2,697,536	(408,654)	2,288,881	600,000	(7,882,875)
Ending Net Assets - Reserves	<u>11,443,991</u>	<u>5,927,267</u>	<u>17,371,257</u>	<u>10,841,309</u>	<u>34,431,498</u>
<b>Ending Reserve by Category</b>					
Program Reserves (Efficiency and Renewables)	11,443,991	5,927,267	17,371,257		
Loan Reserve				1,800,000	
Organization Contingency Pool				4,041,309	
Emergency Contingency Pool				5,000,000	
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>11,443,991</b>	<b>5,927,267</b>	<b>17,371,257</b>	<b>10,841,309</b>	<b>34,431,498</b>

**Energy Trust of Oregon**  
**Administrative Expenses classified by OPUC Performance Measure**  
**Draft Annual Budget 2019**

	Total	Program	Administrative and Program Support
Incentives	\$108,966,261	\$108,966,261	-
Program Delivery Subcontracts	61,622,098	\$61,622,098	-
Employee Salaries & Fringe Benefits	14,712,495	\$7,374,266	7,338,229
Agency Contractor Services	1,647,059	\$793,139	853,920
Planning and Evaluation Services	3,702,872	\$3,628,035	74,837
Advertising and Marketing Services	3,273,949	\$2,101,949	1,172,000
Other Professional Services	4,286,850	\$2,929,800	1,357,050
Travel, Meetings, Trainings & Conferences	524,840	-	524,840
Dues, Licenses and Fees	241,883	-	241,883
Software and Hardware	540,409	-	540,409
Depreciation & Amortization	264,647	-	264,647
Office Rent and Equipment	1,059,933	-	1,059,933
Materials Postage and Telephone	137,450	-	137,450
Miscellaneous Expenses	4,500	-	4,500
<b>TOTAL Expenses</b>	<b><u>200,985,246</u></b>	<b><u>187,415,548</u></b>	<b><u>13,569,698</u></b>
Program Support			3,752,510
Management & General			5,494,071
Communications and Outreach			4,323,116
<b>TOTAL Expenses</b>			<b><u>13,569,697</u></b>
divided by			
Total Revenue without Interest			<u>192,502,370</u>
<b>OPUC Measure vs. 8%</b>			<b>7.05%</b>

**Energy Trust of Oregon**  
**Summary by Service Territory and Program**  
**2019 Draft Annual Budget**

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec.</b>	<b>NWN Industrial</b>	<b>NW Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas</b>	<b>Oregon Total</b>	<b>NWN WA</b>	<b>ETO Total</b>
<b>Energy Efficiency</b>											
<b>Commercial</b>											
Existing Buildings	\$29,634,040	\$17,992,869	\$47,626,909	\$1,698,402	\$3,706,714	\$1,000,246	\$790,924	\$7,196,286	\$54,823,195	987,684	\$55,810,879
Multifamily Bldgs	6,419,114	2,296,122	8,715,236		1,190,555	36,076	150,115	1,376,746	10,091,982		10,091,982
New Buildings	13,690,120	5,044,776	18,734,896	42,508	2,077,220	224,970	122,053	2,466,751	21,201,647		21,201,647
NEEA	1,854,479	1,383,637	3,238,116		345,123	38,347		383,470	3,621,586		3,621,586
<b>Total Commercial</b>	<b>51,597,753</b>	<b>26,717,404</b>	<b>78,315,157</b>	<b>1,740,910</b>	<b>7,319,612</b>	<b>1,299,639</b>	<b>1,063,092</b>	<b>11,423,253</b>	<b>89,738,410</b>	<b>987,684</b>	<b>90,726,094</b>
<b>Industrial</b>											
Production Efficiency	23,305,004	15,240,372	38,545,376	2,017,999	656,296	180,212	45,308	2,899,815	41,445,191		41,445,191
NEEA	77,412	57,758	135,170						135,170		135,170
<b>Total Industrial</b>	<b>23,382,416</b>	<b>15,298,130</b>	<b>38,680,546</b>	<b>2,017,999</b>	<b>656,296</b>	<b>180,212</b>	<b>45,308</b>	<b>2,899,815</b>	<b>41,580,361</b>		<b>41,580,361</b>
<b>Residential</b>											
Residential	19,163,958	14,197,281	33,361,239		13,970,619	1,132,978	807,939	15,911,535	49,272,774	1,571,267	50,844,041
NEEA	2,186,665	1,631,483	3,818,148		951,782	105,754		1,057,536	4,875,684		4,875,684
<b>Total Residential</b>	<b>21,350,623</b>	<b>15,828,764</b>	<b>37,179,387</b>		<b>14,922,401</b>	<b>1,238,731</b>	<b>807,939</b>	<b>16,969,071</b>	<b>54,148,458</b>	<b>1,571,267</b>	<b>55,719,725</b>
<b>Energy Efficiency Program Costs</b>	<b>96,330,792</b>	<b>57,844,298</b>	<b>154,175,090</b>	<b>3,758,909</b>	<b>22,898,309</b>	<b>2,718,582</b>	<b>1,916,339</b>	<b>31,292,139</b>	<b>185,467,229</b>	<b>2,558,951</b>	<b>188,026,180</b>
<b>Renewables</b>											
Solar Electric (Photovoltaic)	5,572,046	3,524,771	9,096,817						9,096,817		9,096,817
Other Renewable	583,634	3,278,617	3,862,251						3,862,251		3,862,251
<b>Renewables Program Costs</b>	<b>6,155,681</b>	<b>6,803,387</b>	<b>12,959,068</b>						<b>12,959,068</b>		<b>12,959,068</b>
<b>Cost Grand Total</b>	<b>102,486,473</b>	<b>64,647,685</b>	<b>167,134,158</b>	<b>3,758,909</b>	<b>22,898,309</b>	<b>2,718,582</b>	<b>1,916,339</b>	<b>31,292,139</b>	<b>198,426,297</b>	<b>2,558,951</b>	<b>200,985,245</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2019 Draft Annual Budget**

**COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Washington (with NEEA)</b>	<b>Solar Renewables</b>	<b>Custom Renewables</b>	<b>ETO Total</b>
Incentives	31,185,027	3,438,893	11,847,499	-	23,567,844	-	29,052,388	-	1,370,485	6,025,600	2,478,524	108,966,260
Program Delivery Subcontracts	17,226,096	4,698,273	6,395,957	3,418,174	12,108,676	115,978	12,085,520	4,609,669	625,741	338,016	-	61,622,100
Employee Salaries and Fringe Benefits	701,276	284,927	348,857	-	1,259,013	-	1,203,921	-	115,444	696,410	595,306	5,205,154
Agency Contractor Services	211,384	62,499	34,999	-	185,215	-	65,935	-	-	228,104	5,000	793,136
Planning and Evaluation Services	837,456	175,000	472,779	-	845,222	-	887,417	-	25,000	35,000	-	3,277,874
Advertising and Marketing Services	407,450	59,001	147,999	-	323,001	-	840,501	-	18,000	298,499	7,500	2,101,951
Other Professional Services	477,249	360,000	270,500	-	277,000	-	627,000	-	21,550	414,500	277,000	2,724,799
Travel, Meetings, Trainings and Conferences	23,000	6,001	8,999	-	28,001	-	65,000	-	5,250	31,000	36,500	203,751
Dues, Licenses and fees	53,558	2,499	-	-	1,501	-	3,500	-	36,423	6,000	10,000	113,481
Software and Hardware	-	-	-	-	-	-	-	-	-	171,400	-	171,400
Materials Postage and Telephone	3,000	-	-	-	3,999	-	-	-	-	-	700	7,699
Shared Office Space	82,485	35,989	41,474	-	169,790	-	147,952	-	16,375	102,149	84,499	680,713
Shared Information Technology	358,881	209,945	286,071	-	301,447	-	873,435	-	55,628	181,357	150,021	2,416,785
Customer Service Management	10,317	18,015	1,977	-	3,875	-	237,080	-	-	31,512	80	302,856
Trade Ally Management	78,779	21,109	24,972	-	29,525	-	121,273	-	41,804	15,176	-	332,638
Planning & Evaluation Management	490,093	226,836	284,252	26,614	316,461	12,593	655,394	27,994	102,218	77,009	27,994	2,247,458
<b>TOTAL PROGRAM EXPENSES</b>	<b>52,146,051</b>	<b>9,598,987</b>	<b>20,166,335</b>	<b>3,444,788</b>	<b>39,420,570</b>	<b>128,571</b>	<b>46,866,316</b>	<b>4,637,663</b>	<b>2,433,918</b>	<b>8,651,732</b>	<b>3,673,124</b>	<b>191,168,055</b>
<b>ADMINISTRATIVE COSTS</b>												
Management & General	1,498,232	275,898	579,397	98,943	1,133,056	3,693	1,346,745	133,205	69,974	249,086	105,842	5,494,071
Communications & Customer Svc	1,178,912	217,096	455,911	77,855	891,567	2,906	1,059,712	104,815	55,060	195,998	83,284	4,323,116
<b>Total Administrative Costs</b>	<b>2,677,144</b>	<b>492,994</b>	<b>1,035,308</b>	<b>176,798</b>	<b>2,024,623</b>	<b>6,599</b>	<b>2,406,457</b>	<b>238,020</b>	<b>125,034</b>	<b>445,084</b>	<b>189,126</b>	<b>9,817,187</b>
<b>Total Program &amp; Admin Expenses</b>	<b>54,823,195</b>	<b>10,091,981</b>	<b>21,201,643</b>	<b>3,621,586</b>	<b>41,445,193</b>	<b>135,170</b>	<b>49,272,773</b>	<b>4,875,683</b>	<b>2,558,952</b>	<b>9,096,816</b>	<b>3,862,250</b>	<b>200,985,242</b>
<b>Energy Savings (kwh)</b>	<b>124,741,514</b>	<b>13,481,837</b>	<b>53,797,568</b>	<b>21,397,537</b>	<b>164,197,327</b>	<b>361,947</b>	<b>58,996,233</b>	<b>28,131,542</b>				<b>465,105,504</b>
<b>Energy Savings (therms)</b>	<b>1,589,466</b>	<b>139,710</b>	<b>835,984</b>	<b>-</b>	<b>1,095,805</b>	<b>-</b>	<b>2,403,521</b>	<b>-</b>	<b>385,787</b>			<b>6,450,273</b>
<b>Energy Generation (kwh)</b>										<b>17,105,000</b>	<b>941,000</b>	<b>18,046,000</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**PGE**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	16,652,310	2,185,718	7,642,224		13,957,673		11,495,250		51,933,175
Program Delivery Subcontracts	9,477,555	2,986,164	4,131,757	1,748,705	6,118,710	66,421	4,417,742	2,063,884	31,010,938
Employee Salaries and Fringe Benefits	378,625	181,097	225,146		707,861		465,381		1,958,110
Agency Contractor Services	114,129	39,724	22,588		104,134		25,487		306,062
Planning and Evaluation Services	469,701	114,761	311,760		460,336		443,701		1,800,259
Advertising and Marketing Services	219,986	37,500	95,516		181,602		324,899		859,503
Other Professional Services	280,676	229,821	174,576		155,739		242,370		1,083,182
Travel, Meetings, Trainings and Conferences	12,418	3,814	5,808		15,743		25,126		62,909
Dues, Licenses and fees	28,916	1,589			843		1,353		32,701
Software and Hardware									-
Materials Postage and Telephone	1,620				2,249				3,869
Shared Office Space	44,534	22,874	26,767		95,462		57,192		246,829
Shared Information Technology	193,763	133,438	184,625		169,484		337,630		1,018,940
Customer Service Management	5,570	11,450	1,276		2,179		91,645		112,120
Trade Ally Management	42,534	13,417	16,117		16,600		46,879		135,547
Planning & Evaluation Management	264,605	144,174	183,451	15,242	177,925	7,212	253,345	16,032	1,061,986
<b>TOTAL PROGRAM EXPENSES</b>	<b>28,186,942</b>	<b>6,105,541</b>	<b>13,021,611</b>	<b>1,763,947</b>	<b>22,166,540</b>	<b>73,633</b>	<b>18,228,000</b>	<b>2,079,916</b>	<b>91,626,130</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	809,851	175,488	374,123	50,665	637,128	2,115	523,798	59,740	2,632,908
Communications & Customer Svc	637,247	138,086	294,386	39,867	501,336	1,664	412,160	47,008	2,071,754
<b>Total Administrative Costs</b>	<b>1,447,098</b>	<b>313,574</b>	<b>668,509</b>	<b>90,532</b>	<b>1,138,464</b>	<b>3,779</b>	<b>935,958</b>	<b>106,748</b>	<b>4,704,662</b>
<b>Total Program &amp; Admin Expenses</b>	<b>29,634,040</b>	<b>6,419,115</b>	<b>13,690,120</b>	<b>1,854,479</b>	<b>23,305,004</b>	<b>77,412</b>	<b>19,163,958</b>	<b>2,186,664</b>	<b>96,330,798</b>
<b>Energy Savings (kwh)</b>	<b>78,698,107</b>	<b>10,163,050</b>	<b>38,000,946</b>	<b>12,254,433</b>	<b>104,644,253</b>	<b>207,288</b>	<b>32,940,491</b>	<b>16,111,018</b>	<b>293,019,586</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**Pacific Power**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	10,120,553	781,833	2,816,141		8,171,125		8,275,484		30,165,136
Program Delivery Subcontracts	5,760,048	1,068,153	1,522,542	1,304,719	4,937,691	49,557	3,498,375	1,539,876	19,680,961
Employee Salaries and Fringe Benefits	229,889	64,778	82,966		462,907		344,770		1,185,310
Agency Contractor Services	69,295	14,209	8,324		68,099		18,882		178,809
Planning and Evaluation Services	300,188	41,050	114,883		321,229		343,708		1,121,058
Advertising and Marketing Services	133,568	13,414	35,198		118,759		240,696		541,635
Other Professional Services	140,059	82,207	64,331		101,846		179,555		567,998
Travel, Meetings, Trainings and Conferences	7,540	1,364	2,140		10,295		18,614		39,953
Dues, Licenses and fees	17,557	568			552		1,002		19,679
Software and Hardware									-
Materials Postage and Telephone	983				1,471				2,454
Shared Office Space	27,040	8,182	9,863		62,427		42,369		149,881
Shared Information Technology	117,647	47,731	68,034		110,835		250,127		594,374
Customer Service Management	3,382	4,096	470		1,425		67,893		77,266
Trade Ally Management	25,825	4,799	5,939		10,856		34,729		82,148
Planning & Evaluation Management	160,660	51,571	67,601	11,372	116,355	5,381	187,686	11,962	612,588
<b>TOTAL PROGRAM EXPENSES</b>	<b>17,114,234</b>	<b>2,183,955</b>	<b>4,798,432</b>	<b>1,316,091</b>	<b>14,495,872</b>	<b>54,938</b>	<b>13,503,890</b>	<b>1,551,838</b>	<b>55,019,250</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	491,717	62,772	137,863	37,801	416,651	1,578	388,046	44,573	1,581,001
Communications & Customer Svc	386,917	49,394	108,480	29,745	327,850	1,242	305,342	35,073	1,244,043
<b>Total Administrative Costs</b>	<b>878,634</b>	<b>112,166</b>	<b>246,343</b>	<b>67,546</b>	<b>744,501</b>	<b>2,820</b>	<b>693,388</b>	<b>79,646</b>	<b>2,825,044</b>
<b>Total Program &amp; Admin Expenses</b>	<b>17,992,868</b>	<b>2,296,121</b>	<b>5,044,775</b>	<b>1,383,637</b>	<b>15,240,373</b>	<b>57,758</b>	<b>14,197,278</b>	<b>1,631,484</b>	<b>57,844,293</b>
<b>Energy Savings (kwh)</b>	<b>46,043,407</b>	<b>3,318,788</b>	<b>15,796,621</b>	<b>9,143,103</b>	<b>59,553,075</b>	<b>154,658</b>	<b>26,055,742</b>	<b>12,020,524</b>	<b>172,085,918</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**NW Natural Industrial**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	1,297,799		29,919		936,488				2,264,206
Program Delivery Subcontracts	215,972		6,800		806,516				1,029,288
Employee Salaries and Fringe Benefits	21,893		702		61,410				84,005
Agency Contractor Services	6,599		70		9,034				15,703
Planning and Evaluation Services	12,800		795		35,021				48,616
Advertising and Marketing Services	12,720		298		15,755				28,773
Other Professional Services	13,338		544		13,511				27,393
Travel, Meetings, Trainings and Conferences	718		18		1,366				2,102
Dues, Licenses and fees	1,672				73				1,745
Software and Hardware									-
Materials Postage and Telephone	94				195				289
Shared Office Space	2,575		83		8,282				10,940
Shared Information Technology	11,204		576		14,703				26,483
Customer Service Management	322		4		189				515
Trade Ally Management	2,459		50		1,440				3,949
Planning & Evaluation Management	15,300		572		15,436				31,308
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,615,465</b>	<b>-</b>	<b>40,431</b>	<b>-</b>	<b>1,919,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,575,315</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	46,415		1,162		55,169				102,746
Communications & Customer Svc	36,522		914		43,411				80,847
<b>Total Administrative Costs</b>	<b>82,937</b>	<b>-</b>	<b>2,076</b>	<b>-</b>	<b>98,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,593</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,698,402</b>	<b>-</b>	<b>42,507</b>	<b>-</b>	<b>2,017,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,758,909</b>
<b>Energy Savings (therms)</b>	<b>504,405</b>		<b>18,289</b>		<b>774,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,297,336</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**NW Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	2,096,959	407,598	1,164,648		383,678		8,108,533		12,161,416
Program Delivery Subcontracts	1,193,471	556,868	629,665	328,275	169,851		3,700,115	905,318	7,483,563
Employee Salaries and Fringe Benefits	47,781	33,771	34,311		19,972		345,738		481,573
Agency Contractor Services	14,402	7,408	3,442		2,938		18,935		47,125
Planning and Evaluation Services	41,268	16,594	38,850		24,723		89,435		210,870
Advertising and Marketing Services	27,761	6,993	14,556		5,124		241,372		295,806
Other Professional Services	29,110	41,484	26,605		4,394		180,060		281,653
Travel, Meetings, Trainings and Conferences	1,567	711	885		444		18,666		22,273
Dues, Licenses and fees	3,649	296			24		1,005		4,974
Software and Hardware									-
Materials Postage and Telephone	204				63				267
Shared Office Space	5,620	4,266	4,079		2,693		42,488		59,146
Shared Information Technology	24,452	24,884	28,136		4,782		250,830		333,084
Customer Service Management	703	2,135	195		61		68,084		71,178
Trade Ally Management	5,368	2,502	2,456		468		34,827		45,621
Planning & Evaluation Management	33,392	26,886	27,957		5,020		188,214		281,469
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,525,707</b>	<b>1,132,396</b>	<b>1,975,785</b>	<b>328,275</b>	<b>624,235</b>	<b>-</b>	<b>13,288,302</b>	<b>905,318</b>	<b>21,780,018</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	101,299	32,548	56,766	9,429	17,942		381,851	26,003	625,838
Communications & Customer Svc	79,709	25,611	44,668	7,419	14,118		300,467	20,461	492,453
<b>Total Administrative Costs</b>	<b>181,008</b>	<b>58,159</b>	<b>101,434</b>	<b>16,848</b>	<b>32,060</b>	<b>-</b>	<b>682,318</b>	<b>46,464</b>	<b>1,118,291</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,706,715</b>	<b>1,190,555</b>	<b>2,077,219</b>	<b>345,123</b>	<b>656,295</b>	<b>-</b>	<b>13,970,620</b>	<b>951,782</b>	<b>22,898,311</b>
<b>Energy Savings (therms)</b>	<b>755,842</b>	<b>113,978</b>	<b>694,430</b>	<b>-</b>	<b>257,100</b>	<b>-</b>	<b>2,086,155</b>	<b>-</b>	<b>3,907,505</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**Cascade Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	568,152	12,351	126,135		91,876		705,255		1,503,769
Program Delivery Subcontracts	323,360	16,874	68,195	36,475	63,778		253,474	100,591	862,747
Employee Salaries and Fringe Benefits	12,893	1,023	3,716		5,484		28,038		51,154
Agency Contractor Services	3,886	224	373		807		1,536		6,826
Planning and Evaluation Services	7,538	503	4,208		3,127		6,172		21,548
Advertising and Marketing Services	7,491	212	1,576		1,407		19,575		30,261
Other Professional Services	7,855	1,257	2,881		1,207		14,602		27,802
Travel, Meetings, Trainings and Conferences	423	22	96		122		1,514		2,177
Dues, Licenses and fees	985	9			7		82		1,083
Software and Hardware									-
Materials Postage and Telephone	55				17				72
Shared Office Space	1,517	129	442		740		3,446		6,274
Shared Information Technology	6,598	754	3,047		1,313		20,342		32,054
Customer Service Management	190	65	21		17		5,521		5,814
Trade Ally Management	1,448	76	266		129		2,824		4,743
Planning & Evaluation Management	9,011	815	3,028		1,378		15,264		29,496
<b>TOTAL PROGRAM EXPENSES</b>	<b>951,402</b>	<b>34,314</b>	<b>213,984</b>	<b>36,475</b>	<b>171,409</b>	<b>-</b>	<b>1,077,645</b>	<b>100,591</b>	<b>2,585,820</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	27,335	986	6,148	1,048	4,927		30,967	2,889	74,300
Communications & Customer Svc	21,509	776	4,838	824	3,877		24,367	2,273	58,464
<b>Total Administrative Costs</b>	<b>48,844</b>	<b>1,762</b>	<b>10,986</b>	<b>1,872</b>	<b>8,804</b>	<b>-</b>	<b>55,334</b>	<b>5,162</b>	<b>132,764</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,000,246</b>	<b>36,076</b>	<b>224,970</b>	<b>38,347</b>	<b>180,213</b>	<b>-</b>	<b>1,132,979</b>	<b>105,753</b>	<b>2,718,584</b>
<b>Energy Savings (therms)</b>	<b>207,223</b>	<b>4,694</b>	<b>76,011</b>	<b>-</b>	<b>45,427</b>	<b>-</b>	<b>164,087</b>	<b>-</b>	<b>497,442</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**Avista**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	449,254	51,393	68,432		27,004		467,866		1,063,949
Program Delivery Subcontracts	255,690	70,214	36,998		12,130		215,814		590,846
Employee Salaries and Fringe Benefits	10,195	4,258	2,016		1,379		19,994		37,842
Agency Contractor Services	3,073	934	202		203		1,095		5,507
Planning and Evaluation Services	5,961	2,092	2,283		786		4,401		15,523
Advertising and Marketing Services	5,924	882	855		354		13,959		21,974
Other Professional Services	6,211	5,231	1,563		303		10,413		23,721
Travel, Meetings, Trainings and Conferences	334	90	52		31		1,080		1,587
Dues, Licenses and fees	779	37			2		58		876
Software and Hardware									-
Materials Postage and Telephone	44				4				48
Shared Office Space	1,199	538	240		186		2,457		4,620
Shared Information Technology	5,217	3,138	1,653		330		14,506		24,844
Customer Service Management	150	269	11		4		3,937		4,371
Trade Ally Management	1,145	315	144		32		2,014		3,650
Planning & Evaluation Management	7,125	3,390	1,643		347		10,885		23,390
<b>TOTAL PROGRAM EXPENSES</b>	<b>752,301</b>	<b>142,781</b>	<b>116,092</b>	<b>-</b>	<b>43,095</b>	<b>-</b>	<b>768,479</b>	<b>-</b>	<b>1,822,748</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	21,615	4,104	3,335		1,239		22,083		52,376
Communications & Customer Svc	17,008	3,229	2,625		975		17,376		41,213
<b>Total Administrative Costs</b>	<b>38,623</b>	<b>7,333</b>	<b>5,960</b>	<b>-</b>	<b>2,214</b>	<b>-</b>	<b>39,459</b>	<b>-</b>	<b>93,589</b>
<b>Total Program &amp; Admin Expenses</b>	<b>790,924</b>	<b>150,114</b>	<b>122,052</b>	<b>-</b>	<b>45,309</b>	<b>-</b>	<b>807,938</b>	<b>-</b>	<b>1,916,339</b>
<b>Energy Savings (therms)</b>	<b>121,996</b>	<b>21,038</b>	<b>47,254</b>	<b>-</b>	<b>18,636</b>	<b>-</b>	<b>153,279</b>	<b>-</b>	<b>362,203</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**ENERGY EFFICIENCY**

**NW Natural Washington**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>NEEA Commercial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	482,067		888,418		1,370,485
Program Delivery Subcontracts	270,876		354,865		625,741
Employee Salaries and Fringe Benefits	51,509		63,935		115,444
Agency Contractor Services					-
Planning and Evaluation Services	10,000		15,000		25,000
Advertising and Marketing Services	10,000		8,000		18,000
Other Professional Services	1,000		20,550		21,550
Travel, Meetings, Trainings and Conferences	1,750		3,500		5,250
Dues, Licenses and fees	10,880		25,543		36,423
Software and Hardware					-
Materials Postage and Telephone					-
Shared Office Space	7,424		8,951		16,375
Shared Information Technology	26,459		29,169		55,628
Customer Service Management					-
Trade Ally Management	21,247		20,557		41,804
Planning & Evaluation Management	46,205		56,013		102,218
<b>TOTAL PROGRAM EXPENSES</b>	<b>939,417</b>	<b>-</b>	<b>1,494,501</b>	<b>-</b>	<b>2,433,918</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General	27,012		42,962		69,974
Communications & Customer Svc	21,255		33,805		55,060
<b>Total Administrative Costs</b>	<b>48,267</b>	<b>-</b>	<b>76,767</b>	<b>-</b>	<b>125,034</b>
<b>Total Program &amp; Admin Expenses</b>	<b>987,684</b>	<b>-</b>	<b>1,571,268</b>	<b>-</b>	<b>2,558,950</b>
<b>Energy Savings (therms)</b>	<b>147,481</b>	<b>-</b>	<b>238,306</b>		<b>385,787</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**RENEWABLE PROGRAMS**

**PGE Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	3,759,600	259,710	4,019,310
Program Delivery Subcontracts	187,289		187,289
Employee Salaries and Fringe Benefits	426,570	89,958	516,528
Agency Contractor Services	139,720	756	140,476
Planning and Evaluation Services	18,376		18,376
Advertising and Marketing Services	182,839	2,850	185,689
Other Professional Services	207,953	138,500	346,453
Travel, Meetings, Trainings and Conferences	18,988	18,250	37,238
Dues, Licenses and fees	3,675	5,000	8,675
Software and Hardware	104,987		104,987
Materials Postage and Telephone		350	350
Shared Office Space	62,569	12,769	75,338
Shared Information Technology	111,086	22,670	133,756
Customer Service Management	19,302	12	19,314
Trade Ally Management	9,296		9,296
Planning & Evaluation Management	47,170	4,230	51,400
<b>TOTAL PROGRAM EXPENSES</b>	<b>5,299,420</b>	<b>555,055</b>	<b>5,854,475</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	152,572	15,994	168,566
Communications & Customer Svc	120,054	12,585	132,639
<b>Total Administrative Costs</b>	<b>272,626</b>	<b>28,579</b>	<b>301,205</b>
<b>Total Program &amp; Admin Expenses</b>	<b>5,572,046</b>	<b>583,634</b>	<b>6,155,681</b>
<b>Energy Generation (kwh)</b>	<b>10,142,000</b>	<b>-</b>	<b>10,142,000</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2019 Draft Annual Budget**

**RENEWABLE PROGRAMS**

**Pacific Power Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	2,266,000	2,218,814	4,484,814
Program Delivery Subcontracts	150,727		150,727
Employee Salaries and Fringe Benefits	269,840	505,348	775,188
Agency Contractor Services	88,384	4,244	92,628
Planning and Evaluation Services	16,624		16,624
Advertising and Marketing Services	115,660	4,650	120,310
Other Professional Services	206,547	138,500	345,047
Travel, Meetings, Trainings and Conferences	12,012	18,250	30,262
Dues, Licenses and fees	2,325	5,000	7,325
Software and Hardware	66,413		66,413
Materials Postage and Telephone		350	350
Shared Office Space	39,580	71,730	111,310
Shared Information Technology	70,271	127,351	197,622
Customer Service Management	12,210	68	12,278
Trade Ally Management	5,880		5,880
Planning & Evaluation Management	29,839	23,764	53,603
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,352,312</b>	<b>3,118,069</b>	<b>6,470,381</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	96,514	89,848	186,362
Communications & Customer Svc	75,944	70,699	146,643
<b>Total Administrative Costs</b>	<b>172,458</b>	<b>160,547</b>	<b>333,005</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,524,770</b>	<b>3,278,616</b>	<b>6,803,387</b>
<b>Energy Generation (kwh)</b>	<b>6,963,000</b>	<b>941,000</b>	<b>7,904,000</b>



## Capital Expenditure Budget

Description	Useful lives/ Depreciation policy	2019	2020
Information Systems			
Budget Software	3 years	300,000	
SQL Upgrade Licensing	3 years	44,176	
Servers and Storage	3 years	76,000	36,000
		420,176	36,000
Office Operations			
None			
<b>TOTAL CAPITAL PURCHASES</b>		<b>420,176</b>	<b>36,000</b>
		<b>420,176</b>	<b>36,000</b>

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Buildings

### Existing Buildings Program Description

The program offers energy-efficient improvements for existing commercial buildings of all sizes and types. Incentives are available for custom projects, including capital upgrades and operations and maintenance improvements; standard upgrades; lighting upgrades; and energy management offerings such as commercial Strategic Energy Management (SEM), with incentives, tools, training, and technical assistance to help customers reduce energy use through behavioral and operations improvements. The program is delivered by program management contractor ICF International.

- The **standard track** is delivered through trade allies and retailers who stock and sell equipment that qualifies for incentives. Trade ally coordinators promote the program to contractors and retailers with the goal of enabling them to utilize Energy Trust incentives to support sales.
- The **custom track** is delivered through account managers and specialized contractors who identify and implement measures that do not qualify as standard measures.
- The **lighting track** is delivered through:
  - Lighting trade allies and contractors who receive training and support from Evergreen Consulting. Lighting offerings include the midstream LED offering, street lighting, and Performance+ lighting, which promotes more comprehensive lighting upgrades.
  - Direct installation of lighting is delivered to under-represented small- and medium-sized businesses in targeted geographical areas through a single contractor.
- The **energy management track** includes four offerings:
  - Commercial SEM uses energy coaches in a cohort approach to help customers drive persistent energy-efficiency improvements in large buildings or campuses.
  - Pay for Performance customers implement a suite of measures with annual incentives for meeting energy savings targets.
  - The retro-commissioning offer provides incentives for operations and maintenance measures such as controls and HVAC adjustments.
  - Building Operator Certification and Energy Management Certification offers incentives for facility operators who complete a nationally-recognized certification program. Training is provided on the latest technologies and strategies for maintaining equipment, improving energy efficiency and reducing energy costs in their buildings.

### 2019 Strategic Focus

- Focus on development work that could determine new strategies, measures and pilots beyond 2019, including redesigning the commercial and industrial lighting approaches from equipment replacement to a whole systems-based approach.
- Achieve savings goals through services and measures designed to reach customers from large, complex projects to small businesses throughout Oregon.
- Continue to develop new standard offerings to streamline the process for customers and trade allies without time to pursue custom projects. This will include converting some custom offerings to standard incentives.
- Improve forecasting methodologies through data analyses of program track to provide more accurate and accountable savings and budget projections.

# Draft 2019-2020 Action Plans

## **Commercial Sector—Existing Buildings**

- Increase outreach, technical services and other support to small- to medium-sized and rural commercial customers, and trade allies in rural communities.
- Enhance commercial SEM delivery through customer data collection and tracking. Leverage resources for improved program management of goals, milestones and budget.

## **2019 Activities—Ongoing and New**

### **Establish 2020-2024 strategic direction**

- Develop a five-year strategic plan for lighting to address accelerated market changes.

### **Improve productivity and efficiency**

- Reduce SEM delivery costs and increase savings potential by:
  - Focusing on coaching and recruiting at sites with high savings potential and motivated energy teams.
  - Promoting external resources and training programs for energy teams.
- Continue to streamline delivery of custom track projects.
- Transfer the centralized PMC call center operations to local project coordinators.
- Organize the trade ally and outreach team to more effectively reach small- to medium-sized businesses.
- Develop a web-based performance tracking tool with less data entry and a more effective user interface to reduce efforts and improve for model development, reporting and evaluation review.
- Deploy new features in the existing SEM customer engagement platform to improve customer progress tracking and enable more targeted coaching efforts.
- Identify frequently implemented custom measures that can be converted to prescriptive measures.
- Identify ways to improve the measure review processes in collaboration with Energy Trust planning staff.

### **Increase flexibility and adaptability**

- Continue to support targeted load management efforts with utilities.
- Support PGE demand response initiative through a web-enabled thermostat pilot offering.
- Develop new marketing materials and strategies to support pilots, targeted load management, carbon reduction and demand response initiatives.

### **Improve program performance and viability**

- Launch new pilots for 2019 and 2020 to test new measures that could offset declining lighting savings.
- Refine key account management processes to use SEM delivery design as a strategy to support customers' long-term energy needs.
- Implement the advanced lighting controls pilot for emerging lighting control technologies.

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Buildings

- Investigate new approaches to direct installation of energy-efficient lighting that can include more measures and be cost-effective.
- Seek out other market channels to deliver program elements cost-effectively, such as midstream incentives at the distributor, retailer or contractor level.
- Revise SEM intern requirements to work with customer budget cycles and adjust milestone incentives to promote activities that drive savings and persistence of engagement.

### **Increase customer participation and awareness**

- Relaunch the My Business marketing platform to focus on non-lighting measures.
- Develop marketing strategies and materials to diversify participation, especially underserved, rural and small- to medium-sized businesses, including tribes.
- Form an outreach subgroup focused on small/rural business market participation and penetration.
- Continue the lighting direct installation offering for small- to medium-sized business customers in targeted areas to support equitable access.
- Prioritize strategies to increase access to solar in low-income communities; and contract with community-based organizations to reach underserved communities.
- Continue collaboration with Northwest Energy Efficiency Alliance (NEEA), Bonneville Power Administration and the Northwest Power and Conservation Council's Regional Technical Forum to identify opportunities for new measures, strategies and delivery channels.
  - Increase the portfolio of measures that are delivered midstream.
  - Work with NEEA to help promote a standard measure for variable refrigerant flow with a dedicated outdoor air system.
  - Collect heat pump operation data as available to assist with NEEA's effort to create more accurate heat pump load profiles for the Pacific Northwest.
- Work with outreach and trade ally staff to identify and create tailored marketing and cooperative marketing strategies for key customer segments and contractors.
- Customize support to trade allies depending on trade, program knowledge and participation, and regional services.
- Provide trade allies with program support, sales and technical coaching to help them be effective ambassadors for the program.
- Continue to implement SEM cohorts in Southern Oregon, Willamette Valley and the Portland Metro area. Expand recruitment in Central and Eastern Oregon cohorts.

## **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

### Small- and medium-sized businesses

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Buildings

- Continue providing small businesses in targeted areas with a direct installation lighting offering and modify offers and processes to target customers.
- Provide strategic direction to program management contractors to enhance the account management structure to broaden support for small business customers.
- Conduct focus groups with Spanish-speaking, small- and medium-sized business owners, in coordination with Residential program.
- Explore options for expanding Energy Performance Management offerings (e.g., SEM, Pay for Performance, and retro-commissioning) to smaller customers.

### Customers outside of the Portland Metro area:

- Continue to develop account management and contractor relationships in Eastern, Central, and Southern Oregon for lighting and non-lighting opportunities.
- Continue to support existing customers and recruit new customers for SEM cohorts in Eastern and Central Oregon and the Willamette Valley.

### Trade allies:

- Continue to engage with diverse trade allies in commercial construction and design.
- Continue to work with Multnomah County and Prosper Portland on the equity strategy for the PropertyFit/CPACE program.

## **2019 Key Assumptions, Risks and/or Challenges**

- Market trends indicate that the lighting replacement market will be strong in 2019. Pending future regulation, baseline changes and market adoption rates, 2020 could see savings reductions in lighting.
- As the program engages more rural, small business and underserved communities, savings could be more expensive.
- Costs per unit of savings are expected to increase.
- Partnerships with community-based organizations dedicated will be key to serving diverse communities.
- SEM savings continue to decrease at customer sites that are enrolled for multiple years, creating cost-effective challenges. We anticipate that the process evaluation will show increased custom savings for SEM sites and support continued cost-effectiveness.

## **2020 Expected Changes**

- The current offer for direct installation of lighting for small businesses is not expected to be a cost-effective delivery channel after 2019. Staff will explore other alternatives to serve this market.
- Some lighting measures may no longer be cost-effective, and measures to replace these savings will need to be developed.
- More cost-effective measures for small- to medium-sized businesses can be developed, possibly including small appliance measures for small- to medium-sized businesses, such as restaurants.

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Buildings

- Gas savings will continue to be a challenge based on low gas costs and current avoided costs.
- Some gas measures will expire at the end of 2019, including insulation that has historically provided up to 5 percent of total gas savings, boilers that have represented up to 10 percent of gas savings, and vent hoods and cooler doors that have contributed up to 5 percent of gas savings,
- 2020 energy efficiency code updates could eliminate boilers, which provide up to 10 percent of gas savings in a typical year.

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$46.1	\$7.3	\$53.4	13.9	3.5	1,379,700	48.1
2019 Budget	\$47.6	\$7.2	\$54.8	14.2	3.6	1,589,467	41.5
2020 Projection	\$43.9	\$8.1	\$51.9	11.9	4.1	1,670,405	44.2

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$33,200,890</b>	<b>\$32,080,378</b>	<b>\$31,185,027</b>	<b>\$27,512,338</b>
<b>Program Delivery Subcontracts</b>	<b>15,777,802</b>	<b>15,707,802</b>	<b>17,226,095</b>	<b>17,739,878</b>
<b>ETO expenses</b>				
Employee Salaries & Fringe Benefi	679,237	648,687	701,276	749,867
Agency Contractor Services	205,000	205,000	211,385	226,010
Planning and Evaluation Services	963,036	797,049	837,456	767,900
Advertising and Marketing Services	290,475	290,475	407,450	351,000
Other Professional Services	289,250	289,250	477,250	827,250
Travel, Meetings, Trainings & Confe	16,000	16,000	23,000	23,000
Dues, Licenses and Fees	36,500	42,557	53,557	33,057
Materials Postage and Telephone	3,000	3,000	3,000	3,000
Customer Service Management	13,624	18,642	10,317	10,691
Trade Allies Management	93,396	98,673	78,779	92,607
Planning & Evaluation Allocation	579,311	531,382	490,093	503,013
Shared Office Space	65,608	64,929	82,484	81,684
IT Services	358,919	335,132	358,881	365,374
Administrative Expenses	2,478,692	2,284,802	2,677,143	2,649,678
<b>TOTAL EXPENSES</b>	<b>55,050,740</b>	<b>53,413,758</b>	<b>54,823,193</b>	<b>51,936,347</b>

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Multifamily

### Existing Multifamily Program Description

The Existing Multifamily program serves existing multifamily structures with two or more dwelling units across diverse market segments, including market rate housing, affordable housing, assisted living facilities, campus housing facilities, homeowners' associations and individual unit owners.

Offerings include free installation of LEDs, showerheads and faucet aerators, and distribution of energy-saving advanced power strips in tenant units. Incentive offerings include common-area lighting upgrades; incentives for standard measures including HVAC equipment, water heaters, weatherization, appliances and foodservice equipment; midstream incentives provided to distributors for qualifying equipment and lighting measures; and incentives for custom projects.

The program is delivered through an account management approach with energy advisors across the state developing customer relationships and providing support to identify and complete projects. The program also offers technical and educational services such as free walkthrough surveys, technical analysis studies and a free online benchmarking tool.

Lockheed Martin is the Program Management Contractor (PMC) for Existing Multifamily. Lockheed Martin also subcontracts with CLEAResult to deliver the direct installation of energy-saving products, and with Evergreen Consulting to deliver common-area lighting upgrades. The program also works closely with trade allies and distributors to drive efficiency upgrades.

### 2019 Strategic Focus

- Expand participation in market segments and regions where participation has historically been lower, using participation data analysis and targeted marketing and outreach strategies.
- Foster long-term relationships with customers to drive repeat participation and deeper energy savings.
- Continue to refine and pursue strategies to support targeted outreach and engagement opportunities, develop deeper understanding of various customer segments and regions, and support data-driven marketing and account management strategies.
- Enhance relationships with market actors and stakeholders, including trade allies, distributors, manufacturers and partners, such as community-based organizations and municipal and regional entities. Focus on regions with lower participation.
- Seek new savings opportunities by monitoring new technologies and conducting field tests and pilots.
- Collaborate with other Energy Trust programs to reach broader groups of customers through joint efforts and messaging. Continue to align with other programs on offerings and messaging to streamline cross-program participation and reduce customer confusion.
- Enhance engagement strategies and services for affordable housing and low-income customers.
- Explore opportunities to directly engage with and serve renters.
- Develop customized strategies to engage with customers of various sizes, types and locations throughout the state.
- Develop innovative program design strategies for 2020 to enable the program to adapt to a range of measure changes and market shifts, to maintain a viable and cost-effective program.

# Draft 2019-2020 Action Plans

## Commercial Sector—Existing Multifamily

### 2019 Activities—Ongoing and New

#### Manage organization effectively

- Assess opportunities for program redesign to maintain a resilient and long-term cost-effective program, through reviewing and optimizing program offerings, delivery mechanisms, measure mixes and incentives, and go-to-market strategies. Redesign efforts will involve input from utilities and stakeholders and in-depth analysis of market and program data.
- Conduct an Existing Multifamily process evaluation, which will inform 2020 program redesign opportunities.

#### Improve productivity and efficiency

- Continue to collaborate with Planning and Evaluation to create operational and organizational efficiencies related to measure development.
- Simplify program forms and processes to meet customer needs, especially for direct installation enrollment and portfolio managers installing measures at multiple sites.
- Implement electronic signatures to streamline participant form submissions and reduce time for participants to return applications.
- Pursue additional online improvements such as incentive applications, enrollment and customer intake forms.

#### Increase flexibility and adaptability

- Seek new initiatives and pilot opportunities to broaden the reach and scope of services. These may arise from offerings for affordable housing, tenant engagement strategies, potential measure development opportunities, or new delivery methods.
- Identify and assess potential new measures, supporting measure development and monitoring the market for new technologies and research.

#### Improve program performance and viability

- Develop transition strategies for the anticipated discontinuation of the direct installation delivery model in 2020, when direct installation of LEDs in tenant units will likely not be cost-effective. Identify alternative cost-effective approaches to continue to offer showerheads and shower wands, faucet aerators and advanced power strips.
- Optimize the benchmarking offering to provide customers with actionable reports that help them prioritize property improvements and track impacts. Assess opportunities for different benchmarking offerings or approaches.
- Explore new or expanded offerings for affordable housing participants to encourage comprehensive upgrades. This could be through incentives, expansion of Savings Within Reach to multifamily customers, or other new services.
- Ensure that program offerings are available and accessible for all multifamily ratepayers by developing strategies and offerings to reach customer groups with lowest participation rates, such as small multifamily properties and customers outside of metro areas.
- Design strategies to ensure service to renters in multifamily properties and seek to overcome the split incentives barrier.
- Support targeted demand-side management efforts with utilities.

## Draft 2019-2020 Action Plans

### Commercial Sector—Existing Multifamily

#### Increase customer participation and awareness

- Maintain account management approach with energy advisors who conduct direct outreach to property owners and managers, including dedicated representatives located in Central and Southern Oregon.
- Deepen relationships with customers through re-engagement strategies to drive repeat customer participation.
- Continue to focus on enhancing relationships and uptake with distributors to drive midstream incentives for appliances, water heating and HVAC equipment, with incentives provided up front to customers. Explore additional partnership or promotional opportunities with distributors to drive program participation.
- Continue to deliver energy-efficiency workshops for multifamily customers, presenting relevant information based on market segment and region.
- Increase trade ally driven program activity through enhanced trade ally support, one-on-one engagement and educational resources, and use of business development funds.
- Continue to provide free direct installation of LEDs, showerheads and faucet aerators, and distribution of energy-saving advanced power strips in individual dwelling units.
- Promote common-area lighting solutions, with outreach emphasis on smaller multifamily properties.
- Coordinate with the Residential program to drive smart thermostat adoption in both single-family and multifamily homes, through efforts such as online instant discounts and supporting PGE direct installation of thermostats.
- Assess opportunities to further expand offerings with financing repaid through utility bills, building on 2018 efforts that expanded eligibility for heat pump on-bill repayment offerings to multifamily unit owners.
- Support multifamily customers enrolled in commercial Strategic Energy Management.
- Continue to refine program design and outreach strategies by incorporating lessons learned from market analysis and data-driven program outreach, including identifying key areas of opportunity and tailoring outreach and messaging based on market segment and region. Conduct secondary research to identify opportunities for increasing participation in specific market sectors and customer groups.
  - Simplify requirements and increase motivate distributors to participate and explore ways to leverage midstream incentive strategies across programs.
  - Assess the online tool (GreenPSF) enabling customers to solicit multiple bids for custom projects through a competitive online request for proposals process. Determine if this service is effective in increasing project close rates and decreasing timeframes for custom projects.

### Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Target high energy users within our efforts for diversity, equity and inclusion focus.

## Draft 2019-2020 Action Plans

### Commercial Sector—Existing Multifamily

- Continue to support affordable housing organizations and develop new offers and strategies to meet their energy efficiency needs.
- Continue to explore offers to support low-income multifamily renters, including alternative approaches to determining value for services delivered to this population.
- Develop outreach tactics for customer groups with lower participation rates, such as smaller multifamily properties and customers outside of the Portland Metro area.
- Dedicate outreach and contractor recruitment resources to promote participation of minority- and women-owned firms in Energy Trust's Trade Ally Network.
- Leverage Multnomah County and Prosper Portland's PropertyFit Commercial Property Assessed Clean Energy initiative as a financing option to enable deeper savings for customers.

### 2019 Key Assumptions, Risks and/or Challenges

- There are several key drivers leading to increasing acquisition costs for program savings. Increasing acquisition costs are due to a combination of declining average savings per project and additional outreach and engagement resources needed:
  - **Measure-level savings changes:** In 2019, measure-level savings for faucet aerators will be reduced by 70-80 percent and directly installed LEDs by 20 percent, with additional reductions in common-area lighting savings. Non-energy benefits are also significantly impacted. Non-energy benefits are a strong contributor to overall cost-effectiveness of the program.
  - **Market saturation and project size:** As the program continues to mature, increasing market saturation in larger properties, a higher volume of smaller projects, will lead to continued decline in average savings per project and increased costs for new savings opportunities.
  - **Need for customized engagement tactics:** The program's lowest participation rates are in smaller properties and non-metro areas. These customers represent a significant opportunity. However, reaching them requires developing new and tailored customer-engagement approaches, which will require more Energy Trust and PMC staff time and effort.

### 2020 Expected Changes

- Several key measures are at risk of discontinuation for 2020, which could impact a large portion of the program. Combined, these measures comprise over half of the program's electric savings.
- In response to the measures and offerings at risk of reduced savings or discontinuation, the program will assess redesign opportunities in 2019, which may drive notable shifts in delivery, offerings and strategies in 2020.
- 2020 will be the fifth and final year of the current PMC contract; the program will be required to conduct a rebid for 2021 implementation.

## Draft 2019-2020 Action Plans

### Commercial Sector—Existing Multifamily

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$8.5	\$1.4	\$9.8	1.8	4.7	125,907	82.1
2019 Budget	\$8.7	\$1.4	\$10.1	1.5	5.5	139,710	72.9
2020 Projection	\$6.9	\$1.5	\$8.4	1.0	6.2	114,721	91.5

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$3,791,148</b>	<b>\$3,809,874</b>	<b>\$3,438,894</b>	<b>\$2,448,370</b>
<b>Program Delivery Subcontracts</b>	<b>4,655,000</b>	<b>4,652,500</b>	<b>4,698,273</b>	<b>3,978,616</b>
<b>ETO expenses</b>				
Employee Salaries & Fringe Benefi	263,180	250,791	284,928	304,483
Agency Contractor Services	30,000	30,000	62,500	45,000
Planning and Evaluation Services	75,000	99,000	175,000	110,000
Advertising and Marketing Services	40,000	40,000	59,000	56,000
Other Professional Services	130,000	60,360	360,000	445,000
Travel, Meetings, Trainings & Confe	9,000	9,000	6,000	9,000
Dues, Licenses and Fees	2,500	2,500	2,500	2,500
Customer Service Management	23,789	24,203	18,015	18,668
Trade Allies Management	23,265	24,579	21,109	24,814
Planning & Evaluation Allocation	233,229	213,933	226,836	232,816
Shared Office Space	24,673	24,406	35,988	35,639
IT Services	199,543	186,318	209,944	213,742
Administrative Expenses	447,926	421,286	492,995	426,233
<b>TOTAL EXPENSES</b>	<b>9,948,253</b>	<b>9,848,750</b>	<b>10,091,982</b>	<b>8,350,881</b>

# Draft 2019-2020 Action Plans

## Commercial Sector—New Buildings

### New Buildings Program Description

New Buildings influences commercial design and construction practices to deliver buildings with low energy use. Staff work closely with building owners and design teams to make energy considerations part of building design criteria and an asset for the building owner in both major renovations and new construction projects. Outreach managers influence a broad range of market actors, leveraging energy-efficiency and renewable energy strategies and incentives to achieve energy savings targets. New Buildings delivers highly technical solutions, simplified where possible, to create cost-effective, above-code options that leverage architectural design solutions and systems. New Buildings provides incentives to support high-performance design, including early design assistance, energy modeling incentives and a solar ready offering; incentives for whole building approaches including modeled savings, standard incentive packages for small commercial buildings; and prescriptive and calculated incentives such as standard offerings and lighting calculators. CLEAResult is the program management contractor.

### 2019 Strategic Focus

- **Guide all projects on the path to higher performance.** Build broader market demand for high-performance buildings in Oregon through tools like target-setting for energy use. This activity increases awareness of building energy consumption and can motivate further energy reductions in design and operations.
- **Engage a more diverse audience.** The program will work with Multicultural Collaborative to identify ways to increase diversity, equity and inclusion and improve benefits delivered to the market. The program will take a broad look across the new construction market, from trades to building owners to training, to bring new ideas and perspectives into the program.
- **Increase overall market capacity.** This will be the third code change since 2010 necessitates that the program to develop more comprehensive savings strategies and building-level incentives s. As code changes reduces incentive options, the program will ramp up market transformation activities that advance the uptake of high-performance building design.
- **Deploy innovative customer engagement solutions; develop and deliver targeted offerings.** The program will enhance offerings and delivery through several new market partnerships.
  - Seventhwave’s successful US Department of Energy building procurement pilot will be an added component of the program’s training and education series.
  - Waypoint Building Group’s approach to engaging harder-to-reach commercial real estate decision-makers will target the office and retail tenant improvement statewide.
- Ecotope will support the program’s technical developments, bringing expertise in HVAC and building-level strategies. They will also guide new technologies and strategies suited for multifamily buildings and schools.

### 2019 Activities—Ongoing and New

#### Establish 2020-2024 strategic direction

- Inform strategic planning staff on program progress with market transformation, market indicators and opportunities using the following: report on progress to annual goals, utilize the program’s predictive tool for estimating changes to program-level cost-effectiveness, and report on market transformation activities.

# Draft 2019-2020 Action Plans

## Commercial Sector—New Buildings

- Bring the program's market insights, strong evaluation results and metrics into organizational strategic planning.

### **Improve productivity and efficiency**

- Continue providing customers with easy ways to complete program documentation through DocuSign, email and in-person outreach, especially in rural communities.
- Continue the program's streamlined market delivery of solar and energy efficiency support, expected to result in steady or increased engagement with schools, multifamily and public sector customers.
- Work with PMC to identify efficiencies. Prioritize efficiency gains in project processing, along with implementation of the W9 automation piloted in 2018 to reduce processing time.

### **Improve program performance and viability**

- Leverage results from Northwest Energy Efficiency Alliance's regional activities in several key areas, including codes and standards, commercial lighting, advanced HVAC and emerging technologies.
- Identify new strategies for affordable housing utilizing building-level analysis and incentives that align with the customer's financing and decision-making model.
- Measure and report final energy savings and manage complex project evaluations that require additional customer engagement.
- Leverage 2018 market research on market segments that have not been participating at higher levels.

### **Increase customer participation and awareness**

- Develop new ways to better serve the affordable housing new construction market and propose building-level strategies and incentives that will better engage decision-makers building new housing.
- Enhance the program's information, training and education initiative, Allies for Efficiency, with newly targeted content and benefits like Continuing Education Credits to directly engage construction firms.
- Engage building owners and developers on new practices that drive energy goals into the contracting process when procuring high-performance buildings.
- Develop the ability to disseminate building performance data by collecting and aggregating performance across many projects, informing engineers and designers about actual energy performance of building designs, system types and design assumptions.
- Promote research results on prototypical net-zero designs for multifamily and office buildings brought through the program's 2017 Net Zero Fellowship and develop new research projects to address major barriers to net-zero buildings.
- Increase uptake with office and retail tenant markets by deploying a program with Waypoint Building Group to target commercial real estate transactions.

## **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

## Draft 2019-2020 Action Plans

### Commercial Sector—New Buildings

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Continue to provide direct access to program through outreach staff located within communities throughout Oregon.
- Use Energy Trust's equity lens when defining market outreach strategies and program design priorities.
- Work with the Multicultural Collaborative to review and create a strategic action plan around diversity, equity and inclusion. This will include a review of program marketing, outreach and training and education activities to assess market reach and help New Buildings identify areas of focus for improvement.
- For 2019 and beyond, New Buildings will work to expand the ability of low-income multifamily developers to meet energy efficiency goals. This may include targeted market research, tool development to help projects value energy efficiency measures early in design, and incentive packages to address equity and access.
- Expand training platform by engaging a contractor and subcontractor audience through expanded access to continuing education credits for contractors and expanded delivery methods.

### **2019 Key Assumptions, Risks and/or Challenges**

- Based on early data from state economic forecasters, New Buildings anticipates overall construction activity to level off and begin to decline from 2018 levels in 2019.
- Market uncertainty is beginning to emerge due to multiple constraining factors including international tariffs, increasing construction costs, increasing interest rates and labor shortages. These factors are already causing project timelines to delay in some parts of the state. It is unclear how and when these will translate into an overall reduction in building activity.
- The construction market will remain active. There are roughly 500 projects currently enrolled with a close date of between 2019 and 2023. Of these projects, 455 are projected to close in 2019 and 209 enrolled projects are projected to close in 2020. Though enrollments are strong, few large savings projects have emerged, and overall pipeline savings are down.
- Gas measure changes will be released for domestic hot water, low flow aerators and foodservice measures in summer 2018. Both were analyzed by other programs and savings declined significantly. New Buildings became aware of these measure changes in mid-July. Both sets of measure changes significantly impact our ability to bring in short cycle savings.
- 2019 will be a critical year for measure development due to the code release in 2020. New Buildings may need to shift toward building-level analysis when engaging projects, using energy use intensity as a tool to influence significant energy-saving opportunities and influence the broader market.

### **2020 Expected Changes**

- By 2020, we expect to see the pipeline results of market softening caused by the compounding effects described above. In addition, the next Oregon energy code is expected to be released in mid-2019 with an effective date of fall 2019 and a mandatory implementation date of January 1, 2020. This code will be the third code change since 2010 and comes ahead of any foreseeable changes to

## Draft 2019-2020 Action Plans

### Commercial Sector—New Buildings

utility avoided costs, creating uncertainties with determining the next increment of cost-effective prescriptive measure saving.

- 2020 will be the first year for measure revisions under the new Oregon Energy code. Along with market softening, this is likely to affect overall program savings.
- In 2019, New Buildings will explore the best path forward for 2020 for advancing Path to Net Zero, market solutions, standard incentives and other incentives to continue to engage the market.

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$18.4	\$2.2	\$20.7	7.0	2.7	900,632	21.3
2019 Budget	\$18.7	\$2.5	\$21.2	6.1	3.2	835,985	25.2
2020 Projection	\$16.4	\$2.3	\$18.8	4.6	3.7	639,034	31.3

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>12,573,969</b>	<b>11,677,380</b>	<b>11,847,499</b>	<b>9,710,717</b>
<b>Program Delivery Subcontracts</b>	<b>6,121,575</b>	<b>6,121,575</b>	<b>6,395,957</b>	<b>6,195,957</b>
<b>ETO expenses</b>				
Employee Salaries & Fringe Benefits	279,821	295,775	348,857	372,059
Agency Contractor Services	110,000	110,000	35,000	30,000
Planning and Evaluation Services	654,333	649,332	472,778	511,444
Advertising and Marketing Services	163,000	128,000	148,000	133,000
Other Professional Services	526,000	160,500	270,500	160,000
Travel, Meetings, Trainings & Conferences	9,000	7,000	9,000	20,000
Dues, Licenses and Fees				5,000
Customer Service Management	2,612	7,949	1,978	2,050
Trade Allies Management	34,054	35,978	24,972	29,355
Planning & Evaluation Allocation	347,963	319,174	284,253	291,747
Shared Office Space	26,355	26,069	41,474	41,072
IT Services	268,216	250,440	286,072	291,247
Administrative Expenses	995,630	884,320	1,035,307	956,584
<b>TOTAL EXPENSES</b>	<b>22,112,528</b>	<b>20,673,492</b>	<b>21,201,647</b>	<b>18,750,232</b>

# Draft 2019-2020 Action Plans

## Commercial Sector—Southwest Washington

### Southwest Washington Commercial Program Description

Energy Trust provides a variety of incentives for customers on qualifying commercial firm or interruptible rate schedules, including:

- Upgrades and retrofits to customers with existing buildings.
- Installing energy-efficient equipment from the start of a new construction project.
- Energy-efficient equipment and retrofits at existing and new multifamily properties with two or more units.

The Washington Existing Buildings program offering consists of two tracks:

- The custom track saves natural gas through energy-efficient capital projects and operations and maintenance upgrades. Program management contractor account managers and engineering firms identify and promote customer opportunities. The custom track also includes opportunities in retro-commissioning, which features targeted incentives for operations and maintenance improvements such as controls or HVAC adjustments.
- The standard track provides incentives for standard measures with predetermined savings for buildings of all sizes and across all commercial market sectors. The program promotes measures through customer outreach and cultivation of trade ally contractors.

### 2019 Strategic Focus

- Consistent with 2017 and 2018, maintain existing tracks, market channels, market engagement activities and operational processes.
- Develop new strategies beyond 2019, including new measures, pilots and construction options.
- Continue to develop new standard offerings to streamline the process for customers and trade allies without time to pursue custom projects. This will include new offerings and changing some existing custom offerings to standard offerings.
- Track savings projections by track to identify anticipated savings and budget impacts over the next two to three years.
- Utilize utility and project tracking data to improve forecasting methodologies to achieve higher confidence factors for savings and budget.
- Increase outreach, technical services and other support to small- to medium-sized and rural commercial customers and trade allies.

### 2019 Activities—Ongoing and New

#### Increase flexibility and adaptability

- Identifying custom measures that can be converted to prescriptive measures, allowing for adaptability of frequently used measures.
- Identify new pilots to increase savings opportunities for 2020.

#### Improve program performance and viability

- Organize the trade ally and outreach team to effectively reach all prospective and eligible small business customers.

## Draft 2019-2020 Action Plans

### Commercial Sector—Southwest Washington

- Perform market analysis to identify remaining market potential available to all tracks of the program.
- Identify new approach to direct installation of aerators and showerheads that can support Existing Buildings in Washington.
- Explore and utilize other market channels to deliver program elements such as restaurant equipment, such as midstream incentives.

#### **Increase customer participation and awareness**

- Identify additional ways to serve minority and underserved markets such as rural communities and tribes.
- Diversify program participation through outreach to small- to medium-sized businesses and trade allies.
- Continue collaboration with like-minded organizations such as Northwest Energy Efficiency Alliance, Bonneville Power Administration and the Regional Technical Forum to identify opportunities for new measures, strategies and delivery channels.
- Increase the portfolio of measures that are delivered midstream.
- Work with outreach and trade ally staff to create tailored pieces for specific offerings, customer segments and contractor trades.
- Continue trade ally segmentation efforts, optimizing support depending on trade, program knowledge and participation and regional services.
- Provide sales support to trade allies to help them build program incentives into their business models.
- Build the technical knowledge of outreach staff on the value proposition of energy-efficient equipment choices.
- Increase activity of ICF market channel subject matter experts and trade ally coordinators to provide focused support ICF account managers working in Washington.
- Form an outreach subgroup focused on small- to medium-sized business market penetration. The subgroup will coordinate with trade allies to identify and serve appropriate target-market businesses.

### **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Enhance account management structure to better support small- and medium-sized businesses customers.
- Conduct focus groups with Spanish-speaking, small- and medium-sized business owners, in coordination with the Residential program.
- Engage with diverse trade allies in commercial construction and design.

## Draft 2019-2020 Action Plans

### Commercial Sector—Southwest Washington

#### 2019 Key Assumptions, Risks and/or Challenges

- Measures need to be developed that work for smaller businesses.
- Cost-effectiveness will continue to be a challenge as codes, standards and market baselines increase, reducing the achievable savings per measure. As opportunities are more limited as more customers are served, the costs increase as prospective program participants are more difficult to identify and influence.
- Partnerships with organizations dedicated to serving diverse communities will be key.

#### 2020 Expected Changes

- There is potential to offer small appliance incentives to support smaller restaurants and businesses as technology improves.
- Expiring gas measures are at cost-effectiveness risk and offerings may be eliminated. Some gas measures will expire at the end of 2019, including insulation that has historically provided up to 5 percent of total gas savings and boilers that have provided over 15 percent of savings.
- 2020 energy efficiency code updates could eliminate boilers, which are a major source of gas savings.

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast		\$0.9	\$0.9			162,880	38.5
2019 Budget		\$1.0	\$1.0			147,481	47.3
2020 Projection		\$1.0	\$1.0			152,847	47.2

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$455,400</b>	<b>\$441,306</b>	<b>\$482,067</b>	<b>\$498,721</b>
<b>Program Delivery Subcontracts</b>	<b>258,286</b>	<b>258,286</b>	<b>270,876</b>	<b>278,237</b>
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefi	22,181	32,609	51,509	54,730
Planning and Evaluation Services	10,000		10,000	10,000
Advertising and Marketing Services	14,000	14,000	10,000	9,000
Other Professional Services	1,000	1,000	1,000	1,000
Travel, Meetings, Trainings & Confe	1,750	1,750	1,750	1,750
Dues, Licenses and Fees	15,349	15,349	10,880	10,169
Trade Allies Management	19,893	21,017	21,247	24,976
Planning & Evaluation Allocation	50,784	46,582	46,205	47,423
Shared Office Space	2,131	2,108	7,424	7,352
IT Services	17,882	16,697	26,459	26,937
Administrative Expenses	40,956	38,016	48,267	52,202
<b>TOTAL EXPENSES</b>	<b>909,612</b>	<b>888,720</b>	<b>987,684</b>	<b>1,022,497</b>

# Draft 2019-2020 Action Plans

## Industrial Sector—Production Efficiency

### Production Efficiency Program Description

Production Efficiency provides energy-efficiency solutions for all sizes and types of eligible industrial, agricultural and municipal water and wastewater customers. The program provides services and incentives through three primary delivery tracks: standard, custom and energy performance management.

### Strategic Focus

- Implement and improve custom offerings. Manage a smooth transition to new custom delivery structure and program delivery contractor. Launch streamlined technical study process for small- to medium-sized customers. Continue to evolve Strategic Energy Management offering, adding cohorts to continuous SEM and piloting a streamlined SEM offering.
- Implement and improve standard offerings. Track lighting strategy to assess timing of LED baseline impacts and implement new program designs. Continue to introduce new prescriptive measures.
- Increase outreach, technical services and other support to small-to-medium sized and rural industrial customers.
- Increase gas projects completed in all tracks to help reduce fluctuations in annual savings.
- Improve internal processes and systems, including use of data and information to support program activities and management of all program tracks.

### 2019 Activities—Ongoing and New

#### Improve productivity and efficiency

- Custom program delivery contractors will directly process projects, to reduce processing time.
- PDCs and custom and standard programs will utilize Energy Trust's Power BI dashboards for savings and incentive forecasting.
- Continue to review and improve PE technical and project approval processes to gain efficiencies.
- Continue to improve internal measure development processes.

#### Increase flexibility and adaptability

- Continue to support targeted load management efforts with utilities.

#### Improve program performance and viability

- Manage large customer spending below SB 838 caps, and track and report on progress.
- Launch new custom track structure with SEM and technical services integrated into custom track PDC's scope of work.
- Implement new streamlined technical study process to increase participation for smaller custom projects.
- Add continuous SEM cohorts to the Continuous SEM offering to increase peer-to-peer engagement, reinforce modeling best practices and share best practices with customers.
- Develop streamlined SEM offering to engage underserved small and remote customers cost-effectively.

## Draft 2019-2020 Action Plans

### **Industrial Sector—Production Efficiency**

- Assess scoping tool and update the tool if needed. The scoping tool is a mobile based solution for PDCs to use during customer site walkthroughs to identify high-level opportunities and provide feedback to the customer on next steps for participation in the program.
- Assess and implement potential changes to the lighting track, such as changing the custom incentive, moving measures to midstream, and revising or discontinuing the Performance Plus bonus offering for whole-building approaches.
- Implement an advanced lighting controls pilot to better understand implementation and cost-effectiveness challenges with lighting controls, and evolve program offering.
- Develop new measures and calculator tools for small compressed air, irrigation, refrigeration and other common measures.
- Sustain irrigation measure suite for farmers and ranchers, many of whom are rural.
- Increase gas participation with measures such as process hot water boilers, steam traps and cannabis building insulation.
- Continue to assess the evolution of the cannabis sector, which is undergoing great change with Oregon Liquor Control Commission activities and overproduction. Evolve offering as needed.

#### **Increase customer participation and awareness**

- Develop marketing and outreach strategies and streamline delivery to small- to medium-sized industrial customers
- Recruit and add 15-29 new participants for first-year and continuous SEM.
- Provide rural outreach and services to farmers, irrigators and their vendors. Leverage and collaborate with other agencies and nonprofits that are active in agriculture.
- Drive geographic diversity of participants through outreach to trade allies, associations and other market actors across the state.
- Update and implement marketing, communications and event strategies to meet the needs of smaller customers. Many marketing activities will continue, including direct marketing, materials to support PDC outreach, a quarterly newsletter, and sponsorship of industrial events such as the Oregon Manufacturing Awards.
- Work with standard track PDCs to recruit, train and support trade ally vendors to sell efficient products, equipment and systems. Increase participation of minority- and women-owned small businesses in Energy Trust's Trade Ally Network.

### **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

## Draft 2019-2020 Action Plans

### **Industrial Sector—Production Efficiency**

- Apply diversity, equity and inclusion methodology to program analysis and design using research from the data and baselining project, including:
  - Review data group results.
  - Analyze opportunity areas in conjunction with market opportunities and program offerings.
  - Design diversity, equity and inclusion specific strategies and activities.
  - Measure progress and continue to refine goals and offerings.
- Focus diversity, equity and inclusion efforts on increasing participation of small- to medium-sized customers in rural locations.
- Continue ongoing diversity, equity and inclusion activities to connect to customers with low or no participation with the program, including:
  - Increasing delivery of savings to small- to medium-sized businesses.
  - Outreach to tribes by Evergreen Consulting Group.
  - Recruitment of minority and/or women trade allies and community-based organizations to deliver offerings.

### **2019 Key Assumptions, Risks and/or Challenges**

- The program assumes that the economic and energy- policy environment will not change in significant ways compared to 2018.
- If the SB 838 spending cap is exceeded for large energy users, the program will need to reduce spending on these customers. This is not expected in 2019.
- Production Efficiency costs and savings are historically difficult to forecast due to unpredictable project completion timelines and variable savings for large projects.
- As more small- to medium-sized businesses are served, the program will need to scale delivery to manage program costs. Smaller projects are generally less cost effective since they have similar levels of account management and study costs as large projects, but fewer savings. Program cost-effectiveness may decrease as the number of small projects grows.
- Market trends indicate that the industrial lighting replacement market will be strong in 2019. It is difficult to predict the level of lighting savings in 2020.

### **2020 Expected Changes**

- Saving levels in the custom and SEM tracks are not expected to change significantly in 2020.
- Lighting savings may decrease as a result of changing baselines. In addition, lighting savings from cannabis customers could decrease due to the pause of Oregon Liquor Control Commission licenses.
- Savings from the standard track are projected to remain flat in 2020. Participation in the compressed air leak reduction program is expected to continue to decrease based on current program trends. The offering is beginning to reach market saturation. In addition, there are many Production Efficiency measures that are up for measure approval review, including greenhouse measures. Some may be determined to be not cost-effective. However, the program is continually adding new measures that will likely make up the gap.

## Draft 2019-2020 Action Plans

### Industrial Sector—Production Efficiency

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings	levelized cost	Savings	levelized cost
				aMW	(cents / KWh)	therms	(cents / therm)
2018 Reforecast	\$38.5	\$2.8	\$41.3	18.0	2.4	1,669,134	15.8
2019 Budget	\$38.5	\$2.9	\$41.4	18.7	2.2	1,095,805	23.0
2020 Projection	\$35.2	\$3.0	\$38.2	16.5	2.3	1,081,503	23.9

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$21,815,591</b>	<b>\$25,081,779</b>	<b>\$23,567,844</b>	<b>\$20,385,382</b>
<b>Program Delivery Subcontracts</b>	<b>10,589,262</b>	<b>11,214,875</b>	<b>12,108,676</b>	<b>12,189,254</b>
<b>ETO expenses</b>				
Employee Salaries & Fringe Benefi	1,252,111	1,178,545	1,259,012	1,342,913
Agency Contractor Services	240,000	240,000	185,215	177,340
Planning and Evaluation Services	890,334	556,721	845,222	624,777
Advertising and Marketing Services	303,000	303,000	323,000	299,000
Other Professional Services	311,000	206,000	277,000	362,000
Travel, Meetings, Trainings & Confe	22,000	22,000	28,000	28,000
Dues, Licenses and Fees	1,500	1,500	1,500	1,500
Depreciation & Amortization	87,500			
Materials Postage and Telephone	4,000	4,000	4,000	4,000
Customer Service Management	5,118	9,802	3,876	4,016
Trade Allies Management	33,211	35,088	29,525	34,707
Planning & Evaluation Allocation	315,988	289,845	316,461	324,804
Shared Office Space	131,216	129,795	169,790	168,141
IT Services	303,201	283,107	301,447	306,901
Administrative Expenses	1,711,727	1,767,643	2,024,623	1,949,790
<b>TOTAL EXPENSES</b>	<b>38,016,759</b>	<b>41,323,700</b>	<b>41,445,191</b>	<b>38,202,525</b>

# Draft 2019-2020 Action Plans

## Residential Sector—Residential

### Residential Program Description

Energy Trust's Residential program provides electric and gas energy-efficiency solutions for residential customers of single-family homes, manufactured homes and newly constructed homes. Cash-back incentives are available for energy-efficient HVAC systems, thermostats, appliances and weatherization upgrades. Instant discounts are provided for water heating equipment, thermostats, lighting and showerheads. The program delivers services through four program tracks: home retrofit, manufactured homes, retail and distribution promotions and new construction of EPS™ homes. The Residential program is delivered by program management contractor CLEARresult, program delivery contractor CLEARresult and program delivery contractor TRC.

### 2019 Strategic Focus

- Prepare for reduced savings from lighting, new construction market transformation, water-saving measures and Energy Saver Kits by 2020.
- Work across the supply chain to support targeted approaches to cost-effective measure adoption.
- Identify opportunities for program design changes, operational efficiencies in incentive processing, trade ally management, quality assurance, consolidated measure analysis and submissions across multiple sectors to broaden and deepen program participation.
- Collaborate across programs to serve residential customers.

### 2019 Activities—Ongoing and New

#### Establish 2020-2024 strategic direction

- Utilize a five-year measure savings analysis to inform two-year budget forecasts and support strategic planning.

#### Improve productivity and efficiency

- Utilize meter data analytics software to improve measure design and delivery.
- Explore the use of thermostat data to expand targeted measure-specific promotions.
- Explore use of the contractor platform for program delivery for processing midstream distributor activity.
- Work closely with Solar and Existing Multifamily programs to streamline and promote customer participation.
- Collaborate with Existing Multifamily to develop increased incentives for single-family rental property measures, Savings Within Reach measures and on-bill repayment offers.

#### Increase flexibility and adaptability

- Support targeted load management pilots and coordinate with utility demand response programs to drive efficiency savings.

#### Improve program performance and viability

- Develop and implement pilots such as Pay for Performance.
- Apply incentives to more than one point in the supply chain to align midstream channels with the new construction market.

# Draft 2019-2020 Action Plans

## Residential Sector—Residential

- Due to reduction in lighting savings, reassess Energy Saver Kit products and explore new strategies to engage participants. Plan for changes to the current free kit offer in mid-2019. Also plan for an alternative approach to establish new customer relationships and introduce customers to energy savings opportunities from Energy Trust.
- Maintain retail lighting and showerhead incentives with reduced saving per unit in 2019 to plan for significant energy savings reduction in 2020.
- Implement planned transition strategies for discontinuation of retail lighting incentives, with a focus on leveraging retail relationships to promote other cost-effective measures where available.
- Increase savings from emerging savings opportunities:
  - Increase promotion of smart thermostats through instant coupon and direct installation offers.
  - Drive adoption of efficient heat pump technology for heating and water heating systems.
- Explore transitioning clothes washer incentives from a customer incentive check to an instant discount.
- Apply findings from Energy Trust research to improve cost-effectiveness of ductless heat pumps.
- Expand relationships with community-based organizations to serve more income-qualified home owners and renters.
- Increase engagement in under-participating regions.
- Deploy strategies to engage the manufactured housing community, including continuing the manufactured housing replacement pilot with expansion to additional sites, and developing special promotions for technologies and services well suited for manufactured housing.
- Reduce investment in the real estate ally network and increase customer awareness of energy efficiency through home energy assessors, community-based organizations and targeted promotions.
- Expand customized program designs and promotional tactics for heating and water heating system replacements, including contractor fixed-price promotions and strategies to support lead generation among installers.
- Explore options for enhanced integration of solar and solar plus storage into the EPS™ new construction offer in anticipation of the long-range trajectory of state building codes.

### **Increase customer participation and awareness**

- Develop targeted offers for lagging markets, such as fixed-price offers for heat pumps in electric resistance homes
- Develop a data-driven customer engagement and marketing strategy.
- Work effectively across the supply chain to support more targeted approaches.

## **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

## Draft 2019-2020 Action Plans

### Residential Sector—Residential

- Partner with community-based organizations and local entities.
- Develop and deploy strategies to reach diverse customers, especially non-English speaking customers, and support workforce development of new industry actors.
- Target underserved housing types, including rentals, affordable housing and manufactured homes.

Specific activities include:

- Explore developing enhanced customer analytics tools that provide insight into customer demographics.
- Explore strategies and partnerships with community-based organizations to improve awareness and accessibility of the following technologies for low-income customers and single family rental homes: ductless heat pumps, gas furnaces, smart thermostats and heat pump water heaters.
- Support internship programs and deliver existing green building curriculums through new partnerships with community-based organizations.
- Develop marketing and engagement strategies for non-English speaking customers through translating materials, attending events, and conducting additional focus groups and research.
- Deliver trainings for non-English speaking contractors and other industry actors in the residential market.
- Target affordable housing in underserved communities by working with community partners via EPS new construction.

### **2019 Key Assumptions, Risks and/or Challenges**

- Future of Energy Saver Kits is uncertain due to reduced savings and maximum allowable incentives for lighting and water conservation products.
- Delivery of incentives to more than one point in the supply chain will be successful at addressing market barriers, encouraging stocking efficient products and collecting necessary data from installers, while working within cost-effective limits
- Enhanced service offerings for EPS will drive additional uptake in EPS participation, mitigating attrition concerns due to code change.
- Customization of program offers through subsets of trade ally network or community-based organization's will cost-effectively yield increased savings of key measures including furnaces, heat pumps and thermostats.

### **2020 Expected Changes**

- Lighting measures delivered through Energy Savings Kits will no longer be cost-effective.
- The majority of lighting measures delivered through retail will no longer be cost-effective.
- Showerhead savings will be reduced based on the Regional Building Stock Assessment II results which will provide updated baseline flow rate assumptions for the stock of existing showerheads.
- There will be broader deployment of the Pay for Performance pilot based on 2019 results.
- There will be changes to EPS pathways in response to expiration of OPUC cost-effectiveness exception on for gas pathway 4 and electric pathways 1 and 2 at the end of 2019.

## Draft 2019-2020 Action Plans

### Residential Sector—Residential

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings	levelized cost	Savings	levelized cost
				aMW	(cents / KWh)	therms	(cents / therm)
2018 Reforecast	\$36.1	\$12.5	\$48.5	8.0	4.5	3,066,499	24.4
2019 Budget	\$33.4	\$15.9	\$49.3	6.7	4.9	2,403,521	43.5
2020 Projection	\$27.5	\$16.6	\$44.1	4.7	5.4	2,467,393	44.3

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$29,376,979</b>	<b>\$29,013,652</b>	<b>\$29,052,387</b>	<b>\$24,853,632</b>
<b>Program Delivery Subcontracts</b>	<b>12,074,722</b>	<b>12,074,722</b>	<b>12,085,520</b>	<b>11,155,175</b>
<b>ETO expenses</b>				
Employee Salaries & Fringe Benefi	1,156,349	1,146,435	1,203,922	1,290,632
Agency Contractor Services	60,000	60,000	65,935	58,060
Planning and Evaluation Services	652,370	559,195	887,417	764,750
Advertising and Marketing Services	688,000	688,000	840,500	739,500
Other Professional Services	719,000	503,000	627,000	577,000
Travel, Meetings, Trainings & Confe	59,000	59,000	65,000	65,000
Dues, Licenses and Fees	3,500	3,500	3,500	3,500
Customer Service Management	313,072	274,035	237,081	245,681
Trade Allies Management	140,769	148,722	121,273	142,560
Planning & Evaluation Allocation	1,094,672	1,004,104	655,393	672,672
Shared Office Space	113,888	112,624	147,952	146,516
IT Services	859,201	802,258	873,435	889,236
Administrative Expenses	2,230,667	2,075,680	2,406,457	2,460,704
<b>TOTAL EXPENSES</b>	<b>49,542,189</b>	<b>48,524,927</b>	<b>49,272,772</b>	<b>44,064,618</b>

# Draft 2019-2020 Action Plans

## Residential Sector—Southwest Washington

### Southwest Washington Residential Program Description

Energy Trust engages with builders to increase energy efficiency of newly constructed homes through incentives, education, trade and program ally support, and quality assurance. For single-family and small multifamily homeowners, Energy Trust provides energy savings through incentives for efficient space heating and controls, water heating, insulation, windows, water conservation, behavioral actions, education, trade ally support, financing with repayment through utility bills, and market interventions.

### 2019 Strategic Focus

- Expand participation.
- Work across the supply chain to support targeted approaches to cost-effective measure adoption.
- Identify opportunities for program design changes and operational efficiencies in incentive processing, trade ally management, quality assurance, consolidated measure analysis and submissions processes.
- Continue to work with NW Natural to ensure alignment on goals of program delivery, outreach tactics and marketing strategies.

### 2019 Activities—Ongoing and New

#### Improve program performance and viability

- Utilize the five-year measure savings tool to continually inform two-year forecast and support strategic planning.
- Work with NW Natural to ensure compliance to Washington Utilities and Transportation Commission regulatory requirements and provide robust and accurate reporting.

#### Increase customer participation and awareness

- Reassess Energy Saver Kit fulfillment and plan for changes to the current free kit offer in mid-2019. Assess the opportunity to develop a marketplace solution to engage customers and offer access to low-cost or no-cost energy savings products.
- Increase savings from emerging savings opportunities such as smart thermostats through instant coupon and direct installation offers.
- Continue to support the trade ally experience through customized in-person engagements.
- Engage and participate in trade industry associations including Clark County HVAC Trade Association, Clark County Rental Association and Building Industry Association of Clark County.
- Collaborate with Clark Public Utilities on direct installation of smart thermostats for low-income customers.
- Launch a rental gas furnace offer to home retrofit and multifamily programs.
- Continue to increase customer participation and awareness of multifamily incentives through trade ally and property management engagement.
- Continue to coordinate with NW Natural to facilitate stakeholder and trade ally relationships that drive participation and awareness.

## Draft 2019-2020 Action Plans

### Residential Sector—Southwest Washington

- Across the supply chain, expand the use of customized program designs and promotional tactics for heating and water heating system replacements.
- Conduct EPS new construction field quality assurance, including coordination with verifiers to maintain quality assurance and quality control procedures.

### Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Collaborate with Clark Public Utility District and Clark County to implement a direct installation smart thermostat offer for low-income customers.
- Launch a gas furnace offer to for residential and multifamily renters.

### 2019 Key Assumptions, Risks and/or Challenges

- Showerhead savings and retail sales will continue to decline.
- Layering of incentives across the supply chain will be successful at addressing market barriers while working within cost-effective limits.
- New construction will continue to be robust in Clark County. High market adoption and participation in EPS new homes is expected.

### 2020 Expected Changes

- Showerhead savings have the potential to be reduced by on the Regional Building Stock Assessment II results.
- 2019 Washington residential energy code changes will impact 2020 planning and evaluation and 2021 new homes administration and savings trends.

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast		\$1.4	\$1.4			220,833	46.8
2019 Budget		\$1.6	\$1.6			238,306	48.8
2020 Projection		\$1.6	\$1.6			235,886	52.7

## Draft 2019-2020 Action Plans

### Residential Sector—Southwest Washington

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>\$652,556</b>	<b>\$714,882</b>	<b>\$888,418</b>	<b>\$943,652</b>
<b>Program Delivery Subcontracts</b>	<b>301,585</b>	<b>301,585</b>	<b>354,865</b>	<b>358,970</b>
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	51,587	51,310	63,935	68,029
Planning and Evaluation Services	15,000		15,000	15,000
Advertising and Marketing Services	10,000	10,000	8,000	8,000
Other Professional Services	35,550	35,550	20,550	20,550
Travel, Meetings, Trainings & Conferences	3,500	3,500	3,500	3,500
Dues, Licenses and Fees	21,994	21,994	25,543	26,254
Customer Service Management		143		
Trade Allies Management	21,579	22,798	20,557	24,166
Planning & Evaluation Allocation	114,733	105,241	56,013	57,490
Shared Office Space	5,160	5,103	8,951	8,864
IT Services	24,881	23,232	29,168	29,697
Administrative Expenses	59,319	57,884	76,767	84,129
<b>TOTAL EXPENSES</b>	<b>1,317,444</b>	<b>1,353,222</b>	<b>1,571,267</b>	<b>1,648,301</b>

# Draft 2019-2020 Action Plans

## Northwest Energy Efficiency Alliance

### Northwest Energy Efficiency Alliance Program Description

Northwest Energy Efficiency Alliance (NEEA) 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, and generally focuses on activities with market participants upstream from Energy Trust and utility customers.

### 2019 Strategic Focus

#### **Fill the energy-efficiency market transformation pipeline with new products/services/practices.**

- 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.

#### **Create market conditions that will accelerate and sustain the market adoption of emerging energy-efficiency products, services and practices.**

- Influence market actors to increase availability of energy-efficient products and services.
- Improve/ensure product quality.
- Build market knowledge and capability to support new products, services or 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/first cost issues.
- Influence and support the successful implementation of more stringent building codes and appliance standards.

### 2019 Activities—Ongoing and New

#### **Improve program performance and viability**

##### **Fill the pipeline with new energy-efficiency products, services and practices.**

- Advance an initiative to drive adoption of optimized motor driven systems for reduction in energy losses of compressed air systems.

##### **Accelerate and sustain market adoption of electric energy-efficient electric products, services and practices.**

- **Heat pump water heaters:** Increase emergency replacement penetration via trainings to ensure widespread knowledge about heat pump water heaters; execute consumer awareness tactics in the market to drive demand for HPWHs; update advanced water heater specification; continue manufacturer and targeted markets events; identify market disruptions to spur competition and motivate heat pump water heater sales.

# Draft 2019-2020 Action Plans

## Northwest Energy Efficiency Alliance

- **Ductless heat pumps:** Educate regional and extra-regional supply chain, utilities and Regional Technical Forum on new rating system; work with willing manufacturers to evaluate new rating system and test products; continue to support market-led partnerships with adjacent trades to learn more about barriers and opportunities; continue to support community-based organizations interested in providing DHPs for consumers in target homes.
- **Retail product portfolio:** Finalize program guidelines with approval from other ENERGY STAR RPP program sponsors; coordinate with PG&E and other sponsors to build support with regulators & evaluators; continue to coordinate with Super-Efficient Dryer initiative to ensure optimal strategy for the laundry category (including washers); continue state-level codes & standards engagement; continue data quality control improvements and refinements of savings approach.
- **Super-efficient dryers:** Complete market research investigating laundry market trends; continue retailer pilots and partnerships; continue support of manufacturer marketing campaigns leveraging findings from previous market research; investigate super-efficient dryer (SED) emerging technologies; align with natural gas team and coordinate on manufacturer outreach; continue outreach to other stakeholders (such as California and Canada) to build broad support for SEDs.
- **Manufactured homes:** Provide upstream incentives to address cost differential for NEEM+ homes; support funder program planning; continue manufacturer outreach/relationship building; increase demand for NEEM+ through retailer marketing resources, retailer outreach and marketing collateral highlighting the value of NEEM+.
- **Next step homes:** Collaborate with commercial code enhancement to create state action plans to achieve long-term code targets; coordinate with city and utility activities to achieve Climate Action plans; continue to work with funders and the RTF to launch, learn from and improve Performance Path programs; continue outreach for awareness and education of raters/verifiers; coordinate Home Efficiency Forum 2019; build out Better Built Northwest (BBNW) website to highlight and connect regional market actors and provide additional building resources and tools; optimize usability and value of Axis database; continue local government outreach to connect with voluntary home certification programs.
- **Reduced wattage lamp replacement:** Complete final Market Progress Evaluation Report; update all required Long-Term Monitoring and Tracking (LTMT) documentation including data management plan, final logic model and key market diffusion metrics; document and disseminate key program lessons learned.
- **Luminaire level lighting controls (LLLC):** Collaborate with Lighting Design Lab to bring two differentiated tracks of training to region for trade allies, distributors, designers and engineers; collaborate with manufacturers to promote the technology through their sales channels; develop additional marketing resources to support funders in promoting LLLC to their customers; develop and promote case studies to trade publications; continue to bring research findings to the region to develop and fine tune both NEEA and funder program efforts.
- **Commercial code enhancement (CCE):** Coordinate with state collaboratives to review, select and assess new technologies/practices; develop state road maps; determine appropriate support to increase awareness/adoption of future code measures; utilize audience research to build awareness through trainings and direct outreach in the Architect and Engineering community; use CCE market intervention strategies to support utility program planning.
- **Window attachments:** Confirm initial target market building types; conduct market research on the supply chain and demand side target audiences; expand relationships with manufacturers; continue to advise Attachment Energy Rating Council's (AERC) Outreach committees; support

# Draft 2019-2020 Action Plans

## Northwest Energy Efficiency Alliance

AERC in new membership recruitment and development of a commercial ratings program for secondary glazing systems.

- **High Performance HVAC:** Continue market characterization work to understand barriers and inform program design and strategy development; educate and provide technical support for specifying and installing systems; identify and encourage additional heat recovery ventilator (HRV) manufacturers to enter the North American market
- **Extended Motor Products:** Conclude market characterization and baseline work to inform barriers and market interventions; complete research for pumps and circulators to validate energy savings and achieve a proven measure with RTF; work with a limited number of Northwest distributors to expand information on the stock and sales flow of pumps and circulators and to explore the viability of a market shift concept.
- **Commercial and industrial infrastructure programs:** Continue to support current commercial real estate sponsorships with Seattle 2030, BOMA (Building Owners and Managers Association) Oregon and BOMA King County; leverage Seattle’s Tune-up Accelerator program for Alliance commercial program technologies; continue to deliver Industrial Technical Training (ITT) courses and coordinate annual planning with sponsors to ensure regional equity; continue to convene and lead the Northwest Strategic Energy Management (SEM) Collaborative and support growth of nascent bi-national collaborative; promote use of SEM Hub resources; continue to promote NXT Level training opportunities to trade allies and roll out NXT Level 2 training.

### **Accelerate development and adoption of gas efficient products, practices and services.**

- **Efficient gas water heaters:** Collaborate with manufacturers to understand their product roadmaps, demonstrate business case and secure commercialization commitment; continue lab and field testing to demonstrate product evolution and resolution of issues found in early prototypes.
- **Combination space and water heating product:** Monitor and assess progress and provide guidance towards deliverables for the SMTI/Trane/DOE project; update or perform assessments of additional products; partner with other utilities and EE organizations to co-fund development, lab and/or field testing of products; establish key contacts at manufacturers.
- **Condensing Gas HVAC Rooftop Units:** Utilize the existing BetterBricks platform for program-developed collateral and market partner resources; complete successful multi-unit field test; develop value proposition based on all associated condensing rooftop unit costs and measured energy savings; develop final field test report and case studies and disseminate to utilities, HVAC supply chain and EE energy efficiency organizations; complete and maintain HVAC Product Roadmap; engage with manufacturer partners and potential co-funding partners to refine specification.
- **Efficient gas dryers:** Continue to socialize gas dryer specification with utilities outside of the Northwest to garner support.

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / kWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$7.3	\$1.2	\$8.5	7.2	6.5		
2019 Budget	\$7.2	\$1.4	\$8.6	5.7	8.9		
2020 Projection	\$6.5	\$1.3	\$7.8	3.9	10.8		

## Draft 2019-2020 Action Plans

### Northwest Energy Efficiency Alliance

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Program Delivery Subcontracts</b>	<b>8,132,667</b>	<b>8,011,495</b>	<b>8,143,820</b>	<b>7,341,108</b>
Planning & Evaluation Allocation	110,972	101,791	67,201	68,973
<b>Sub-Total before Admin Costs</b>	<b>8,243,639</b>	<b>8,113,286</b>	<b>8,211,021</b>	<b>7,410,081</b>
Administrative Costs	388,675	362,559	421,418	398,236
<b>TOTAL EXPENSE</b>	<b>8,632,314</b>	<b>8,475,845</b>	<b>8,632,439</b>	<b>7,808,317</b>
<b>NEEA by Program</b>				
Commercial	2,682,976	3,184,891	3,621,586	3,276,286
Industrial	384,450	149,941	135,170	123,844
Residential	5,423,877	5,141,013	4,875,683	4,408,187
Washington	141,011	-	-	-
<b>TOTAL EXPENSE</b>	<b>8,632,314</b>	<b>8,475,845</b>	<b>8,632,439</b>	<b>7,808,317</b>

# Draft 2019-2020 Action Plans

## Renewable Energy Sector—Solar

### Solar Program Description

The program aims to create a vigorous and sustainable market for solar in Oregon by offering cash incentives that lower above-market costs for small residential and commercial solar projects, educating consumers, creating and enforcing quality standards and ensuring a robust network of qualified trade ally contractors. Staff review and adjust incentive levels regularly to manage budget and respond to changes in solar costs. The Solar program supports installation of distributed solar systems across all customer sectors and types.

### 2019 Strategic Focus

- Provide solar incentives that are effective at driving demand and are responsive to pricing trends.
- Support solar systems that will provide additional value to the distribution grid through optimized location, advanced controls or in combination with storage or flexible loads.
- Improve equitable access to solar for a diverse range of participants, including low- and moderate-income customers.
- Support the solar industry in making business, process and technical improvements that reduce soft costs.
- Maintain a strong pipeline of solar projects across sectors through consumer education, marketing and collaboration with industry and advocates.
- Be transparent and accountable in management of incentive funding.

### 2019 Activities—Ongoing and New

#### Increase flexibility and adaptability

- Collaborate with utilities and energy efficiency programs on targeted load management and demand response pilot efforts to provide customers with comprehensive peak reduction solutions, including integrated solar, energy efficiency and utility demand response information and incentives.
- Continue to collaborate with utilities on pairing distributed solar with complementary demand response capable equipment, such as smart inverters, battery storage, smart thermostats, electric vehicle chargers and heat pump water heaters.
- Leverage the solar program's internal expertise, standards and trade ally network to support utilities' storage programs and micro-grid development.

#### Improve program performance and viability

- In collaboration with utilities and New Buildings program, advance how solar and storage can be used in new buildings to meet grid-optimal, and site or system peak demand reduction goals.
- Explore options for integrating solar and solar plus storage into the EPS™ new homes construction offer to provide smart-grid-ready, grid-optimal homes that minimize peak demand. This is in preparation for future net-zero building code requirements.
- Continue to adjust residential and business incentives incrementally in response to market behavior, reducing incentives as costs decrease to support a growing number of projects.

## Draft 2019-2020 Action Plans

### Renewable Energy Sector—Solar

- Provide trade allies with continued business development opportunities to improve their technical expertise, customer acquisition, project accounting and internal quality management processes.
- Incorporate solar into the Residential program's manufactured homes replacement pilot.
- Continue enhancements to the recently upgraded PowerClerk incentive application software. Lay groundwork for external data integrations with utility net metering application processes.

#### **Increase customer participation and awareness**

- Provide incentives to support innovative and replicable solar projects that directly benefit low- and moderate-income customers.
- Continue statewide marketing to educate consumers about solar.
- Continue lead generation services to quickly connect customers with trade allies and reduce customer acquisition soft costs.
- Support the launch of the Oregon's community solar program facilitate customer access to appropriate resources.

### **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Apply diversity, equity and inclusion methodology to program analysis and design:
  - Review diversity, equity and inclusion data group results.
  - Analyze opportunity areas in conjunction with market knowledge and program offerings.
  - Design diversity, equity and inclusion specific strategies and activities.
  - Measure progress and continue to refine goals and offerings.
- Continue to improve equitable access to solar for lower-income customers through efforts funded by the U.S. Department of Energy, including development and implementation of low- and moderate-income strategies and a low- and moderate-income solar working group.
- Continue to encourage gender diversity in the solar workforce through support of networking events and renewable energy education opportunities targeted at women and girls.

### **2019 Key Assumptions, Risks and/or Challenges**

- Solar costs will continue to decline.
- The Federal Investment Tax Credit will remain at 30 percent through 2019 and will reduce to 26 percent in 2020. This will likely drive additional demand for new applications in late 2019, though many of these projects will not be completed until 2020 or later.

# Draft 2019-2020 Action Plans

## Renewable Energy Sector—Solar

- The OPUC’s community solar program will likely be active and available in 2019. As an alternative option to direct onsite installation of solar, this may influence demand for standard incentives.
- The OPUC’s resource value of solar docket will likely complete in 2018. The budget assumes any possible subsequent changes to net metering or compensation levels for solar generation would not be in place in time to impact above-market cost or incentive strategy in 2019.

## 2020 Expected Changes

- The Federal Investment Tax Credit will fall to 26 percent in 2020 and will then step down again to 22 percent in 2021.
- The U.S. Department of Energy grant funding for low- and moderate-income strategies will end in 2019, and further low- and moderate-income efforts will need to be fully integrated into the standard solar program.

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2018 Reforecast	\$8.2	2.25	\$3.7	\$9.3	2.38	\$3.9
2019 Budget	\$9.5	1.66	\$5.7	\$9.1	1.95	\$4.6
2020 Projection	\$9.4	1.64	\$5.8	\$9.7	1.89	\$5.1

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>6,815,500</b>	<b>6,574,500</b>	<b>6,025,600</b>	<b>6,568,000</b>
<b>Program Delivery Subcontracts</b>	<b>386,500</b>	<b>386,500</b>	<b>338,016</b>	<b>338,016</b>
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	619,939	631,255	696,410	742,863
Agency Contractor Services	90,000	90,000	228,104	225,229
Planning and Evaluation Services	73,000	46,600	35,000	35,000
Advertising and Marketing Services	241,500	241,500	298,499	302,499
Other Professional Services	351,999	348,999	414,500	362,950
Travel, Meetings, Trainings & Conferences	23,000	23,000	31,000	31,000
Dues, Licenses and Fees	3,200	3,200	6,000	6,000
Software and Hardware	169,100	169,100	171,400	151,400
Customer Service Management	41,614	57,031	31,513	32,656
Trade Allies Management	20,230	21,373	15,176	17,840
Planning & Evaluation Allocation	109,091	100,065	77,008	79,039
Shared Office Space	71,665	70,888	102,149	101,157
IT Services	165,595	154,621	181,357	184,638
Administrative Expenses	432,914	398,626	445,085	494,356
<b>TOTAL EXPENSES</b>	<b>9,614,847</b>	<b>9,317,258</b>	<b>9,096,817</b>	<b>9,672,643</b>
Plus/minus Incentives committed for future yrs	(152,500)	(1,070,736)	369,114	(239,150)
<b>TOTAL EXPENSE, Action Plan</b>	<b>9,462,347</b>	<b>8,246,522</b>	<b>9,465,931</b>	<b>9,433,493</b>

## Draft 2019-2020 Action Plans

### Renewable Energy Sector—Other Renewables

#### Other Renewables Program Description

The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, geothermal, hydropower and wind technologies. Most projects are less than 2 megawatts in size. The goal of the program is to expand Energy Trust's renewable energy portfolio across a range of technologies and improve market conditions.

The program provides project development assistance incentives and installation incentives. **Project development assistance incentives** can pay for a portion of the costs of feasibility studies, technical assistance or other non-capital cost assessments and investigations to help projects move from concept to construction. Qualified projects may access project development assistance incentives multiple times, up to the limits of funding caps, enabling applicants to move through consecutive development activities. The program also provides **installation incentives** calculated on a custom basis after a detailed technical and financial review of a project's application. All incentives are paid following successful project installation or activity completion.

#### 2019 Strategic Focus

- Maintain development assistance and installation incentives and support for a portfolio of technologies to sustain and grow Oregon's vibrant small- and community-scale distributed renewable energy generation markets.
- Focus outreach and project development assistance on technologies and project types able to offset onsite load or leverage additional benefits that can bring outside funders and financing.
- Maintain innovative delivery models, such as the irrigation modernization initiative, to accelerate the pace of project development and completions.
- Continue efforts to optimize the performance of operating projects to maximize value for ratepayers.
- Support biopower projects using anaerobic digestion with entities that can benefit operationally and financially from generating electricity from materials such as fat, oils and grease; food waste; and brewery waste. Continue to assess regional markets for co-digestible feedstocks.

#### 2019 Activities—Ongoing and New

##### Improve program performance and viability

- In concert with energy efficiency options, explore the capabilities of biopower projects at water resource recovery facilities and hydropower associated with irrigation modernization to provide additional utility grid services, including site or utility system peak management.
- Continue to explore modest incentive support to encourage optimization of generation at previously incentivized and operating facilities.
- Continue to expand outreach to smaller water resource recovery facilities that may be able to pursue on-site generation and net-zero energy use through solar and/or anaerobic digestion.
- Manage Renewable Energy Certificate (REC) delivery from new projects while continuing work with PGE and Pacific Power to initiate REC delivery for existing, operational projects.
- Respond to data requests related to OPUC dockets and activity, legislative activity and other requests.

# Draft 2019-2020 Action Plans

## Renewable Energy Sector—Other Renewables

### Increase customer participation and awareness

- Hold two competitive solicitations for projects seeking installation incentives greater than \$150,000.
- Focus development assistance outreach on irrigation hydropower and net-metered biogas projects while remaining open to supporting hydropower, biopower and geothermal projects outside of these target areas.
- Continue to expand participation in the irrigation modernization initiative to meet increasing interest and market uptake.
- Support existing irrigation modernization participants with technical assistance and project development assistance.
- Continue to transition irrigation modernization participants to hydropower project design and other project development activities.
- Support water resource recovery facilities in their efforts to reduce energy use and add new net-metered renewable energy projects, in coordination with energy efficiency programs.

### Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Apply diversity, equity and inclusion methodology to program analysis and design.
  - Review data group results.
  - Analyze opportunity areas in conjunction with market opportunities and program offerings.
  - Design diversity, equity and inclusion specific strategies and activities.
  - Measure progress and continue to refine goals and offerings.
- Assess current Other Renewables program impacts, defining participation and establish baselines.
- Determine appropriate goals for increasing Other Renewables customer participation, in PGE and Pacific Power territory based on baseline data.
- Measure Other Renewables diversity, equity and inclusion activities and results using methodologies established by the organization.
- Support staff to apply the diversity, equity and inclusion lens to select decisions, program strategies and new incentive offerings.
- Establish a framework for the goal to increase customer participation in renewable energy programs for all underserved populations by 20 percent by the end of 2020.
- Increase the diversity of recruitment and hiring of interns.

## Draft 2019-2020 Action Plans

### Renewable Energy Sector—Other Renewables

#### 2019 Key Assumptions, Risks and/or Challenges

- No new federal or state energy tax credits or incentive policies.
- Continued demand from the nascent clean fuels marketplace for sources of biogas to be processed into renewable natural gas for vehicle fueling and pipeline injection, reducing feedstock availability for renewable electricity generation.
- Flat or declining avoided-cost rates available for projects that sell power on the wholesale energy market, potentially leading to higher above market costs.

#### 2020 Expected Changes

- Staff expect 2020 activities to be similar to 2019.

	ACTIVITY BASIS			ACCOUNTING BASIS		
	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)	BUDGET (\$ millions)	GOAL aMW	COST (\$ mils / aMW)
2018 Reforecast	\$10.0	1.50	\$6.7	\$3.8	-	\$0.0
2019 Budget	\$5.3	0.40	\$13.2	\$3.9	0.11	\$35.3
2020 Projection	\$5.4	0.40	\$13.5	\$5.0	1.11	\$4.4

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>Incentives</b>	<b>2,348,720</b>	<b>2,430,482</b>	<b>2,478,524</b>	<b>3,445,100</b>
<b>Program Delivery Subcontracts</b>				
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	518,411	507,688	595,306	634,141
Agency Contractor Services	75,000	75,000	5,000	
Advertising and Marketing Services	10,000	3,000	7,500	6,000
Other Professional Services	348,000	345,000	277,000	310,000
Travel, Meetings, Trainings & Conferences	20,400	20,400	36,500	36,500
Dues, Licenses and Fees	3,000	3,000	10,000	10,000
Materials Postage and Telephone	700	700	700	700
Customer Service Management	106	855	80	83
Planning & Evaluation Allocation	41,379	37,956	27,994	28,733
Shared Office Space	55,571	54,969	84,499	83,679
IT Services	128,407	119,897	150,021	152,735
Administrative Expenses	167,363	160,826	189,126	253,633
<b>TOTAL EXPENSES</b>	<b>3,717,057</b>	<b>3,759,773</b>	<b>3,862,250</b>	<b>4,961,304</b>
Plus/minus Incentives committed for future yrs	6,031,280	6,288,613	1,415,447	445,565
<b>TOTAL EXPENSE, Action Plan</b>	<b>9,748,337</b>	<b>10,048,386</b>	<b>5,277,697</b>	<b>5,406,869</b>

# Draft 2019-2020 Action Plans

## Management and General

### Management and General Group Description

The Management and General group includes the executive, board relations, legal, finance, human resource and general office operations functions. It provides key leadership to support Energy Trust strategic goals and operations.

### 2019 Strategic Focus

- Support the board of directors.
- Seek continued improvements in program and administrative efficiencies, identifying metrics to measure productivity gains where practical and worthwhile.
- Enhance organizational and individual readiness and ability to serve and expand participation among an increasingly diverse customer base by supporting Energy Trust's diversity, equity and inclusion initiative.
- Develop staff and maintain culture of achievement and high employee engagement with attention to market forces, compensation and career opportunities.
- Focus on enhancing overall organizational efficiency, effectiveness and adaptability to achieve desired outcomes recommended by the organization review and budget review project teams in 2018.
- Continue to be open to and prepare for emerging policy and funding opportunities.
- Manage risk, compliance, human resources, financial reporting, auditing and facilities.
- Support business operations with contracting, regulatory monitoring and compliance.
- Support program goals of savings and generation acquisition through efficient and secure payment of incentives and other operating expenses.

### 2019 Activities—Ongoing and New

#### Executive

##### Manage organization effectively

- Begin implementation of budget review recommendations per the 2018 implementation plan to realize greater efficiencies, increase stakeholder engagement, increase program flexibility and more closely align the budget process with strategic plan priorities.

##### Establish 2020-2024 strategic direction

- Support Energy Trust's strategic planning development and public engagement for proposal and adoption of the 2020-2024 Strategic Plan.
- Create Energy Trust's 2020-2024 Strategic Plan, with guidance and direction from the board of directors.

##### Improve productivity and efficiency

- Begin implementation of organization review process and structure recommendations per the 2018 implementation plan to ensure optimal performance of Energy Trust in the current and future energy environment.

# Draft 2019-2020 Action Plans

## **Management and General**

- Continue coordinated executive trainings and work sessions covering a variety of business management topics to support Energy Trust's leadership.

### **Improve program performance and viability**

- Assess the value of lean startup methodologies by piloting solutions identified during the 2018 development period with small- to medium-sized businesses and low-income multifamily renters.

### **Increase customer participation and awareness**

- Support and implement the goals and objectives detailed in Energy Trust's diversity, equity, and inclusion operations plan. Further detail on 2019 activities related to executive oversight of implementation of the diversity, equity, and inclusion operations plan is outlined in the diversity, equity and inclusion action plan.
- Continue executive director customer and stakeholder engagement throughout Energy Trust territory to connect with utility partners, trade allies, stakeholders and board members.

## **Legal**

### **Manage organization effectively**

- Support the organization with contract review, negotiation and drafting to manage organizational legal risk and ensure efficient and effective operations.
- Provide informed and efficient legal advice services to program and other Energy Trust staff.
- Manage legal risk and monitor relevant policy developments that may impact Energy Trust; provide information and training as needed.

### **Establish 2020-2024 strategic direction**

- Support the board of directors in regular meetings and in strategic planning development and engagement activities, to culminate in the 2020-2024 Strategic Plan.
- Monitor 2019 regulatory and legislative policy developments and provide relevant legal and policy advice to Energy Trust.

### **Improve productivity and efficiency**

- Implement use of DocuSign in contract finalization and tracking processes.

### **Increase customer participation and awareness**

- Finalize data definitions for baseline information about contractors and supplier pool.
- Develop benchmarks for expansion of supplier chain contracting with a more diverse supplier pool and develop strategies to expand the contractor and supplier pool.
- Advise and support the organization on more inclusive contracting practices for Energy Trust contracted supplies and services.

## **Human Resources**

### **Manage organization effectively**

- Review regular human resource processes to ensure efficiency improvements are made when possible.

# Draft 2019-2020 Action Plans

## **Management and General**

- Support Energy Trust's strategic objectives with career development, staff support and focused succession planning.
- Manage and support Energy Trust's performance management process to promote Energy Trust's strategic objectives through motivation of staff.

### **Improve productivity and efficiency**

- Continue to support recruitment, hiring, and retention needs with focus on strategic staff planning, including increasing diversity in Energy Trust's workforce.
- Build on process development for improved manager onboarding and training for increased effectiveness and compliance.

### **Increase flexibility and adaptability**

- Continue to invest in staff development, including the career development program, to support managers and employees in developing critical skills and competencies needed to achieve strategic goals, broaden workforce capacity and retain a high performing staff.
- Begin implementation of recommendations from the organizational review project related to human resources processes, organizational structure and employee engagement.

## **Finance**

### **Manage organization effectively**

- Continue to provide high quality financial services.
- Obtain an unmodified financial audit and 401k audit.
- Coordinate a five-year management review.

### **Establish 2020-2024 strategic direction**

- Support strategic planning efforts with financial data.

### **Improve productivity and efficiency**

- Submit requests for proposals for banking and audit essential services.
- Implement document workflow and data capture for W9s.
- Develop approval workflows for financial processes.
- Optimize vendor record management.
- Develop plan for electronic payment of incentives.

## **Diversity, Equity and Inclusion Activities**

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

## Draft 2019-2020 Action Plans

### Management and General

- Provide leadership and direction for the organization's diversity, equity and inclusion committee, goals and efforts.

### 2019 Key Assumptions, Risks and/or Challenges

- Management of the organization will continue to evolve to maintain a highly efficient and effective enterprise.
- Pressure will continue to maintain low administrative costs, meet and exceed expectations, and adapt to changes as they arise.
- The continuing competitive employment market may give rise to increased staff turnover and upward pressure on compensation.
- A dynamic policy, legislative and regulatory environment could impact Energy Trust's strategic direction and objectives, and scenario planning associated with strategic plan development will be undertaken.

### 2020 Expected Changes

- Career development pathways will be developed and integrated into human resources processes.
- DocuSign processes will be more widely used throughout the organization, with potentially significant impact to contract finalization and tracking processes.

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	2,526,563	2,321,842	2,969,053	3,161,612
Agency Contractor Services	176,000	150,000	295,420	86,500
Planning and Evaluation Services	5,000			
Other Professional Services	1,204,750	1,112,550	1,200,050	1,189,550
Travel, Meetings, Trainings & Conferences	108,400	99,794	113,700	113,700
Dues, Licenses and Fees	38,610	37,734	28,105	28,105
Materials Postage and Telephone	10,400	7,726	13,500	13,500
Miscellaneous Expenses	1,500	1,712	1,500	1,500
Planning & Evaluation Allocation	11,285	10,352	4,190	4,300
Shared Office Space	215,608	213,272	312,945	309,907
IT Services	498,206	465,188	555,608	565,659
<b>TOTAL EXPENSE</b>	<b>4,796,322</b>	<b>4,420,170</b>	<b>5,494,071</b>	<b>5,474,333</b>

# Draft 2019-2020 Action Plans

## General Communications and Outreach

### General Communications and Outreach Description

#### (Part of Communications and Customer Service Group)

The Communications and Customer Service group engages customers, stakeholders and the public through general communications, results reporting, public relations, marketing, outreach, education initiatives, online resources and social media. Communications and Customer Service creates and strengthens public awareness of the value of energy efficiency and renewable energy; supports customer access to information and cash incentives; positions Energy Trust as a valued expert resource; expands the organization's reach to new customers and stakeholders; and supports organizational transparency and accountability.

Work is performed by Communications and Customer Service staff in coordination with program staff, operations staff and program contractors. Staff apply expertise in internal and external organizational communications, project management and change management, and tap contracted resources for project support, creative services, market research, website and electronic forms development.

### 2019 Strategic Focus

- Deliver stakeholder and customer communications, and provide program and organizational communications support during periods of change or transition. Respond to data requests and inquiries related to regulatory and policy proceedings.
- Drive innovation online to reduce costs and better serve customers and stakeholders with targeted resources and easier online transactions using digital workflows and signatures.
- Increase early engagement in the customer journey, using market insights to provide information and tools to facilitate learning and create customer readiness for program participation.
- Lead general outreach in coordination with programs and contracted resources to increase regional awareness, develop new relationships, and facilitate connections to offers and services, including through community planning processes.
- Support achievement of goals in diversity, equity and inclusion operations plan, including increased engagement and participation by diverse and underserved communities and customer groups.

### 2019 Activities—Ongoing and New

#### Manage organization effectively

- Deliver quarterly and annual public reports, strategic plan dashboard, utility reports and data analysis as requested. Support delivery of information and data for reports to the legislature and others regarding the public purpose charge.
- Serve as resource to board and executive director. Coordinate four executive director trips across the service territory to meet with stakeholders, customers and public. Provide general board meeting support and execution of one board meeting held outside Portland.
- Provide information on organizational results, benefits and value to inform ratepayers, stakeholders, media and others of the benefits of Energy Trust's work, through a variety of promotional activities, regular communications and information sessions.

# Draft 2019-2020 Action Plans

## **General Communications and Outreach**

- Deliver organizational communications, including presentations, public meeting notes, strategic plan development and budget outreach communications.
- Support staff with internal communications resources, including change management, for significant projects or process changes.
- Develop and execute on a plan to ensure the organization's diversity, equity and inclusion activities, findings and overall progress to the 10 goals identified in the diversity, equity and inclusion activities operations plan are transparently and clearly communicated to the public through standard reporting and other communications.

### **Establish 2020-2024 strategic direction**

- Support the development, drafting and public review of the 2020-2024 Strategic Plan, utilizing market and customer insights, informing multiple engagements with utilities, advisory councils, the board of directors and other stakeholders, and implementing a public outreach and communications plan in summer 2019.

### **Improve productivity and efficiency**

- Expand the use of DocuSign to deliver digital workflow and signature solutions for internal and customer facing processes identified for optimization, reducing document turnaround time and enhancing customer experience.
- Assess Energy Trust on-demand training needs and recommend a standardized approach for creating and maintaining training in order to make the delivery of business critical trainings more efficient
- Continue to enhance the performance and usage of CRM system for stakeholder relationship tracking.
- Assess standard reports to further streamline their delivery; enhance PowerBI and other reporting tools to improve standard and ad hoc reporting capabilities.
- Review board and advisory council notes for their greatest internal and public value, and work toward streamlining note taking and the final notes product.
- Assess opportunities to use external firm for additional execution of advertising planning, tracking and placement to increase operational efficiency.

### **Increase flexibility and adaptability**

- Implement and operationalize the use of an online content optimization platform that allows for real-time experimentation and adjustment of website content to reflect customer preference by factors such as geography and demographics.
- Provide project management, change management and other expertise to support cross-organization innovation efforts including pursuit of a small grant as a learning opportunity.
- Support organization review and budget review implementation activities as the organization identifies priority activities. Resources to support operational changes, project needs and enhancements will need to be prioritized to determine timing and resource availability.

# Draft 2019-2020 Action Plans

## General Communications and Outreach

### **Improve program performance and viability**

- Provide leadership, meeting facilitation and communications support for Conservation Advisory Council and communications support for Renewable Advisory Council.
- Monitor opportunities to leverage new funding opportunities to extend existing programs, such as manufactured homes replacement.
- Facilitate meeting of internal team to coordinate activities engaging low- and moderate-income customers and agencies.
- Deliver communications and outreach support for new or modified program offerings and any changes in foundational planning assumptions; for instance, transitions in the lighting market, manufactured home replacement pilot, and significant measure or incentive changes.
- Provide dedicated support to the renewable energy sector for marketing, outreach and communications planning and implementation.

### **Increase customer participation and awareness**

- Gain key insights from research and provide messaging information to programs for communications that resonate with customer audiences.
- Leverage media and community interest to increase customer awareness of the value of energy efficiency, renewable energy and Energy Trust as a resource.
- Lead organizational marketing efforts that increase awareness of Energy Trust's offers and impact, tracking effectiveness to continuously improve response.
- Support energy efficiency and renewable energy program marketing and communications through centralized production design, creative services management, bulk email, media purchasing and relationships, and brand and style guidelines.
- Collaborate with program marketing to ensure effective teamwork for accomplishing program and organizational marketing and communications goals.
- Maintain and enhance the organization's website, campaign microsites, social media accounts and bulk email platform, using best practices to ensure the best digital customer experience.
- Manage translation services for general marketing and update translated products as needed.
- Support the maintenance of online self-service tools such as customer application webforms and downloadable electronic forms, and lead strategy to increase operational efficiency and boost customer satisfaction through the enhancement of those tools.
- Lead support of and strategy for the use of email marketing data collection tools that provide programs with enhanced customer intelligence for targeted marketing activities.
- Further develop educational content on the web, using insights from external research and analytics from existing content.
- Maintain outreach staff, especially in Eastern and Southern Oregon, to ensure Energy Trust is optimally serving as a resource to community, business, local governments and public sector stakeholders. Leverage local efforts and partnerships to spur participation in Energy Trust programs.
- Identify, review and approve requests for sponsorships, event participation and Energy Trust memberships through streamlined process, and support efforts to recognize customer and communities at project milestones.

## Draft 2019-2020 Action Plans

### General Communications and Outreach

- Continue helping local communities advance energy initiatives and identify projects qualifying for services or cash incentives through efforts that build local capacity, such as AmeriCorps Resource Assistance for Rural Environments interns, community workshops including, “Making Energy Work in Rural Communities” workshops, data and information provided through community energy planning, and support and resources for utility-specific community outreach.
- Identify opportunities to apply relationship mapping tool to highlight potential strategic partnership benefits.
- Support the Built Environment Efficiency Working Group with energy efficiency and renewable energy program design, delivery and evaluation expertise as the group implements Governor Brown’s Executive Order No. 17-20.
- Implement approach for meeting diversity, equity and inclusion goal six by developing the systems and tools to increase our knowledge and understanding of underserved markets through relationships with community-based organizations.

### Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Provide leadership support for diversity, equity and inclusion goals related to reporting and transparency and increasing market awareness.
- Maintain and continue to increase Energy Trust’s compliance with web accessibility standards across all our digital properties, including web forms.
- Continue to seek new and underutilized media outlets, and form relationships with various community organizations, to reach underserved audiences.
- Provide support to Diversity Advisory Council as it is formed in 2019, similar to support for board and other councils.
- Provide communications, outreach and leadership for diversity, equity and inclusion staff chair and committee.

### 2019 Key Assumptions, Risks and/or Challenges

- The state legislature will meet for its biennial long session, which is assumed to include multiple potential policies related to carbon, climate and energy that could intersect with Energy Trust’s programs and services. Staff resources will be made available as needed to respond to inquiries, testimony requests or other information needs.
- Staff will be ready to support the Oregon Public Utility Commission, utilities, state and federal agencies and other stakeholders, with information and data as requested, to inform dockets, rulemaking and other proceedings that could influence Energy Trust’s mission, funding or programs.

## Draft 2019-2020 Action Plans

### General Communications and Outreach

#### 2020 Expected Changes

- Group will support the organization in delivering on any new initiatives or activities resulting from the 2019 Management Review or 2020-2024 Strategic Plan.
- Educational content on the web will be evaluated and revised based on performance, and K-12 education efforts will be re-evaluated for potential investment
- We anticipate a brand refresh project will be needed as a general update and in support of the 2020-2024 strategic plan.

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Forecast</u>	<u>2019</u> <u>Budget</u>	<u>2020</u> <u>Projection</u>
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	1,873,311	1,878,855	2,057,739	2,204,145
Agency Contractor Services	50,000	50,000	40,000	
Planning and Evaluation Services	125,000	70,000	55,000	55,000
Advertising and Marketing Services	1,047,000	1,028,000	1,172,000	1,071,000
Other Professional Services	194,000	181,000	125,000	45,000
Travel, Meetings, Trainings & Conferences	72,000	72,000	68,500	63,500
Dues, Licenses and Fees	18,000	18,000	16,500	16,500
Materials Postage and Telephone	3,500	3,500	4,000	3,000
Planning & Evaluation Allocation	188,088	172,527	128,831	132,228
Shared Office Space	177,197	175,277	236,197	233,904
IT Services	409,449	382,313	419,349	426,935
<b>TOTAL EXPENSE</b>	<b>4,157,545</b>	<b>4,031,472</b>	<b>4,323,116</b>	<b>4,251,212</b>

# Draft 2019-2020 Action Plans

## Customer Service and Trade Ally

### Customer Service and Trade Ally Description

#### (Part of Communications and Customer Service Group)

Energy Trust's Communications and Customer Service group provides staff, services and resources to administer and manage customer experience and the trade ally network. Communications and Customer Service provides customers access to information, services and cash incentives; supports a consistent and positive customer experience; and ensures contractor access to offers, training and customer leads. This is accomplished by working with programs and operational support groups on standards, training and strategic planning to support customers and a network of informed contractors with high-quality customer service.

The Customer Service and Trade Ally team delivers services through staff based in Communications and Customer Service, a call center contract for call-taking and administrative services, a trade ally insurance verification contract, and coordination across all Energy Trust business functions. Staff also coordinate with customer service and trade ally specialists at program delivery contractors.

### 2019 Strategic Focus

- Support Energy Trust's diversity, equity and inclusion operations plan by expanding the enrollment of minority- and women-owned contractors and increasing the number of projects submitted.
- Develop and reinforce the value of ally membership in a dynamic market with potentially decreasing incentives and program changes.
- Seek operational efficiencies across all functional areas through examination of core processes and identification of long-term customer experience goals, key performance metrics and support service needs.
- Work with programs to expand customer awareness of Energy Trust's ally network throughout our service territory to help drive savings and lower customer acquisition costs for contractors.

### 2019 Activities

#### Improve productivity and efficiency

- Continue support for customer and stakeholder relationship management system enhancements.
- Continue implementation of changes to residential trade ally portal to maintain and enhance use of the tool for trade allies and increase number of users.
- Ensure call center service levels are met by establishing and maintaining service level agreements, customer experience core values, training, call quality scoring and interactive voice response system.
- Collaborate with forms manager and program staff to improve user experience for paper and online customer application forms and to ensure timely updates and maintenance of forms.
- Collaborate with operations analyst and business systems team to improve trade ally data for market research, enhancements to the online enrollment form, and development of a dynamic dashboard.
- Collaborate with programs and IT to build a means to track projects completed by minority- and women-owned businesses.
- Support program and support team initiatives and changes including exploration of an electronic payment solution and Existing Multifamily program redesign.

# Draft 2019-2020 Action Plans

## **Customer Service and Trade Ally**

- Implement improvements to trade ally administration and offerings utilizing learnings from 2018 trade ally survey.

### **Increase flexibility and adaptability**

- Provide project management, change management, and other expertise to support cross-organization projects and teams.
- Support lean startup projects by actively participating in project teams, conducting voice-of-customer interviews, and working with programs to implement identified solutions from the 2018 small- and medium-sized businesses and low-income multifamily projects.

### **Improve program performance and viability**

- Manage complaint resolution, escalation protocols and tracking in CRM software.
- Support market research efforts by ensuring trade ally and customer perspectives are captured.
- Administer the Trade Ally Network, in alignment with program strategies, to ensure compliance and contractor access to program and technical information, updates through forums, newsletters and other targeted communications and access to business development funds.
- Enhance online communications targeting trade allies, including the Insider newsletter.
- Provide strategic direction and guidance to programs and business functions to ensure high-quality customer service. Convene customer service staff from all business functions to ensure continuous process improvements and exceptional service to customers.
- Collaborate with programs to explore opportunities to expand lead generation services, similar to the current solar process, to efficiency programs.
- Work with the residential and solar programs to evolve the trade ally star rating based on customer and contractor feedback and start developing a scalable model to implement across more programs.
- Assess, design and implement redesign of our trade ally forums to meet contractor and Energy Trust's needs for training and communications and align with available resources.

### **Increase customer participation and awareness**

- Establish an outreach plan to increase awareness of the trade ally network by more contractors, particularly women- and minority-owned businesses, leveraging existing state and local events, associations and memberships.
- Collaborate with programs to expand customer awareness of Energy Trust's Trade Ally Network throughout our service territory to help drive savings and lower customer acquisition costs for contractors.
- Implement multi-lingual translation services across all contact centers to better support customers with limited-English proficiency.
- Serve as relationship managers, outreach representatives and support resources for customer, contractor and general outreach efforts and events.
- Implement a rural trade ally forum travel reimbursement stipend in Southern and Eastern Oregon to lower barriers to participation.

## Draft 2019-2020 Action Plans

### Customer Service and Trade Ally

#### Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- Assess outreach efforts, memberships and relationships that could increase trade ally diversity, including more women- and minority-owned businesses. Support outreach activities and track on progress toward established goals.
- Provide leadership for diversity, equity and inclusion goals related to increasing the number of enrolled minority- and women-owned contractors in the network and projects submitted by those contractors.
- Work with legal team to enhance professional conduct standards related to discrimination in delivery contracts and trade ally participation agreements.

#### 2019 Key Assumptions, Risks and/or Challenges

- Customer interest in simplified, online and self-service options will continue, resulting in a need to be aware of best practices, stay current on service options and work closely with IT on long-term planning.
- Challenges to cost-effectiveness will continue to drive changes to incentives and offerings, requiring Energy Trust to continuously adapt and evolve to provide value to our ally network and customers.
- Energy Trust's diversity, equity and inclusion operations plan will require significant coordination and development of a cross-organizational strategy.

#### 2020 Strategic Focus

- Support programs as a change management resource as delivery mechanisms or strategy evolve to meet market needs.
- Continue to increase participation of underserved customers and communities and targeted enrollment of trade allies to ensure Energy Trust's trade ally network is equipped to serve them.

## Draft 2019-2020 Action Plans

### Customer Service and Trade Ally

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	386,639	382,447	367,559	394,972
Agency Contractor Services				
Planning and Evaluation Services		25,000	15,000	15,000
Advertising and Marketing Services	26,000	1,000		
Other Professional Services	205,500	230,500	205,000	246,550
Travel, Meetings, Trainings & Conferences	40,200	40,600	46,590	47,000
Dues, Licenses and Fees	400			
Materials Postage and Telephone	1,350	1,350	1,350	1,350
Shared Office Space	38,132	37,719		
IT Services	88,111	82,272		
<b>TOTAL EXPENSE</b>	<b>786,332</b>	<b>800,888</b>	<b>635,499</b>	<b>704,872</b>

# Draft 2019-2020 Action Plans

## Planning and Evaluation

### Planning and Evaluation Group Description

The Planning and Evaluation group is comprised of the Planning team, Planning Engineering team and Evaluation team.

The Planning team develops estimates of efficiency program costs and savings. The team works with utilities to develop forecasts for long-range savings and cost goals; updates avoided costs; develops cost-effectiveness tools; provides planning support to renewables team; helps develop long- and short-term plans; works with program groups to integrate plans into program strategies, including projects to defer utility investments in local transmission and distribution; serves as a point of coordination on market research; and manages savings and cost-effectiveness reporting. The Planning team also participates in strategic plan and policy development, focusing on economic and quantitative issues.

The Planning Engineering team oversees the measure development process and acts as quality control agent for Energy Trust's estimates of measure energy savings, cost and cost-effectiveness. The team also coordinates the integration of emerging technologies into Energy Trust markets and programs.

The Evaluation team assesses the effectiveness of efficiency and renewable energy program implementation, and estimates savings and generation on a retrospective basis. This team also performs and supports market research; performs and supports qualitative and quantitative analysis; creates and updates efficiency measures in Energy Trust's Project Tracking system; manages complex data for Energy Trust, such as third-party data and utility customer information data; participates in regional research projects; and creates and maintains datasets for program and evaluation use.

### 2019 Strategic Focus

- Enhance Energy Trust's ability to focus on capacity savings, not just energy, from efficiency and renewable energy technologies and programs. This includes understanding the value, quantifying savings, forecasting and helping programs maximize peak savings.
- Expand the portfolio of measures that both save energy and provide load control options.
- Solidify approaches to using market data to identify and target underserved markets.
- Begin to systematize the analytic approach to using efficiency and renewable energy to defer investments in the local grid.

### 2019 Activities—Ongoing and New

#### Manage organization effectively

- Deliver enhanced energy efficiency supply and cost estimates for use in integrated planning processes for the five utilities that fund Energy Trust.
- Communicate with stakeholders to provide transparency on forecast modeling and gather feedback on how to improve methods.
- Ensure accuracy of energy savings and benefits reporting by Energy Trust.
- Continue to enhance benefit/cost sensitivity analysis tools for use in the budget process.
- For Energy Trust standard and other reports, provide analysis and summarize savings, generation and economic performance.

# Draft 2019-2020 Action Plans

## Planning and Evaluation

- If the proposal receives support from the board and OPUC, convert Energy Trust's goal, reporting and cost-effectiveness policies from net savings (adjusted for market effects) to gross savings (including market transformation).
- Develop and update prescriptive efficiency measures and simplified calculation tools as needed.
- Improve estimates of peak reduction from energy efficiency savings and renewable generation.
- Develop improved energy savings and savings shapes for selected measures that more accurately reflect summer peak savings. Employ metered data and analysis and explore processes to synthetically manufacture these shapes.
- Assist the renewable energy sector in analyzing and assessing specific renewable energy investments.
- Support regional end use load research project and use data from the initial sample of metered residential sites to increase understanding of load shapes of energy savings.
- With the utilities and OPUC, discuss adjusting the data transferred between Energy Trust and the utilities.
- Work with IT to create a dataset of calendarized utility customers information data and an integrated dataset combining Energy Trust, utility customers information and third-party data in a central location. Socialize and train analysts on these datasets, and support programs in utilizing the datasets for research and analysis.
- Deliver impact evaluations of savings from all major efficiency programs and select renewable energy programs. Adjust methods to reflect increased importance of peak savings and generation.
- Use evaluation results and other intelligence to true up energy savings recorded in systems.
- Conduct process evaluations on a periodic basis for all major programs.
- Update avoided costs to reflect outcomes from OPUC Docket UM 1893 and incorporate these avoided costs into 2019 planning for 2020 implementation.
- Develop framework to quantify value of energy savings in changing industry landscape where utilities are capacity constrained.
- Release new avoided costs for measure and program planning work in 2019 to prepare for 2020 implementation.

### **Establish 2020-2024 strategic direction**

- Provide scenarios and concepts for strategic planning goals and objectives.
- Support writing of draft strategic plan and engagement with key audiences to refine plan.

### **Improve productivity and efficiency**

- Improve the communication and coordination regarding the recently upgraded measure development and pilot processes.
- Establish process for addressing scenarios and uncertainties in stakeholder engagement regarding measure changes.
- Support efforts by programs to develop a standardized and streamlined approach to assess when to discontinue incentives and/or support services for efficiency measures.
- Expand the portfolio of demand response and energy efficiency measures jointly funded by utilities (for demand response) and Energy Trust.

# Draft 2019-2020 Action Plans

## Planning and Evaluation

- Roll out new, electronic process for requesting new measures and making changes to existing measures.

### **Increase flexibility and adaptability**

- Use Regional Technical Forum planning savings estimates where appropriate, and use other tools to simplify savings estimation for pilots.
- Identify how to prioritize and test the most important technologies that nearly ready the market.
- Expand training on how to use pilot and field test processes efficiently.
- Accelerate the process for developing and refining datasets to support participation, market and other analyses.

### **Improve program performance and viability**

- Provide support and expertise to staff conducting market research.
- Work with programs to implement program delivery structures that conform to OPUC policy requirements, such as evolving avoided costs.
- Broaden program initiatives to work with service providers who remotely control end-use equipment (such as lighting fixtures, HVAC equipment and water heaters) to ensure efficient operations.
- Continue technical analysis and support for Pacific Power transmission and distribution deferral pilots and a NW Natural pipeline deferral pilot. Respond to opportunities for similar pilots with other utilities.
- Complete process evaluations of transmission and deferral pilots and start evaluating other similar pilots, as needed. Draw lessons about requirements for success for these efforts and determine applicability of specific analytic techniques and value of various resources.

### **Increase customer participation and awareness**

- Help programs create actional metrics, goal structures, and strategies for reaching historically under-served customer groups.
- Incorporate diversity and equity considerations into staff recruitment and contractor selection.
- Develop, test and refine datasets that support targeted marketing to high-savings-yield and high potential under-served markets.

## **Diversity, Equity and Inclusion Activities**

- Apply diversity, equity and inclusion lens to selection of task order contractors and to staff recruitment.
- Evaluate the organization's success reaching underserved customers and markets.

## **2019 Key Assumptions, Risks and/or Challenges**

- In early 2019, Energy Trust expects to receive updated avoided costs from utilities, and it is anticipated that the updated values will include an improved valuation of savings that occur during utility peaks. The update may both reduce the forecast value of efficiency and shift the value to further emphasize measures with summer savings. The magnitude and impact of these changes is not entirely known but will influence the overall value of energy efficiency.

## Draft 2019-2020 Action Plans

### Planning and Evaluation

- It is not known whether legislation will lead to a statewide program to reduce carbon emissions, nor how that will impact the value of efficiency and renewable energy delivered by Energy Trust.

### 2020 Expected Changes

- 2020 may bring significant adjustments to programs due to continued market adoption of efficient technologies and expected Federal efficiency standards for lighting.
- There may be further changes to avoided cost as the Oregon regulatory process addresses fundamental changes in power markets and the role and value of efficiency and renewable energy.

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	1,852,595	1,837,816	1,908,179	2,040,938
Planning and Evaluation Services	565,000	385,247	355,000	285,000
Other Professional Services	100,000	50,000		
Travel, Meetings, Trainings & Conferences	34,700	34,700	34,700	34,700
Dues, Licenses and Fees	74,338	82,598	82,598	82,598
Shared Office Space	172,430	170,562		
IT Services	398,434	372,028		
<b>TOTAL EXPENSES</b>	<b>3,197,497</b>	<b>2,932,951</b>	<b>2,380,477</b>	<b>2,443,236</b>

# Draft 2019-2020 Action Plans

## Information Technology

### Information Technology Group Description

The Information Technology (IT) group builds technical mastery and continuously improves and enhances systems to deliver business value in collaboration with engaged product owners and users. The group builds and utilizes professional and technical skills to provide effective and efficient IT resources required by energy programs and operational support groups. IT resources include hardware, infrastructure, information systems, reporting capabilities and technical support.

### 2019 Strategic Focus

- Enhance foundational systems, including Project Tracking (PT), Customer Relationship Management (CRM) and web services.
- Continue revision of data and reporting infrastructure to accommodate changing data and reporting needs from the business, including new visual presentation tools for data.
- Complete assessment of migration of applications to the cloud-computing environment, including proofs of concept for select applications.

### 2019 Activities—Ongoing and New

#### Manage organization effectively

- **IT staff time allocation:** Maintain general distribution of IT staff time. Operations support, administrative, professional development and outreach: 30 percent. Foundational improvements and upgrades: 30 percent. Enhancements and projects: 40 percent.
- **Operations support:** Offer technical support and consultation for hardware and applications.
- **Help desk:** Utilize a centralized model for intake, tracking and resolution of user help requests.
- **System and hardware updates:** Deploy software updates and patches to desktop applications, operating systems, and preventative and emergency hardware replacement.
- **Backup and recovery:** Create nightly backups of email, files and data that staff can be restored as needed to recover from various potential data-loss scenarios.
- **Bug fixes:** Develop fixes to reported bugs in PT and CRM.
- **Relieve technical debt:** Develop changes to improve underlying architecture of IT systems, removing known issues that impede performance, flexibility or robustness of systems.
- **Enhancements to PT, CRM and Business Intelligence (BI):** Develop systems changes to address reported user needs as prioritized by the business systems prioritization team.
- **Support for business systems prioritization team:** Consult with members of team in assessment of enhancements, including technical analysis.
- **IT Steering Committee:** Rely on IT steering committee to allocate IT resources among large projects and enhancements.
- **Professional development:** Support staff development of mastery of areas of technology that improve Energy Trust systems or IT processes.
- **Use external resources to increase capacity:** Bring in external systems analysis and development resources to supplement staff.

# Draft 2019-2020 Action Plans

## Information Technology

### Improve productivity and efficiency

- **Migrate select applications and services to the cloud:** Move some applications to the cloud and investigate the potential of moving others.
  - Applications most likely to move to the cloud: Microsoft Office 365 applications, SharePoint records center
  - Applications to investigate move to the cloud: Project Tracking (PT), Microsoft CRM, SQL reporting database, additional databases, file share
- **Update forecasting functionality in PT:** Enhance system to eliminate duplicate project data entry and improve organizational ability to report on forecasted projects.
- **Integrate measure maintenance and approval process into PT:** Add functionality to PT to track and archive all documents and approvals related to measure approval and maintenance, replacing the current manual process.
- **Lighting tool updates:** Support team tasked with updating existing lighting tool architecture based on recommendations from 2018 Lighting Tool Assessment team.
- **Lean small- and medium-sized businesses product implementation:** Support the lean team as it implements programs and offerings for small- and medium-sized businesses.
- **Industrial scoping tool:** Work with the Industrial sector to integrate appropriate portions of the scoping tool to Energy Trust systems.
- **If decision is made to convert from net to gross savings:** Work with Planning and Evaluation and Program groups to adjust systems, data warehouse and reports to accommodate shifting from net to gross reported savings.
- **Continue restructuring our approach to reporting data:** Based on feedback from staff interviews in 2017, restructure how we surface views of data to users, improve the quality control process for data through sanctioned datasets, and support the introduction of Microsoft PowerBI for dashboards, reporting and visual presentation.
- **Merging and refactor of Great Plains/Vendors and CRM accounts:** Work with Operations Analysts and Finance group to adjust systems, data warehouse and reports to accommodate merging of vendor records to eliminate duplicate accounts in CRM.
- **Selection and implementation of new budget system:** Support the Finance team in their work to select and implement a new budget system
- **Scoping of electronic payment:** Support Finance team in scoping the viability, approach and security involved in expanding the use of electronic payments.
- **Implement revised approach to file sharing:** Implement proposal developed in 2018 for how to protect security of file server documents while allowing for file sharing and collaboration.
- **Planning for email record retention:** Work with the Legal team to create a plan for email record retention.
- **Upgrade servers to Windows 2016:** Update servers to the most recent version of the operating system to keep systems up to date and take advantage of technology advancements.
- **Upgrade to SQL Server 2017:** Update enterprise database software to the most recent version to keep systems up to date and take advantage of technology advancements.

# Draft 2019-2020 Action Plans

## Information Technology

- **Expand scope of disaster recovery environment:** Include additional resources to the disaster recovery environment. These changes will improve the ability of Energy Trust to continue operations in case of a disaster.
- **Implement multi-factor authentication:** Add additional required log in security features for remote access to Energy Trust systems.
- **Security assessment and implementation for data and access controls:** Complete a robust assessment of all access controls on our databases and implement recommended improvements to strengthen security.
- **Direct Access VPN for remote workers:** Implement a more streamlined technology for remote staff to access Energy Trust systems. Trial this with a limited group and assess viability and cost of wider roll out.

## Diversity, Equity and Inclusion Activities

*In 2018, Energy Trust developed indicators and focus areas based on a diversity, equity and inclusion data and baselining research to examine historical participation and set targets for programs. These focus areas relate to the three aspects of diversity—income, race and ethnicity, and rural and urban location—as described in the Energy Trust diversity, equity and inclusion operations plan developed in 2017.*

*In 2019, the Energy Trust will use its diversity, equity and inclusion indicators to measure progress in focus areas. Specific activities are listed below:*

- **Enable demographic data capture and analysis:** Update systems to support evolving needs of the organization to better collect, track, analyze and report on demographic information related to program participation and trade allies.

## 2019 Key Assumptions, Risks and/or Challenges

- **Significant backlog of systems enhancement requests:** IT currently has backlogs for CRM and PT enhancements that represent more than two years of work with current staff levels. Staff are approaching this challenge in several ways. First, staff are working with the business to create clearer estimates of the cost of each enhancement to better assess value, drop enhancements with limited value, and prioritize the enhancements with the highest value. Second, staff plan to include sprints between major projects dedicated solely to enhancements to give this area more focus. Third, staff will propose to continue engagement of contract staff to maintain throughput of enhancement work.
- **No significant changes needed to track program activities:** Programs will continue to track CRM and PT activities the same as in 2018.
- **IT job market in Portland will remain competitive:** There is significant demand for skilled IT professionals in the Portland market, which makes staff retention and hiring challenging.
- **Limit maximum number of IT projects:** In past years, staff found it challenging to balance multiple development projects at the same time. Managing more than two or three projects at once overwhelms the small team's ability to make progress due to frequent context switching. Sequencing development needs will continue to be an important aspect in addressing this challenge.

# Draft 2019-2020 Action Plans

## Information Technology

### 2020 Expected Changes

- Complete the migration of resources and applications to the cloud-computing environment.
- Modify systems and architecture based on a year of performance monitoring results.
- Extend proactive approach to assessing improvement to PT and CRM by working closely with business users to understand ongoing work processes.

	2018 Budget	2018 Forecast	2019 Budget	2020 Projection
<b>ETO Expenses</b>				
Employee Salaries & Fringe Benefits	2,126,503	2,107,011	2,204,807	2,344,478
Agency Contractor Services	500,000	400,000	518,500	424,000
Other Professional Services	180,000	80,000	32,000	22,000
Travel, Meetings, Trainings & Conferences	57,600	57,600	57,600	57,600
Dues, Licenses and Fees	1,200	1,200	1,200	1,200
Software and Hardware	330,779	330,778	350,509	340,241
Depreciation & Amortization	390,582	278,000	186,726	223,181
Materials Postage and Telephone	39,200	39,200	40,400	40,400
Shared Office Space	181,682	179,713		
<b>Total Expense</b>	<b>3,807,546</b>	<b>3,473,502</b>	<b>3,391,742</b>	<b>3,453,100</b>

# Draft 2019-2020 Action Plans

## Diversity, Equity and Inclusion

### Diversity, Equity and Inclusion Initiative Description

This diversity, equity and inclusion initiative action plan is provided as a summary of activities to support the organizational efforts to promote diversity, equity and inclusion. **The information and budget figures provided below are not a comprehensive accounting of all diversity, equity and inclusion activities or investments. Activities supported and implemented throughout the organization are embedded in program and support group action plans, and are not called out separately in this budget.**

Energy Trust strives to create a more diverse, equitable and inclusive organization to effectively serve our existing and expanding customer base. Energy Trust's diversity, equity and inclusion initiative spans all groups and activities in the organization. As this work continues to evolve, activities related to expanding participation have become more integrated into Energy Trust's program design, operations and work.

The initiative grew out of Energy Trust's 2015 -2019 Strategic Plan, which prioritized expanding participation and improving operations.

The initiative seeks to:

- Inform and shape all aspects of day-to-day work.
- Find eligible customers to participate in, benefit from and contribute to results.
- Develop a supportive culture for diverse employees to work together.
- Engage diverse customers and contractors through program participation and contracting for goods and services, including contracting for program management and delivery services.
- Expand customer insights to inform programs and organization.
- Measure progress.

### 2019 Strategic Focus

- Continue to learn about and better serve Oregon's increasingly diverse and dynamic customers and communities.
- Continue to focus on diversity, equity and inclusion to inform and drive programs that promote and expand participation among all ratepayers paying into the public purpose fund.
- Ensure achievement of the diversity, equity and inclusion operations plan, including progress toward 10 goals outlined in the plan.
- Use tools and build knowledge in diversity, equity and inclusion issues to ensure that they are considered at all stages of decision-making.

### 2019 Activities—Ongoing and New

#### Establish 2020-2024 strategic direction

- Apply a diversity, equity and inclusion lens in development of 2020-2024 Strategic Plan.
- Leverage the diversity, equity and inclusion operations plan to develop measurable outcomes for inclusion in the 2020-2024 Strategic Plan.
- Support the annual review and reconsideration of the board policy on diversity, equity, and inclusion.

#### Increase flexibility and adaptability

## Draft 2019-2020 Action Plans

### Diversity, Equity and Inclusion

- Continue organizational readiness activities to support diversity, equity and inclusion activities throughout the organization. Continue hosting speakers and panels related to diversity, equity and inclusion work and program design and implementation; hosting a diversity, equity and inclusion focused book club; and provide other support for building relationships with community-based organizations who can connect Energy Trust staff with a wider network of communities and individuals.
- Continue to support and lead a staff diversity, equity and inclusion committee, which serves as a hub of learning and support for diversity, equity and inclusion issues and strategies to serve all customers.

#### **Increase customer participation and awareness**

- Continue support to help the diversity, equity and inclusion committee ensure accountability and transparency with respect to the goals established in the operations plan.
- Launch a Diversity Advisory Council, a group of community stakeholders who can provide advice and counsel to the organization on matters of concern and issue to communities we serve. Diversity Advisory Council will also provide constructive, meaningful and informed feedback on data sets, program design and assumptions.

### **2019 Key Assumptions, Risks and/or Challenges**

- Diversity, equity and inclusion engagement involves outreach to community-based organizations and other groups who may not yet have familiarity with Energy Trust and its work. Ongoing and regular relationship building will require resources and time.
- Adding a diversity, equity and inclusion lens to Energy Trust's programs and operations will require attention to change management, and will require leadership to support productive change.

### **2020 Expected Changes**

- Diversity, equity and inclusion activities will become even more integrated into program design and operations.
- An accountability and transparency framework will be incorporated into diversity, equity and inclusion work through measurement and reporting on progress toward goals.

	2019	2020
Customer research and data collection	\$42,000	\$39,000
Development and support of new DEI Advisory Council	\$100,000	\$100,000
Organization readiness, support and training	\$190,300	\$190,300
<b>TOTAL</b>	<b>\$332,300</b>	<b>\$329,300</b>

2018 Budget Recap Spending and Savings - 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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	46.1	7.3	53.4	13.9	3.5	1,379,700	48.07
Business Energy Solutions – Multifamily	8.5	1.4	9.8	1.8	4.7	125,907	82.06
Business Energy Solutions – New Buildings	18.4	2.2	20.7	7.0	2.7	900,632	21.34
Mkt Transformation (Alliance)	3.0	0.2	3.2	1.8	3.2		
<b>Total Commercial</b>	<b>76.0</b>	<b>11.1</b>	<b>87.1</b>	<b>24.5</b>	<b>3.4</b>	<b>2,406,239</b>	<b>41.05</b>
<b>Industrial</b>							
Production Efficiency	38.5	2.8	41.3	18.0	2.4	1,669,134	15.79
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.1	2.4		
<b>Total Industrial</b>	<b>38.6</b>	<b>2.8</b>	<b>41.5</b>	<b>18.2</b>	<b>2.4</b>	<b>1,669,134</b>	<b>16.01</b>
<b>Residential</b>							
Home Energy Solutions – Residential	36.1	12.5	48.5	8.0	4.5	3,066,499	24.39
Mkt Transformation (Alliance)	4.1	1.0	5.1	5.2	0.9		
<b>Total Residential</b>	<b>40.2</b>	<b>13.5</b>	<b>53.7</b>	<b>13.2</b>	<b>3.3</b>	<b>3,066,499</b>	<b>26.98</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		0.9	0.9			162,880	38.52
Home Energy Solutions – Existing Homes		1.4	1.4			220,833	46.77
Home Energy Solutions – New Homes & Products		2.2	2.2			383,713	43.01
<b>Total Washington</b>	<b>154.8</b>	<b>29.7</b>	<b>184.5</b>	<b>55.89</b>	<b>3.0</b>	<b>7,525,585</b>	<b>28.34</b>
<b>Total Energy Efficiency</b>							

	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	10.0		3.8	1.50	6.70	0.00	-
Solar Electric	8.2		9.3	2.25	3.67	2.38	3.91
<b>Total Renewable Resources</b>	<b>\$18.3</b>		<b>\$13.1</b>	<b>3.75</b>	<b>4.88</b>	<b>2.38</b>	<b>\$5.5</b>

**TOTAL BUDGET - ALL**

**\$197.58**

1 some columns may not add due to rounding

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2018 Draft Annual Forecast**

	ENERGY EFFICIENCY							Oregon Total	NWN WA	ETO Total
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista			
<b>REVENUES</b>										
Public Purpose Funding	28,958,133	22,175,999	51,134,131		18,558,144	2,167,052	1,325,134	73,184,461		73,184,461
Incremental Funding	67,030,916	32,419,066	99,449,982	1,319,026				100,769,008	2,428,171	103,197,179
Revenue from Investments										
<b>TOTAL PROGRAM REVENUE</b>	<b>95,989,048</b>	<b>54,595,065</b>	<b>150,584,113</b>	<b>1,319,026</b>	<b>18,558,144</b>	<b>2,167,052</b>	<b>1,325,134</b>	<b>173,953,469</b>	<b>2,428,171</b>	<b>176,381,640</b>
<b>EXPENSES</b>										
Incentives	54,650,066	31,414,623	86,064,689	2,379,246	10,968,656	1,441,798	808,675	101,663,063	1,156,188	102,819,251
Program Delivery Subcontracts	30,588,438	18,807,169	49,395,607	955,909	6,187,653	831,468	412,333	57,782,969	559,871	58,342,840
Employee Salaries and Fringe Benefits	1,877,139	1,108,113	2,985,254	73,796	391,251	43,118	26,815	3,520,233	83,919	3,604,152
Agency Contractor Services	363,425	205,029	568,453	18,145	46,347	8,155	3,898	645,000	-	645,000
Planning and Evaluation Services	1,567,656	877,487	2,445,145	46,754	133,634	24,492	11,271	2,661,297	-	2,661,297
Advertising and Marketing Services	740,757	449,995	1,190,751	23,858	200,859	20,746	13,260	1,449,475	24,000	1,473,475
Other Professional Services	636,728	372,061	1,008,788	20,279	161,159	17,729	11,155	1,219,110	36,550	1,255,660
Travel, Meetings, Trainings and Conferences	57,425	34,548	91,973	1,529	16,875	1,530	1,091	113,000	5,250	118,250
Dues, Licenses and fees	26,641	16,194	42,835	1,519	4,180	1,049	472	50,057	37,343	87,400
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	3,886	2,424	6,311	266	305	88	31	7,000	-	7,000
Shared Office Space	190,981	113,512	304,493	7,824	38,575	4,295	2,636	357,823	7,211	365,034
Shared Information Technology	975,476	554,898	1,530,375	26,105	257,760	25,426	17,591	1,857,255	39,929	1,897,184
Customer Service Management	157,161	98,989	256,150	1,136	68,162	5,055	4,127	334,631	143	334,774
Trade Ally Management	177,272	103,868	281,140	5,255	47,920	5,317	3,409	343,040	43,815	386,855
Planning & Evaluation Management	1,293,478	748,721	2,042,197	33,959	327,172	34,085	22,814	2,460,228	151,823	2,612,051
<b>TOTAL PROGRAM EXPENSES</b>	<b>93,306,529</b>	<b>54,907,631</b>	<b>148,214,161</b>	<b>3,595,580</b>	<b>18,850,508</b>	<b>2,464,351</b>	<b>1,339,578</b>	<b>174,464,181</b>	<b>2,146,042</b>	<b>176,610,223</b>
<b>ADMINISTRATIVE COSTS</b>										
Management & General (Notes 1 & 2)	2,147,465	1,316,957	3,463,930	93,892	425,300	63,169	30,649	4,077,422	50,156	4,127,578
Communications & Customer Svc (Notes 1 & 2)	1,988,915	1,170,406	3,159,322	76,643	401,816	52,529	28,554	3,718,865	45,745	3,764,610
Total Administrative Costs	4,136,380	2,487,363	6,623,252	170,535	827,116	115,698	59,203	7,796,287	95,901	7,892,188
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>97,442,909</b>	<b>57,394,994</b>	<b>154,837,413</b>	<b>3,766,115</b>	<b>19,677,624</b>	<b>2,580,049</b>	<b>1,398,781</b>	<b>182,260,468</b>	<b>2,241,943</b>	<b>184,502,411</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>(1,453,861)</b>	<b>(2,799,929)</b>	<b>(4,253,300)</b>	<b>(2,447,089)</b>	<b>(1,119,480)</b>	<b>(412,997)</b>	<b>(73,647)</b>	<b>(8,306,999)</b>	<b>186,228</b>	<b>(8,120,771)</b>
<b>NET ASSETS - RESERVES</b>										
Cumulative Carryover at 12/31/17 (Note 3)	12,210,566	6,211,801	18,422,367	2,647,089	3,527,716	262,067	75,717	24,934,956	176,506	25,111,462
Change in net assets this year	(1,453,861)	(2,799,929)	(4,253,300)	(2,447,089)	(1,119,480)	(412,997)	(73,647)	(8,306,999)	186,228	(8,120,771)
Ending Net Assets - Reserves	10,756,705	3,411,872	14,169,067	200,000	2,408,236	(150,930)	2,070	16,627,957	362,734	16,990,691
<b>Ending Reserve by Category</b>										
Program Reserves (Efficiency and Renewables)	10,756,705	3,411,872	14,169,067	200,000	2,408,236	(150,930)	2,070	16,627,957	362,734	16,990,691
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>10,756,705</b>	<b>3,411,872</b>	<b>14,169,067</b>	<b>200,000</b>	<b>2,408,236</b>	<b>(150,930)</b>	<b>2,070</b>	<b>16,627,957</b>	<b>362,734</b>	<b>16,990,691</b>

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

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

Note 3) Cumulative carryover at 12/31/2017 reflects audited results.

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2018 Draft Annual Forecast**

	<u>RENEWABLE ENERGY</u>			<u>Other</u>	<u>TOTAL</u>
	<u>PGE</u>	<u>PacifiCorp</u>	<u>Total</u>		<u>All Programs</u>
<b>REVENUES</b>					
Public Purpose Funding	8,458,345	6,361,674	14,820,019	-	88,004,480
Incremental Funding				-	103,197,179
Revenue from Investments				600,000	600,000
<b>TOTAL PROGRAM REVENUE</b>	<u>8,458,345</u>	<u>6,361,674</u>	<u>14,820,019</u>	<u>600,000</u>	<u>191,801,659</u>
<b>EXPENSES</b>					
Incentives	4,660,244	4,344,738	9,004,982	-	111,824,233
Program Delivery Subcontracts	220,840	165,660	386,500	-	58,729,340
Employee Salaries and Fringe Benefits	559,364	581,342	1,140,706	-	4,744,858
Agency Contractor Services	80,629	84,371	165,000	-	810,000
Planning and Evaluation Services	25,677	20,923	46,600	-	2,707,897
Advertising and Marketing Services	138,939	105,561	244,500	-	1,717,975
Other Professional Services	371,638	322,361	693,999	-	1,949,659
Travel, Meetings, Trainings and Conferences	23,324	20,076	43,400	-	161,650
Dues, Licenses and fees	3,326	2,874	6,200	-	93,600
Software and Hardware	96,488	72,612	169,100	-	169,100
Materials Postage and Telephone	350	350	700	-	7,700
Shared Office Space	61,905	63,953	125,857	-	490,891
Shared Information Technology	135,025	139,492	274,518	-	2,171,702
Customer Service Management	32,876	25,011	57,886	-	392,660
Trade Ally Management	12,195	9,178	21,373	-	408,228
Planning & Evaluation Management	71,912	66,109	138,021	-	2,750,072
<b>TOTAL PROGRAM EXPENSES</b>	<u>6,494,732</u>	<u>6,024,611</u>	<u>12,519,342</u>	<u>-</u>	<u>189,129,565</u>
<b>ADMINISTRATIVE COSTS</b>					
Management & General (Notes 1 & 2)	151,789	140,802	292,591	-	4,420,169
Communications & Customer Svc (Notes 1 & 2)	138,441	128,420	266,862	-	4,031,472
<b>Total Administrative Costs</b>	<u>290,230</u>	<u>269,222</u>	<u>559,453</u>	<u>-</u>	<u>8,451,641</u>
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<u>6,784,962</u>	<u>6,293,833</u>	<u>13,078,795</u>	<u>-</u>	<u>197,581,206</u>
<b>TOTAL REVENUE LESS EXPENSES</b>	1,673,383	67,841	1,741,224	600,000	(5,779,547)
<b>NET ASSETS - RESERVES</b>					
Cumulative Carryover at 12/31/17 (Note 3)	7,073,073	6,268,079	13,341,152	9,641,309	48,093,923
Change in net assets this year	1,673,383	67,841	1,741,224	600,000	(5,779,547)
<b>Ending Net Assets - Reserves</b>	<u>8,746,456</u>	<u>6,335,920</u>	<u>15,082,376</u>	<u>10,241,309</u>	<u>42,314,376</u>
<b>Ending Reserve by Category</b>					
Program Reserves (Efficiency and Renewables)	8,746,456	6,335,920	15,082,376	-	
Loan Reserve				1,800,000	
Organization Contingency Pool				3,441,309	
Emergency Contingency Pool				5,000,000	
<b>TOTAL NET ASSETS CUMULATIVE</b>	<u>8,746,456</u>	<u>6,335,920</u>	<u>15,082,376</u>	<u>10,241,309</u>	<u>42,314,376</u>

**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)
<b>Commercial</b>							
Business Energy Solutions – Existing Buildings	43.9	8.1	51.9	11.87	4.1	1,670,405	44.20
Business Energy Solutions – Multifamily	6.9	1.5	8.4	0.99	6.2	114,721	91.48
Business Energy Solutions – New Buildings	16.4	2.3	18.8	4.64	3.7	639,034	31.32
Mkt Transformation (Alliance)	2.9	0.3	3.3	1.39	3.8		
<b>Total Commercial</b>	<b>70.1</b>	<b>12.2</b>	<b>82.3</b>	<b>18.89</b>	<b>4.2</b>	<b>2,424,160</b>	<b>45.27</b>
<b>Industrial</b>							
Production Efficiency	35.2	3.0	38.2	16.45	2.3	1,081,503	23.88
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.04	5.0		
<b>Total Industrial</b>	<b>35.4</b>	<b>3.0</b>	<b>38.3</b>	<b>16.49</b>	<b>2.3</b>	<b>1,081,503</b>	<b>24.24</b>
<b>Residential</b>							
Home Energy Solutions – Residential	27.5	16.6	44.1	4.66	5.4	2,467,393	44.31
Mkt Transformation (Alliance)	3.5	1.0	4.4	2.50	2.0		
<b>Total Residential</b>	<b>31.0</b>	<b>17.5</b>	<b>48.5</b>	<b>7.15</b>	<b>4.5</b>	<b>2,467,393</b>	<b>47.85</b>
<b>Washington</b>							
Business Energy Solutions – Existing Buildings		1.0	1.0			152,847	47.22
Home Energy Solutions – Residential		1.6	1.6			235,886	52.72
<b>Total Washington</b>		<b>2.7</b>	<b>2.7</b>			<b>388,733</b>	<b>50.38</b>
<b>Total Energy Efficiency</b>	<b>\$136.4</b>	<b>\$35.4</b>	<b>\$171.8</b>	<b>42.54</b>	<b>3.5</b>	<b>6,361,789</b>	<b>42.31</b>

**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	5.4		5.0	0.40	13.52	1.11	4.48
Solar Electric	9.4		9.7	1.64	5.75	1.89	5.10
<b>Total Renewable Resources</b>	<b>\$14.8</b>		<b>\$14.6</b>	<b>2.04</b>	<b>7.27</b>	<b>3.00</b>	<b>4.88</b>

**TOTAL BUDGET - ALL**

**\$186.4**

<sup>1</sup> some columns may not add due to rounding

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2020 Draft Annual Projection**

	ENERGY EFFICIENCY							Oregon Total	NWN WA	ETO Total
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista			
<b>REVENUES</b>										
Public Purpose Funding	30,143,000	22,420,314	52,563,314		24,058,144	2,867,052	2,125,134	81,613,644		81,613,644
Incremental Funding	52,874,804	31,812,130	84,686,934	3,924,362				88,611,296	2,670,797	91,282,093
Grant Revenue										
Contributions										
Revenue from Investments										
Gain or Loss on Investments										
<b>TOTAL PROGRAM REVENUE</b>	<b>83,017,804</b>	<b>54,232,444</b>	<b>137,250,248</b>	<b>3,924,362</b>	<b>24,058,144</b>	<b>2,867,052</b>	<b>2,125,134</b>	<b>170,224,941</b>	<b>2,670,797</b>	<b>172,895,738</b>
<b>EXPENSES</b>										
Incentives	41,074,988	26,468,261	67,543,248	2,326,858	12,448,900	1,515,865	1,075,568	84,910,439	1,442,372	86,352,811
Program Delivery Subcontracts	28,903,750	19,376,002	48,279,750	1,076,203	7,703,186	905,734	635,114	58,599,988	637,207	59,237,195
Employee Salaries and Fringe Benefits	1,955,000	1,290,568	3,245,569	100,348	605,733	63,202	45,102	4,059,954	122,759	4,182,713
Agency Contractor Services	275,036	178,369	453,405	17,693	51,517	7,673	6,120	536,410	-	536,410
Planning and Evaluation Services	1,498,158	1,013,808	2,511,966	38,882	193,424	19,477	15,124	2,778,871	25,000	2,803,871
Advertising and Marketing Services	710,217	481,718	1,191,934	28,897	305,024	30,972	21,673	1,578,500	17,000	1,595,500
Other Professional Services	1,209,223	697,232	1,906,456	47,385	348,473	37,427	31,509	2,371,250	21,550	2,392,800
Travel, Meetings, Trainings and Conferences	66,847	43,502	110,348	2,370	27,717	2,673	1,890	145,000	5,250	150,250
Dues, Licenses and fees	23,431	14,442	37,873	1,254	4,845	854	731	45,557	36,423	81,980
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	3,650	2,569	6,218	325	317	81	58	7,000	-	7,000
Shared Office Space	228,438	151,429	379,869	12,126	68,805	7,171	5,080	473,052	16,216	489,268
Shared Information Technology	965,675	606,579	1,572,254	30,073	398,331	37,817	28,026	2,066,500	56,633	2,123,133
Customer Service Management	105,862	76,086	181,948	598	86,539	7,181	4,837	281,106	-	281,106
Trade Ally Management	148,241	96,233	244,473	5,201	63,081	6,477	4,813	324,043	49,141	373,184
Planning & Evaluation Management	1,021,192	634,773	1,655,965	35,898	340,446	34,816	26,899	2,094,025	104,912	2,198,937
<b>TOTAL PROGRAM EXPENSES</b>	<b>78,189,710</b>	<b>51,131,573</b>	<b>129,321,279</b>	<b>3,724,109</b>	<b>22,646,340</b>	<b>2,677,418</b>	<b>1,902,547</b>	<b>160,271,700</b>	<b>2,534,463</b>	<b>162,806,163</b>
<b>ADMINISTRATIVE COSTS</b>										
Management & General (Notes 1 & 2)	2,410,737	1,581,812	3,992,548	112,720	727,020	84,486	59,792	4,976,566	76,738	5,053,304
Communications & Customer Svc (Notes 1 & 2)	1,872,110	1,228,389	3,100,498	87,535	564,584	65,609	46,433	3,864,659	59,592	3,924,251
<b>Total Administrative Costs</b>	<b>4,282,847</b>	<b>2,810,201</b>	<b>7,093,046</b>	<b>200,255</b>	<b>1,291,604</b>	<b>150,095</b>	<b>106,225</b>	<b>8,841,225</b>	<b>136,330</b>	<b>8,977,555</b>
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>82,472,557</b>	<b>53,941,774</b>	<b>136,414,325</b>	<b>3,924,364</b>	<b>23,937,944</b>	<b>2,827,513</b>	<b>2,008,772</b>	<b>169,112,925</b>	<b>2,670,793</b>	<b>171,783,718</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>545,247</b>	<b>290,670</b>	<b>835,923</b>	<b>-</b>	<b>120,200</b>	<b>39,539</b>	<b>116,362</b>	<b>1,112,016</b>	<b>-</b>	<b>1,112,020</b>
<b>NET ASSETS - RESERVES</b>										
Cumulative Carryover at 12/31/19 Draft Budget	2,243,596	1,608,747	3,852,342	161,538	1,269,768	287,550	219,239	5,790,438	428,495	6,218,932
Change in net assets this year	326,967	39,707	366,674	(54,980)	446,691	35,374	124,763	918,522	209,824	1,128,346
Interest Attributed										
<b>Ending Net Assets - Reserves</b>	<b>2,570,563</b>	<b>1,648,454</b>	<b>4,219,016</b>	<b>106,558</b>	<b>1,716,459</b>	<b>322,924</b>	<b>344,002</b>	<b>6,708,960</b>	<b>638,319</b>	<b>7,347,278</b>
<b>Ending Reserve by Category</b>										
Program Reserves (Efficiency and Renewables)	2,570,563	1,648,454	4,219,016	106,558	1,716,459	322,924	344,002	6,708,960	638,319	7,347,278
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
<b>TOTAL NET ASSETS CUMULATIVE</b>	<b>2,570,563</b>	<b>1,648,454</b>	<b>4,219,016</b>	<b>106,558</b>	<b>1,716,459</b>	<b>322,924</b>	<b>344,002</b>	<b>6,708,960</b>	<b>638,319</b>	<b>7,347,278</b>

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

Note 2) Admin costs are allocated for mgmt reporting only. GAAP for Not for Profits does not allow allocation of admin costs to program expenses.

**ENERGY TRUST OF OREGON**  
**Income Statement by Service Territory**  
**2020 Draft Annual Projection**

	RENEWABLE ENERGY			Other	TOTAL
	PGE	PacifiCorp	Total		All Programs
<b>REVENUES</b>					
Public Purpose Funding	8,818,842	6,427,824	15,246,666		96,860,310
Incremental Funding					91,282,093
Grant Revenue					
Contributions					
Revenue from Investments				600,000	600,000
Gain or Loss on Investments					
<b>TOTAL PROGRAM REVENUE</b>	<b>8,818,842</b>	<b>6,427,824</b>	<b>15,246,666</b>	<b>600,000</b>	<b>188,742,404</b>
<b>EXPENSES</b>					
Incentives	5,353,550	4,659,550	10,013,100		96,365,911
Program Delivery Subcontracts	187,289	150,727	338,016		59,575,211
Employee Salaries and Fringe Benefits	702,811	674,193	1,377,004		5,559,717
Agency Contractor Services	133,902	91,327	225,229		761,639
Planning and Evaluation Services	17,835	17,165	35,000		2,838,872
Advertising and Marketing Services	182,120	126,379	308,499		1,903,999
Other Professional Services	326,190	346,760	672,950		3,065,750
Travel, Meetings, Trainings and Conferences	36,680	30,820	67,500		217,750
Dues, Licenses and fees	8,567	7,433	16,000		97,980
Software and Hardware	90,010	61,390	151,400		151,400
Materials Postage and Telephone	350	350	700		7,700
Shared Office Space	94,602	90,234	184,836		674,103
Shared Information Technology	172,673	164,700	337,373		2,460,506
Customer Service Management	19,448	13,291	32,739		313,846
Trade Ally Management	10,606	7,234	17,840		391,026
Planning & Evaluation Management	58,823	48,948	107,772		2,306,708
<b>TOTAL PROGRAM EXPENSES</b>	<b>7,395,458</b>	<b>6,490,499</b>	<b>13,885,958</b>		<b>176,692,121</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General (Notes 1 & 2)	224,229	196,800	421,030		5,474,334
Communications & Customer Svc (Notes 1 & 2)	174,130	152,829	326,960		4,251,211
Total Administrative Costs	398,359	349,629	747,990		9,725,545
<b>TOTAL PROG &amp; ADMIN EXPENSES</b>	<b>7,793,817</b>	<b>6,840,128</b>	<b>14,633,948</b>		<b>186,417,666</b>
<b>TOTAL REVENUE LESS EXPENSES</b>	<b>1,025,025</b>	<b>(412,304)</b>	<b>612,718</b>	<b>600,000</b>	<b>2,324,738</b>
<b>NET ASSETS - RESERVES</b>					
Cumulative Carryover at 12/31/19 Draft Budget	11,443,991	5,927,267	17,371,257	10,841,309	34,431,498
Change in net assets this year	1,053,205	(456,811)	596,393	600,000	2,324,739
Interest Attributed					
Ending Net Assets - Reserves	<u>12,497,196</u>	<u>5,470,456</u>	<u>17,967,650</u>	<u>11,441,309</u>	<u>36,756,237</u>
<b>Ending Reserve by Category</b>					
Program Reserves (Efficiency and Renewables)	12,497,196	5,470,456	17,967,650		
Loan Reserve				1,800,000	
Organization Contingency Pool				4,641,309	
Emergency Contingency Pool				5,000,000	
<b>TOTAL NET ASSETS CUMULATIVE</b>	<u>12,497,196</u>	<u>5,470,456</u>	<u>17,967,650</u>	<u>11,441,309</u>	<u>36,756,237</u>

**Energy Trust of Oregon**  
**Administrative Expenses classified by OPUC Performance Measure**  
**Draft Annual Projection 2020**

	Total	Program	Administrative and Program Support
Incentives	\$96,365,911	\$96,365,911	-
Program Delivery Subcontracts	59,575,211	\$59,575,211	-
Employee Salaries & Fringe Benefits	15,705,863	\$7,881,580	7,824,283
Agency Contractor Services	1,272,139	\$761,639	510,500
Planning and Evaluation Services	3,193,872	\$3,122,946	70,926
Advertising and Marketing Services	2,974,999	\$1,903,999	1,071,000
Other Professional Services	4,568,850	\$3,312,300	1,256,550
Travel, Meetings, Trainings & Conferences	534,250	-	534,250
Dues, Licenses and Fees	226,383	-	226,383
Software and Hardware	510,971	-	510,971
Depreciation & Amortization	285,789	-	285,789
Office Rent and Equipment	1,060,570	-	1,060,570
Materials Postage and Telephone	138,355	-	138,355
Miscellaneous Expenses	4,500	-	4,500
<b>TOTAL Expenses</b>	<b>186,417,663</b>	<b>172,923,586</b>	<b>13,494,077</b>
			3,768,532
			5,474,333
			4,251,212
<b>TOTAL Expenses</b>			<b>13,494,077</b>
divided by			
Total Revenue without Interest			188,142,403
<b>OPUC Measure vs. 8%</b>			<b>7.17%</b>

**Energy Trust of Oregon**  
**Summary by Service Territory and Program**  
**2020 Draft Annual Projection**

	<b>PGE</b>	<b>Pacific Power</b>	<b>Subtotal Elec.</b>	<b>NWN Industrial</b>	<b>NW Natural Gas</b>	<b>Cascade</b>	<b>Avista</b>	<b>Subtotal Gas</b>	<b>Oregon Total</b>	<b>NWN WA</b>	<b>ETO Total</b>
<b>Energy Efficiency</b>											
<b>Commercial</b>											
Existing Buildings	\$26,531,282	\$17,351,807	\$43,883,089	\$1,814,874	\$4,244,683	\$1,071,526	\$922,176	\$8,053,258	\$51,936,347	1,022,498	\$52,958,845
Multifamily Bldgs	5,067,618	1,812,050	6,879,668		1,328,384	34,504	108,325	1,471,214	8,350,882		8,350,882
New Buildings	11,388,705	5,019,208	16,407,913	28,111	1,955,046	198,486	160,676	2,342,318	18,750,231		18,750,231
NEEA	1,678,454	1,252,304	2,930,758		310,974	34,552		345,526	3,276,284		3,276,284
<b>Total Commercial</b>	<b>44,666,059</b>	<b>25,435,368</b>	<b>70,101,427</b>	<b>1,842,985</b>	<b>7,839,087</b>	<b>1,339,068</b>	<b>1,191,177</b>	<b>12,212,317</b>	<b>82,313,744</b>	<b>1,022,498</b>	<b>83,336,242</b>
<b>Industrial</b>											
Production Efficiency	20,251,587	14,975,424	35,227,012	2,081,377	668,214	183,087	42,835	2,975,513	38,202,525		38,202,525
NEEA	70,926	52,919	123,845						123,845		123,845
<b>Total Industrial</b>	<b>20,322,514</b>	<b>15,028,343</b>	<b>35,350,857</b>	<b>2,081,377</b>	<b>668,214</b>	<b>183,087</b>	<b>42,835</b>	<b>2,975,513</b>	<b>38,326,370</b>		<b>38,326,370</b>
<b>Residential</b>											
Residential Combined	15,505,130	12,001,623	27,506,752		14,573,038	1,210,069	774,760	16,557,867	44,064,619	1,648,298	45,712,917
NEEA	1,978,856	1,476,436	3,455,292		857,606	95,290		952,896	4,408,188		4,408,188
<b>Total Residential</b>	<b>17,483,986</b>	<b>13,478,059</b>	<b>30,962,044</b>		<b>15,430,644</b>	<b>1,305,359</b>	<b>774,760</b>	<b>17,510,763</b>	<b>48,472,807</b>	<b>1,648,298</b>	<b>50,121,105</b>
<b>Energy Efficiency Program Costs</b>	<b>82,472,558</b>	<b>53,941,769</b>	<b>136,414,328</b>	<b>3,924,362</b>	<b>23,937,945</b>	<b>2,827,514</b>	<b>2,008,772</b>	<b>32,698,593</b>	<b>169,112,921</b>	<b>2,670,796</b>	<b>171,783,717</b>
<b>Renewables</b>											
Solar Electric (Photovoltaic)	5,750,528	3,922,115	9,672,643						9,672,643		9,672,643
Other Renewable	2,043,289	2,918,014	4,961,303						4,961,303		4,961,303
<b>Renewables Program Costs</b>	<b>7,793,817</b>	<b>6,840,129</b>	<b>14,633,946</b>						<b>14,633,946</b>		<b>14,633,946</b>
<b>Cost Grand Total</b>	<b>90,266,375</b>	<b>60,781,898</b>	<b>151,048,274</b>	<b>3,924,362</b>	<b>23,937,945</b>	<b>2,827,514</b>	<b>2,008,772</b>	<b>32,698,593</b>	<b>183,746,867</b>	<b>2,670,796</b>	<b>186,417,664</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2020 Draft Annual Projection**

**COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Washington (with NEEA)</b>	<b>Solar Renewables</b>	<b>Custom Renewables</b>	<b>ETO Total</b>
Incentives	27,512,340	2,448,370	9,710,717	-	20,385,382	-	24,853,631	-	1,442,372	6,568,000	3,445,100	96,365,912
Program Delivery Subcontracts	17,739,878	3,978,617	6,195,957	3,081,874	12,189,254	104,604	11,155,174	4,154,631	637,207	338,016	-	59,575,212
Employee Salaries and Fringe Benefits	749,867	304,483	372,059	-	1,342,913	-	1,290,631	-	122,759	742,863	634,141	5,559,716
Agency Contractor Services	226,010	45,000	29,999	-	177,339	-	58,060	-	-	225,229	-	761,637
Planning and Evaluation Services	767,900	110,000	511,445	-	624,777	-	764,751	-	25,000	35,000	-	2,838,873
Advertising and Marketing Services	351,001	56,000	133,000	-	299,000	-	739,500	-	17,000	302,499	6,000	1,904,000
Other Professional Services	827,250	445,000	160,000	-	361,999	-	577,000	-	21,550	362,950	310,000	3,065,749
Travel, Meetings, Trainings and Conferences	23,001	8,999	20,000	-	27,999	-	65,000	-	5,250	31,000	36,500	217,749
Dues, Licenses and fees	33,057	2,500	5,001	-	1,500	-	3,499	-	36,423	6,000	10,000	97,980
Software and Hardware	-	-	-	-	-	-	-	-	-	151,400	-	151,400
Materials Postage and Telephone	3,000	-	-	-	4,000	-	-	-	-	-	700	7,700
Shared Office Space	81,683	35,639	41,072	-	168,140	-	146,515	-	16,216	101,157	83,679	674,101
Shared Information Technology	365,375	213,742	291,247	-	306,900	-	889,237	-	56,633	184,638	152,735	2,460,507
Customer Service Management	10,690	18,668	2,050	-	4,015	-	245,680	-	-	32,656	83	313,842
Trade Ally Management	92,607	24,814	29,356	-	34,708	-	142,561	-	49,141	17,840	-	391,027
Planning & Evaluation Management	503,014	232,816	291,747	27,316	324,803	12,925	672,671	28,732	104,912	79,039	28,732	2,306,707
<b>TOTAL PROGRAM EXPENSES</b>	<b>49,286,673</b>	<b>7,924,648</b>	<b>17,793,650</b>	<b>3,109,190</b>	<b>36,252,729</b>	<b>117,529</b>	<b>41,603,910</b>	<b>4,183,363</b>	<b>2,534,463</b>	<b>9,178,287</b>	<b>4,707,670</b>	<b>176,692,112</b>
<b>ADMINISTRATIVE COSTS</b>												
Management & General	1,491,457	239,918	538,443	94,055	1,097,503	3,555	1,385,086	126,550	76,738	278,264	142,765	5,474,334
Communications & Customer Svc	1,158,222	186,314	418,140	73,040	852,290	2,761	1,075,619	98,274	59,592	216,092	110,867	4,251,211
<b>Total Administrative Costs</b>	<b>2,649,679</b>	<b>426,232</b>	<b>956,583</b>	<b>167,095</b>	<b>1,949,793</b>	<b>6,316</b>	<b>2,460,705</b>	<b>224,824</b>	<b>136,330</b>	<b>494,356</b>	<b>253,632</b>	<b>9,725,545</b>
<b>Total Program &amp; Admin Expenses</b>	<b>51,936,352</b>	<b>8,350,880</b>	<b>18,750,233</b>	<b>3,276,285</b>	<b>38,202,522</b>	<b>123,845</b>	<b>44,064,615</b>	<b>4,408,187</b>	<b>2,670,793</b>	<b>9,672,643</b>	<b>4,961,302</b>	<b>186,417,657</b>
<b>Energy Savings (kwh)</b>	<b>103,960,485</b>	<b>8,695,996</b>	<b>40,654,037</b>	<b>12,198,793</b>	<b>144,123,445</b>	<b>321,266</b>	<b>40,782,840</b>	<b>21,887,154</b>				<b>372,624,017</b>
<b>Energy Savings (therms)</b>	<b>1,670,405</b>	<b>114,721</b>	<b>639,034</b>	<b>-</b>	<b>1,081,503</b>	<b>-</b>	<b>2,467,393</b>	<b>-</b>	<b>388,733</b>			<b>6,361,789</b>
<b>Energy Generation (kwh)</b>										<b>16,599,000</b>	<b>9,695,172</b>	<b>26,294,172</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**PGE**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>	
Incentives	13,816,346	1,484,552	5,892,542		11,165,419		8,716,129	41,074,988	
Program Delivery Subcontracts	9,259,184	2,412,407	3,762,281	1,577,207	6,114,178	59,907	3,857,110	1,861,476	28,903,750
Employee Salaries and Fringe Benefits	382,547	184,621	225,827		711,708		450,297	1,955,000	
Agency Contractor Services	115,300	27,285	18,209		93,985		20,257	275,036	
Planning and Evaluation Services	411,249	68,000	317,962		320,206		380,741	1,498,158	
Advertising and Marketing Services	179,064	33,955	80,727		158,462		258,009	710,217	
Other Professional Services	446,517	272,428	97,115		191,850		201,313	1,209,223	
Travel, Meetings, Trainings and Conferences	11,734	5,457	12,139		14,839		22,678	66,847	
Dues, Licenses and fees	16,864	1,516	3,035		795		1,221	23,431	
Software and Hardware								-	
Materials Postage and Telephone	1,530				2,120			3,650	
Shared Office Space	41,671	21,609	24,929		89,110		51,119	228,438	
Shared Information Technology	186,397	129,601	176,777		162,649		310,251	965,675	
Customer Service Management	5,454	11,319	1,244		2,128		85,717	105,862	
Trade Ally Management	47,244	15,046	17,818		18,394		49,739	148,241	
Planning & Evaluation Management	256,614	141,166	177,081	15,644	172,137	7,402	234,693	16,455	1,021,192
<b>TOTAL PROGRAM EXPENSES</b>	<b>25,177,715</b>	<b>4,808,962</b>	<b>10,807,686</b>	<b>1,592,851</b>	<b>19,217,980</b>	<b>67,309</b>	<b>14,639,274</b>	<b>1,877,931</b>	<b>78,189,708</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	761,899	145,591	327,045	48,185	581,798	2,036	487,374	56,809	2,410,737
Communications & Customer Svc	591,669	113,062	253,974	37,419	451,808	1,581	378,481	44,116	1,872,110
<b>Total Administrative Costs</b>	<b>1,353,568</b>	<b>258,653</b>	<b>581,019</b>	<b>85,604</b>	<b>1,033,606</b>	<b>3,617</b>	<b>865,855</b>	<b>100,925</b>	<b>4,282,847</b>
<b>Total Program &amp; Admin Expenses</b>	<b>26,531,283</b>	<b>5,067,615</b>	<b>11,388,705</b>	<b>1,678,455</b>	<b>20,251,586</b>	<b>70,926</b>	<b>15,505,129</b>	<b>1,978,856</b>	<b>82,472,561</b>
<b>Energy Savings (kwh)</b>	<b>62,854,433</b>	<b>6,507,295</b>	<b>27,238,638</b>	<b>6,986,286</b>	<b>86,847,250</b>	<b>183,990</b>	<b>21,567,620</b>	<b>12,534,839</b>	<b>224,720,351</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**Pacific Power**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	9,046,670	530,838	2,596,950		7,785,832		6,507,971		26,468,261
Program Delivery Subcontracts	6,062,731	862,614	1,658,105	1,176,763	4,972,989	44,697	3,209,245	1,388,858	19,376,002
Employee Salaries and Fringe Benefits	250,191	66,016	99,526		526,286		348,549		1,290,568
Agency Contractor Services	75,408	9,757	8,025		69,499		15,680		178,369
Planning and Evaluation Services	283,962	24,315	140,132		255,690		309,709		1,013,808
Advertising and Marketing Services	117,110	12,142	35,578		117,178		199,710		481,718
Other Professional Services	259,327	97,413	42,800		141,867		155,825		697,232
Travel, Meetings, Trainings and Conferences	7,674	1,951	5,350		10,973		17,554		43,502
Dues, Licenses and fees	11,029	542	1,338		588		945		14,442
Software and Hardware									-
Materials Postage and Telephone	1,001				1,568				2,569
Shared Office Space	27,253	7,727	10,987		65,894		39,568		151,429
Shared Information Technology	121,906	46,342	77,909		120,274		240,148		606,579
Customer Service Management	3,567	4,048	548		1,574		66,349		76,086
Trade Ally Management	30,898	5,380	7,853		13,602		38,500		96,233
Planning & Evaluation Management	167,829	50,477	78,043	11,672	127,290	5,523	181,662	12,277	634,773
<b>TOTAL PROGRAM EXPENSES</b>	<b>16,466,556</b>	<b>1,719,562</b>	<b>4,763,144</b>	<b>1,188,435</b>	<b>14,211,104</b>	<b>50,220</b>	<b>11,331,415</b>	<b>1,401,135</b>	<b>51,131,571</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	498,292	52,060	144,135	35,951	430,222	1,519	377,248	42,385	1,581,812
Communications & Customer Svc	386,959	40,428	111,931	27,918	334,098	1,180	292,960	32,915	1,228,389
<b>Total Administrative Costs</b>	<b>885,251</b>	<b>92,488</b>	<b>256,066</b>	<b>63,869</b>	<b>764,320</b>	<b>2,699</b>	<b>670,208</b>	<b>75,300</b>	<b>2,810,201</b>
<b>Total Program &amp; Admin Expenses</b>	<b>17,351,807</b>	<b>1,812,050</b>	<b>5,019,210</b>	<b>1,252,304</b>	<b>14,975,424</b>	<b>52,919</b>	<b>12,001,623</b>	<b>1,476,435</b>	<b>53,941,771</b>
<b>Energy Savings (kwh)</b>	<b>41,106,052</b>	<b>2,188,701</b>	<b>13,415,400</b>	<b>5,212,507</b>	<b>57,276,195</b>	<b>137,276</b>	<b>19,215,220</b>	<b>9,352,316</b>	<b>147,903,666</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**NW Natural Industrial**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	1,373,230		17,164		936,464				2,326,858
Program Delivery Subcontracts	222,451		6,800		846,952				1,076,203
Employee Salaries and Fringe Benefits	26,396		561		73,391				100,348
Agency Contractor Services	7,956		45		9,692				17,693
Planning and Evaluation Services	13,376		640		24,866				38,882
Advertising and Marketing Services	12,356		200		16,341				28,897
Other Professional Services	27,360		241		19,784				47,385
Travel, Meetings, Trainings and Conferences	810		30		1,530				2,370
Dues, Licenses and fees	1,164		8		82				1,254
Software and Hardware									-
Materials Postage and Telephone	106				219				325
Shared Office Space	2,875		62		9,189				12,126
Shared Information Technology	12,862		439		16,772				30,073
Customer Service Management	376		3		219				598
Trade Ally Management	3,260		44		1,897				5,201
Planning & Evaluation Management	17,707		440		17,751				35,898
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,722,285</b>	<b>-</b>	<b>26,677</b>	<b>-</b>	<b>1,975,149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,724,111</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	52,118		807		59,795				112,720
Communications & Customer Svc	40,473		627		46,435				87,535
<b>Total Administrative Costs</b>	<b>92,591</b>	<b>-</b>	<b>1,434</b>	<b>-</b>	<b>106,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,255</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,814,876</b>	<b>-</b>	<b>28,111</b>	<b>-</b>	<b>2,081,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,924,367</b>
<b>Energy Savings (therms)</b>	<b>532,587</b>	<b>-</b>	<b>14,478</b>	<b>-</b>	<b>774,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,321,585</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**NW Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	2,226,548	390,945	1,017,192		383,678		8,430,537		12,448,900
Program Delivery Subcontracts	1,492,147	635,288	649,459	295,114	175,544		3,641,767	813,867	7,703,186
Employee Salaries and Fringe Benefits	61,736	48,618	38,983		23,562		432,834		605,733
Agency Contractor Services	18,607	7,185	3,143		3,111		19,471		51,517
Planning and Evaluation Services	44,618	15,968	44,530		21,316		66,992		193,424
Advertising and Marketing Services	28,898	8,942	13,935		5,246		248,003		305,024
Other Professional Services	63,990	67,862	16,764		6,351		193,506		348,473
Travel, Meetings, Trainings and Conferences	1,894	1,437	2,096		491		21,799		27,717
Dues, Licenses and fees	2,722	399	524		26		1,174		4,845
Software and Hardware									-
Materials Postage and Telephone	247				70				317
Shared Office Space	6,725	5,691	4,303		2,950		49,136		68,805
Shared Information Technology	30,081	34,129	30,516		5,385		298,220		398,331
Customer Service Management	880	2,981	215		70		82,393		86,539
Trade Ally Management	7,624	3,962	3,076		609		47,810		63,081
Planning & Evaluation Management	41,413	37,175	30,568		5,699		225,591		340,446
<b>TOTAL PROGRAM EXPENSES</b>	<b>4,028,130</b>	<b>1,260,582</b>	<b>1,855,304</b>	<b>295,114</b>	<b>634,108</b>	<b>-</b>	<b>13,759,233</b>	<b>813,867</b>	<b>22,646,338</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	121,895	38,164	56,142	8,927	19,197		458,075	24,620	727,020
Communications & Customer Svc	94,660	29,637	43,599	6,933	14,908		355,728	19,119	564,584
<b>Total Administrative Costs</b>	<b>216,555</b>	<b>67,801</b>	<b>99,741</b>	<b>15,860</b>	<b>34,105</b>	<b>-</b>	<b>813,803</b>	<b>43,739</b>	<b>1,291,604</b>
<b>Total Program &amp; Admin Expenses</b>	<b>4,244,684</b>	<b>1,328,383</b>	<b>1,955,046</b>	<b>310,974</b>	<b>668,214</b>	<b>-</b>	<b>14,573,037</b>	<b>857,606</b>	<b>23,937,946</b>
<b>Energy Savings (therms)</b>	<b>799,717</b>	<b>101,073</b>	<b>519,482</b>	<b>-</b>	<b>257,100</b>	<b>-</b>	<b>2,139,763</b>	<b>-</b>	<b>3,817,135</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**Cascade Natural Gas**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>NEEA Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	564,084	10,155	103,271		89,835		748,520		1,515,865
Program Delivery Subcontracts	378,027	16,502	65,936	32,790	67,042		255,007	90,430	905,734
Employee Salaries and Fringe Benefits	15,585	1,263	3,958		6,456		35,940		63,202
Agency Contractor Services	4,697	187	319		853		1,617		7,673
Planning and Evaluation Services	7,898	415	4,521		2,187		4,456		19,477
Advertising and Marketing Services	7,295	232	1,415		1,437		20,593		30,972
Other Professional Services	16,154	1,763	1,702		1,740		16,068		37,427
Travel, Meetings, Trainings and Conferences	478	37	213		135		1,810		2,673
Dues, Licenses and fees	687	10	53		7		97		854
Software and Hardware									-
Materials Postage and Telephone	62				19				81
Shared Office Space	1,698	148	437		808		4,080		7,171
Shared Information Technology	7,594	887	3,098		1,475		24,763		37,817
Customer Service Management	222	77	22		19		6,841		7,181
Trade Ally Management	1,925	103	312		167		3,970		6,477
Planning & Evaluation Management	10,454	966	3,103		1,561		18,732		34,816
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,016,860</b>	<b>32,745</b>	<b>188,360</b>	<b>32,790</b>	<b>173,741</b>	<b>-</b>	<b>1,142,494</b>	<b>90,430</b>	<b>2,677,420</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	30,771	991	5,700	992	5,260		38,036	2,736	84,486
Communications & Customer Svc	23,896	770	4,426	770	4,085		29,538	2,124	65,609
<b>Total Administrative Costs</b>	<b>54,667</b>	<b>1,761</b>	<b>10,126</b>	<b>1,762</b>	<b>9,345</b>	<b>-</b>	<b>67,574</b>	<b>4,860</b>	<b>150,095</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,071,526</b>	<b>34,505</b>	<b>198,486</b>	<b>34,552</b>	<b>183,086</b>	<b>-</b>	<b>1,210,068</b>	<b>95,290</b>	<b>2,827,513</b>
<b>Energy Savings (therms)</b>	<b>208,684</b>	<b>3,066</b>	<b>52,517</b>	<b>-</b>	<b>43,567</b>	<b>-</b>	<b>172,721</b>	<b>-</b>	<b>480,555</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**Avista**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>Multifamily Buildings</b>	<b>New Buildings</b>	<b>NEEA Commercial</b>	<b>Production Efficiency</b>	<b>NEEA Industrial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	485,462	31,880	83,598		24,154		450,474		1,075,568
Program Delivery Subcontracts	325,338	51,806	53,376		12,549		192,045		635,114
Employee Salaries and Fringe Benefits	13,412	3,965	3,204		1,510		23,011		45,102
Agency Contractor Services	4,042	586	258		199		1,035		6,120
Planning and Evaluation Services	6,797	1,302	3,660		512		2,853		15,124
Advertising and Marketing Services	6,278	729	1,145		336		13,185		21,673
Other Professional Services	13,902	5,534	1,378		407		10,288		31,509
Travel, Meetings, Trainings and Conferences	411	117	172		31		1,159		1,890
Dues, Licenses and fees	591	33	43		2		62		731
Software and Hardware									-
Materials Postage and Telephone	54				4				58
Shared Office Space	1,461	464	354		189		2,612		5,080
Shared Information Technology	6,535	2,783	2,508		345		15,855		28,026
Customer Service Management	191	243	18		5		4,380		4,837
Trade Ally Management	1,656	323	253		39		2,542		4,813
Planning & Evaluation Management	8,997	3,032	2,512		365		11,993		26,899
<b>TOTAL PROGRAM EXPENSES</b>	<b>875,127</b>	<b>102,797</b>	<b>152,479</b>	<b>-</b>	<b>40,647</b>	<b>-</b>	<b>731,494</b>	<b>-</b>	<b>1,902,544</b>
<b>ADMINISTRATIVE COSTS</b>									
Management & General	26,482	3,112	4,614		1,231		24,353		59,792
Communications & Customer Svc	20,565	2,417	3,583		956		18,912		46,433
<b>Total Administrative Costs</b>	<b>47,047</b>	<b>5,529</b>	<b>8,197</b>	<b>-</b>	<b>2,187</b>	<b>-</b>	<b>43,265</b>	<b>-</b>	<b>106,225</b>
<b>Total Program &amp; Admin Expenses</b>	<b>922,176</b>	<b>108,325</b>	<b>160,675</b>	<b>-</b>	<b>42,836</b>	<b>-</b>	<b>774,760</b>	<b>-</b>	<b>2,008,774</b>
<b>Energy Savings (therms)</b>	<b>129,417</b>	<b>10,582</b>	<b>52,557</b>	<b>-</b>	<b>6,316</b>	<b>-</b>	<b>154,909</b>	<b>-</b>	<b>353,781</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**ENERGY EFFICIENCY**

**NW Natural Washington**

<b>EXPENSES</b>	<b>Existing Buildings</b>	<b>NEEA Commercial</b>	<b>Residential</b>	<b>NEEA Residential</b>	<b>Efficiency Total</b>
Incentives	498,721		943,651		1,442,372
Program Delivery Subcontracts	278,237		358,970		637,207
Employee Salaries and Fringe Benefits	54,730		68,029		122,759
Agency Contractor Services					-
Planning and Evaluation Services	10,000		15,000		25,000
Advertising and Marketing Services	9,000		8,000		17,000
Other Professional Services	1,000		20,550		21,550
Travel, Meetings, Trainings and Conferences	1,750		3,500		5,250
Dues, Licenses and fees	10,169		26,254		36,423
Software and Hardware					-
Materials Postage and Telephone					-
Shared Office Space	7,352		8,864		16,216
Shared Information Technology	26,937		29,696		56,633
Customer Service Management					-
Trade Ally Management	24,976		24,165		49,141
Planning & Evaluation Management	47,423		57,489		104,912
<b>TOTAL PROGRAM EXPENSES</b>	<b>970,295</b>	<b>-</b>	<b>1,564,168</b>	<b>-</b>	<b>2,534,463</b>
<b>ADMINISTRATIVE COSTS</b>					
Management & General	29,383		47,355		76,738
Communications & Customer Svc	22,818		36,774		59,592
<b>Total Administrative Costs</b>	<b>52,201</b>	<b>-</b>	<b>84,129</b>	<b>-</b>	<b>136,330</b>
<b>Total Program &amp; Admin Expenses</b>	<b>1,022,496</b>	<b>-</b>	<b>1,648,297</b>	<b>-</b>	<b>2,670,791</b>
<b>Energy Savings (therms)</b>	<b>152,847</b>	<b>-</b>	<b>235,886</b>		<b>388,733</b>

**Energy Trust of Oregon, Inc  
Detail by Service Territory and Program  
2020 Draft Annual Projection**

**RENEWABLE PROGRAMS**

**PGE Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	3,966,000	1,387,550	5,353,550
Program Delivery Subcontracts	187,289		187,289
Employee Salaries and Fringe Benefits	441,643	261,168	702,811
Agency Contractor Services	133,902		133,902
Planning and Evaluation Services	17,835		17,835
Advertising and Marketing Services	179,840	2,280	182,120
Other Professional Services	171,190	155,000	326,190
Travel, Meetings, Trainings and Conferences	18,430	18,250	36,680
Dues, Licenses and fees	3,567	5,000	8,567
Software and Hardware	90,010		90,010
Materials Postage and Telephone		350	350
Shared Office Space	60,139	34,463	94,602
Shared Information Technology	109,770	62,903	172,673
Customer Service Management	19,414	34	19,448
Trade Ally Management	10,606		10,606
Planning & Evaluation Management	46,990	11,833	58,823
<b>TOTAL PROGRAM EXPENSES</b>	<b>5,456,625</b>	<b>1,938,831</b>	<b>7,395,456</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	165,432	58,797	224,229
Communications & Customer Svc	128,470	45,660	174,130
<b>Total Administrative Costs</b>	<b>293,902</b>	<b>104,457</b>	<b>398,359</b>
<b>Total Program &amp; Admin Expenses</b>	<b>5,750,527</b>	<b>2,043,288</b>	<b>7,793,816</b>
<b>Energy Generation (kwh)</b>	<b>9,559,000</b>	<b>7,610,000</b>	<b>17,169,000</b>

**Energy Trust of Oregon, Inc**  
**Detail by Service Territory and Program**  
**2020 Draft Annual Projection**

**RENEWABLE PROGRAMS**

**Pacific Power Renewables**

<b>EXPENSES</b>	<b>Standard Solar</b>	<b>Custom Projects</b>	<b>Renewable Total</b>
Incentives	2,602,000	2,057,550	4,659,550
Program Delivery Subcontracts	150,727		150,727
Employee Salaries and Fringe Benefits	301,220	372,973	674,193
Agency Contractor Services	91,327		91,327
Planning and Evaluation Services	17,165		17,165
Advertising and Marketing Services	122,659	3,720	126,379
Other Professional Services	191,760	155,000	346,760
Travel, Meetings, Trainings and Conferences	12,570	18,250	30,820
Dues, Licenses and fees	2,433	5,000	7,433
Software and Hardware	61,390		61,390
Materials Postage and Telephone		350	350
Shared Office Space	41,018	49,216	90,234
Shared Information Technology	74,868	89,832	164,700
Customer Service Management	13,242	49	13,291
Trade Ally Management	7,234		7,234
Planning & Evaluation Management	32,049	16,899	48,948
<b>TOTAL PROGRAM EXPENSES</b>	<b>3,721,662</b>	<b>2,768,839</b>	<b>6,490,501</b>
<b>ADMINISTRATIVE COSTS</b>			
Management & General	112,832	83,968	196,800
Communications & Customer Svc	87,622	65,207	152,829
<b>Total Administrative Costs</b>	<b>200,454</b>	<b>149,175</b>	<b>349,629</b>
<b>Total Program &amp; Admin Expenses</b>	<b>3,922,116</b>	<b>2,918,014</b>	<b>6,840,131</b>
<b>Energy Generation (kwh)</b>	<b>7,040,000</b>	<b>2,085,172</b>	<b>9,125,172</b>

## Financial Glossary

(for internal use) - updated December 1, 2017

---

### 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.

Administrative costs are part of, but not all of the cost included in an OPUC performance metric. See **Program Delivery Efficiency** metric for further information about the metric.

- 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 unmodified or modified regarding specific items. Energy Trust strives for and has achieved in all its years an unmodified opinion.
- An unmodified 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 unmodified opinion regarding Energy Trust's financial statements.
- 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.

**Project Tracking Projects Forecasting**

Module developed in Project Tracking system (PT) 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 PT. 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 Strategic Energy Management programs, where some level of tracking of particular sites and participants is part of the program design.
- Lighting, hot water, and energy control devices through retailer buy down, on line fulfillment, and direct installation.

**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 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 Efficiency Measure**

The program delivery efficiency measure is a maximum threshold for administrative and program support costs as a percentage of total annual revenues.

Administrative costs adhere to generally accepted accounting practices for nonprofit organizations. Program support costs were defined in coordination with the Commission to enable comparison with other recipients of public purpose funding. For the purposes of this measure, program support costs are defined as program costs, except for direct program costs, in the following areas: program management, program delivery, program incentives, program payroll and related expenses, outsourced services, planning and evaluation services, customer service management, and trade ally network management. [source: OPUC Docket No. UM 1158]

**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, also known as Net Savings:** the estimate of savings/generation that will be used for public reporting of Energy Trust results. This includes transmission and distribution factors, and evaluation factors of free riders, spillover and savings realization rates, plus 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.
- **Gross Savings/Generation:** the estimate of savings from program participants, regardless of whether they are free-riders.
- **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