



Energy Trust of Oregon

2019 Annual Budget and 2019-2020 Action Plan **FINAL PROPOSED**

**Presented to the Board of Directors
December 14, 2018**

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FINAL PROPOSED 2019 Annual Budget and 2019-2020 Action Plan

Table of Contents

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

MEMO

Date: December 7, 2018
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Final Proposed 2019 Budget and 2019-2020 Action Plan

I am pleased to present to you Energy Trust of Oregon's Final Proposed 2019 Budget and 2019-2020 Action Plan, which will be the focus of our December 14 board meeting.

Enclosed are a handout and slide presentation that summarizes the final proposed 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 describe 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 seven memos, including memos on levelized cost trends and managing future costs, 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 seventh 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.

After board consideration on December 14, 2018, a final 2019 annual budget and 2019-2020 action plan will be submitted to the OPUC by year-end and posted online at www.energytrust.org/budget.

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

Thank you,



Michael T. Colgrove, Executive Director

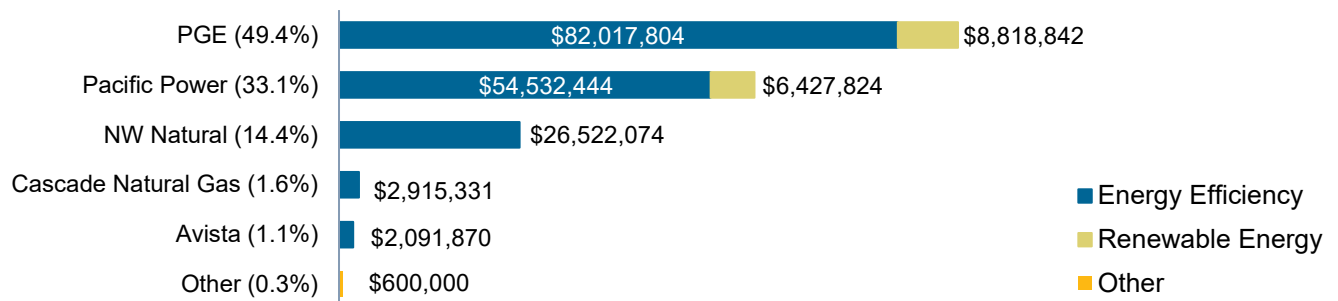
2019 Budget Overview

Investing \$201.7 Million to Deliver Significant Benefits

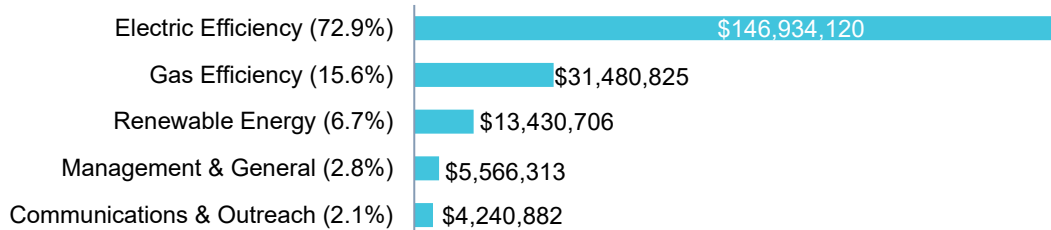
- Participants saving \$676 million on their utility bills over time from projects completed in 2019
- Energy saved at a cost of 3.1 cents/kWh and 39.4 cents/therm, a fraction of the cost of fossil fuels
- Jobs, wages and business income added to the local economy
- Air quality improvements by avoiding 4.6 million tons of carbon dioxide
- Training and support for 2,300 local businesses

Revenue and Expenses (Oregon and Southwest Washington)¹

Annual Revenue: \$183.9 million

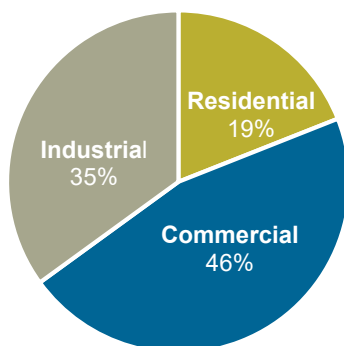


Annual Expenses: \$201.7 million



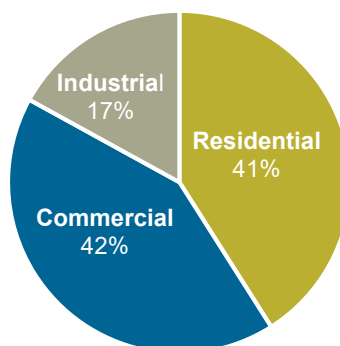
Energy Efficiency and Generation Goals (Oregon and Southwest Washington)²

Electric savings 53.20 aMW (57.75 gross)



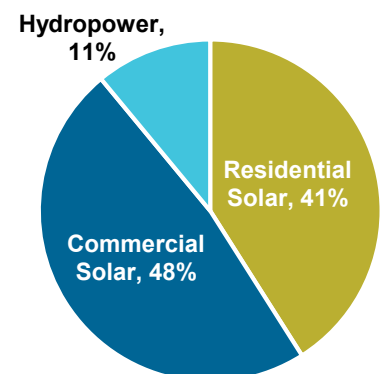
Residential: 10.0 aMW; 3.9 cents/kWh
Commercial: 24.3 aMW; 3.6 cents/kWh
Industrial: 18.9 aMW; 2.2 cents/kWh

Natural gas savings 6.41 MMTh (7.00 gross)



Residential: 2.63 MMTh; 46.3 cents/therm
Commercial: 2.67 MMTh; 39.1 cents/therm
Industrial: 1.10 MMTh; 23.7 cents/therm

Renewable generation 2.25 aMW



Solar: 2.02 aMW
Other Renewables: 0.24 aMW

¹ Reserve funds will be used where planned expenses exceed anticipated revenue.

² 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

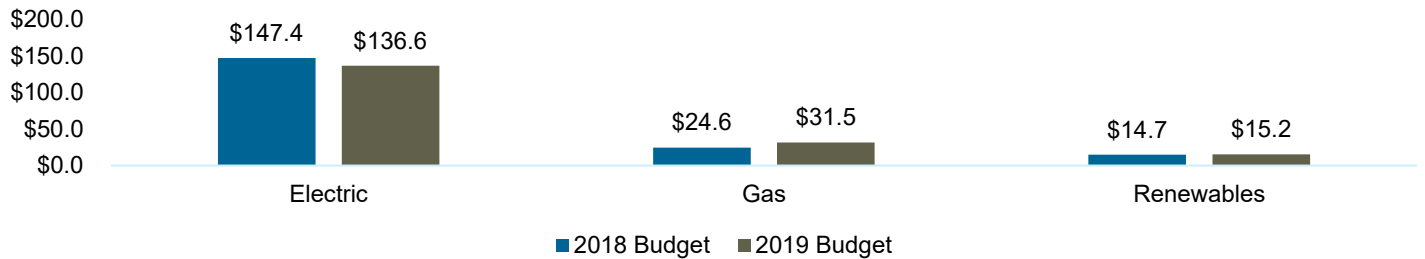
Energy Trust of Oregon's annual budget and two-year action plan are developed through a transparent, public process. They guide our delivery of low-cost energy efficiency resources for the benefit of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista customers, and diversify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

Learn more at www.energytrust.org/budget.

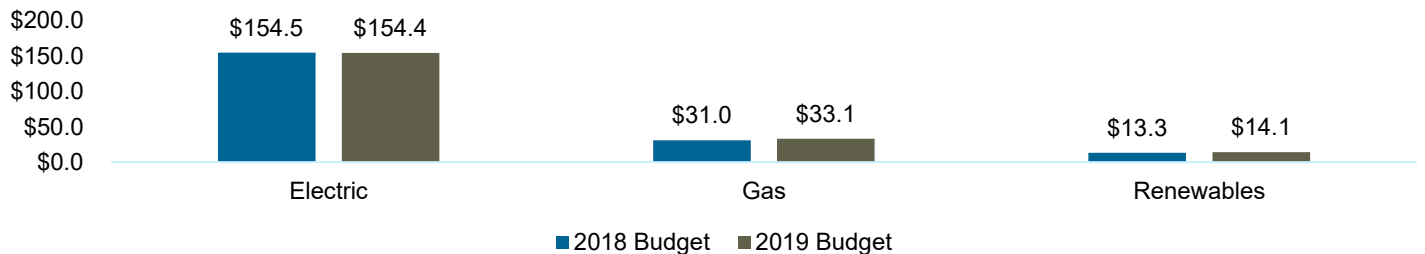
Year-to-year Comparison of Budgeted Revenues and Expenses (Oregon and Washington)

- Revenues down slightly, decreasing 1.6% compared to the 2018 budget
- Expenses up slightly, increasing 1.4% over the 2018 budget
- Compared to 2018, staff costs are up slightly, and internal costs are up slightly. Both remain low compared to the overall budget.

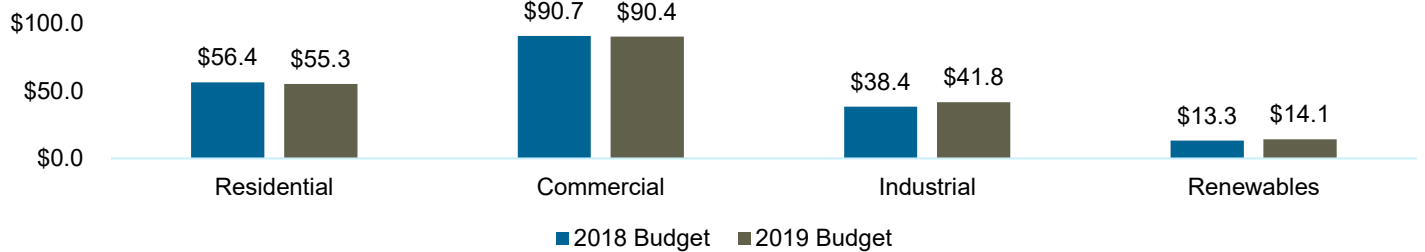
Revenue (\$ millions)



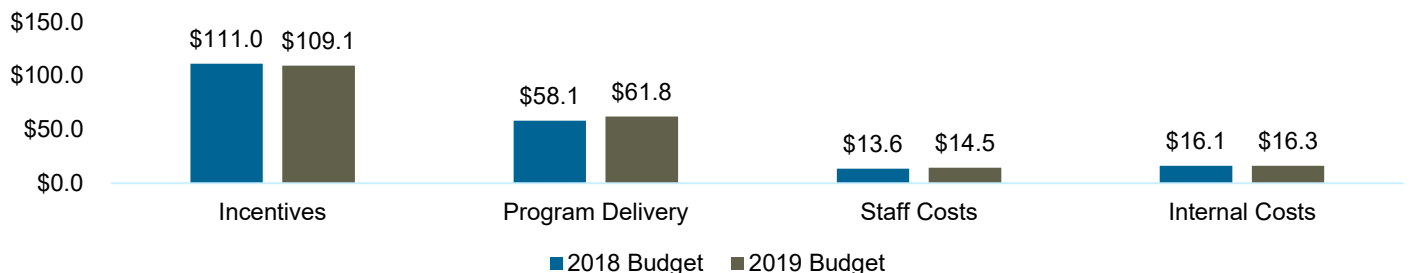
Expenses (\$ millions)



Expenses by sector (\$ millions)



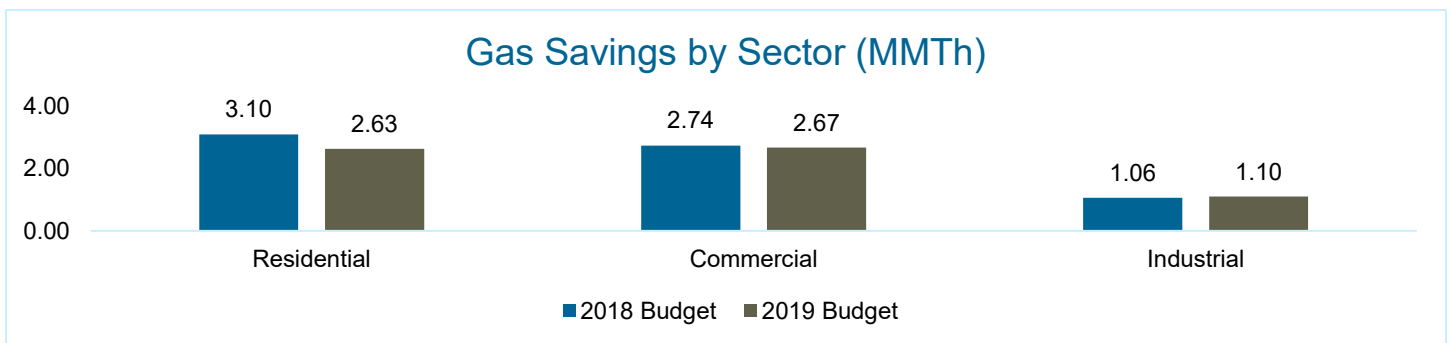
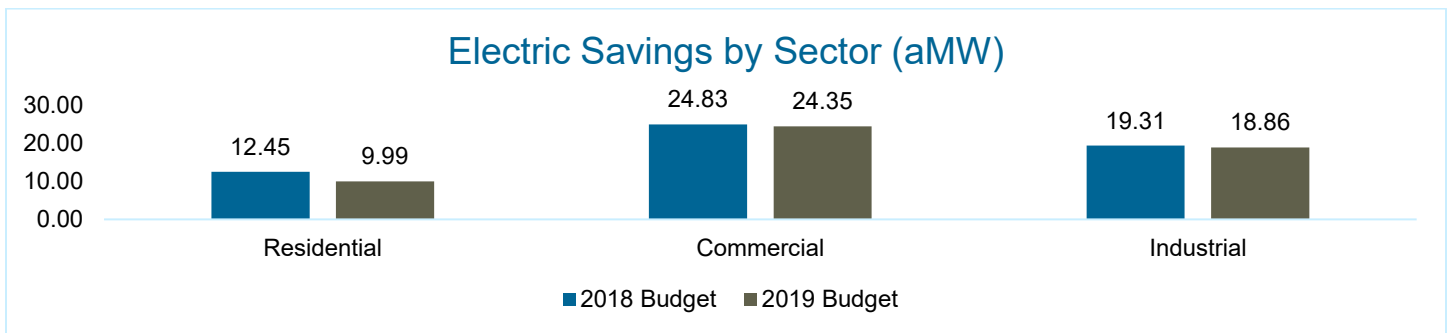
Expenses by category (\$ millions)



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	53.20	6.41	2.25
% change	-6.0%	-7.2%	19.0%

	Electric Levelized Cost (cents/kWh)	Gas Levelized Cost (cents/therm)
2018 Budget	2.97	33.29
2019 Budget	3.11	39.37



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	7.4%	✓

- 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.

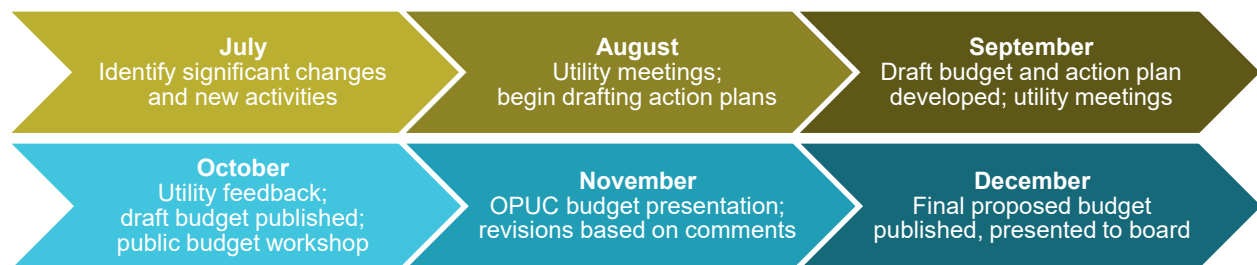
	Annual Staffing Costs (3-yr rolling avg.)	OPUC Performance Measure Compliance
2019	7.0%	✓

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 were due to Energy Trust by 5 p.m., Wednesday, October 31. Comments were accepted by email at info@energytrust.org, by mail 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 the 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 to find the draft and final proposed budget and action plans. Budget presentations and materials delivered at board and advisory council meetings are available at 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.



Final Proposed 2019 Budget & 2019-20 Action Plan

December 14, 2018



Presentation Outline

- Forecasted 2018 results
- Final proposed 2019 budget summary
- Draft budget outreach, comments and responses
- Final proposed 2019 budget and metric highlights
- Summary



Forecasted 2018 Results

- Expect to exceed gas efficiency goal, nearly reach electric efficiency goal
 - Savings drivers include LEDs, new construction, water-saving devices
 - Shortfall from business project delays
 - Natural gas levelized costs lower than budget, on par for electric levelized costs
- Expect to exceed renewable generation goal
 - Strong solar installations, early completion of small-scale hydropower project
- Ready for change
 - Business planning, and organization and budget review projects



Final Proposed 2019 Budget Summary

- Investing \$201.7 million
- Saving 53.2 aMW and 6.4 MMTh
 - Electric savings down 6.0%
 - Gas savings down 7.2%
- Delivering highly cost-effective energy
 - 3.11 cents/kWh levelized
 - 39.37 cents/therm levelized
- Generating 2.25 aMW
- Expanding outreach and services
- Creating operational efficiencies
- Preparing for the future

Final Proposed 2019 Budget Summary, continued

- Overall spending up 1.4% largely due to increased volume of smaller projects, outreach and technical services
- Incentives are 54.1% of total planned expenditures
- Revenue down slightly; reserves increase slightly
- Administrative and program support costs at 7.4%, up slightly
- Staffing costs at 6.97% (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

- \$676 million in future bill savings
- Improved air quality by avoiding 4.6 million tons of carbon dioxide
- Enough energy to power 47,000 homes and heat 10,000 homes
- Continued high customer satisfaction
- Expanded access and participation statewide
- Training and support for 2,300 local businesses

Outreach, Comments and Adjustments to Draft Budget

Public Outreach and Comments

- Draft budget published online with webinar presentation
- Presented at board and stakeholder public workshop (Oct. 17) and OPUC public meeting (Nov. 8)
- 14 sets of comments received from utilities, stakeholders, OPUC and general public
 - Summary provided in supplemental slides
 - Raw comments and responses in final proposed budget document
 - More comments received, and more extensive in nature, than in past years
- Three common themes:
 - Overall support for the budget and action plan
 - Concern regarding cost and savings trends
 - Diversity, equity and inclusion an important focus

Adjustments from Draft to Final Proposed Budget

- Minimal changes overall
- Revenue updated to reflect funding agreements
- Programs making minor adjustments and corrections
- Small adjustments made to staffing budget
 - Eg. healthcare costs, number of interns
- Increased estimated budget for organizational development projects
 - Budget Review implementation
 - Organization Review implementation
- Minor clarifications in action plans based on comments
- Responded to all comments in final proposed budget materials

Highlights of Changes to Draft Budget

	Draft Budget	Final Proposed Budget	Change	% Change
Revenues	\$193.1 million	\$184 million	-\$9.2 million	-4.8%
Expenditures	\$201 million	\$201.7 million	\$0.67 million	0.3%
Gas Savings	6.45 MMTh	6.41 MMTh	-0.04 MMTh	-0.6%
Electric Savings	53.1 aMW	53.2 aMW	0.11 aMW	0.2%
Gas Levelized Costs	39.97 cents/Th	39.37 cents/Th	-0.6 cents/Th	-1.5%
Electric Levelized Costs	3.14 cents/kWh	3.11 cents/kWh	-0.03 cents/kWh	-0.9%
Generation	2.1 aMW	2.25 aMW	0.19 aMW	9.3%
Staffing Costs	\$14.7 million	\$14.5 million	-\$0.21 million	-1.4%
Administrative and Program Support Costs	\$13.57 million	\$13.55 million	-\$0.02 million	-0.1%

aMW: average megawatts
MMTh: million annual therms
Th: annual therms

Final Proposed 2019 Budget and Metric Highlights

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

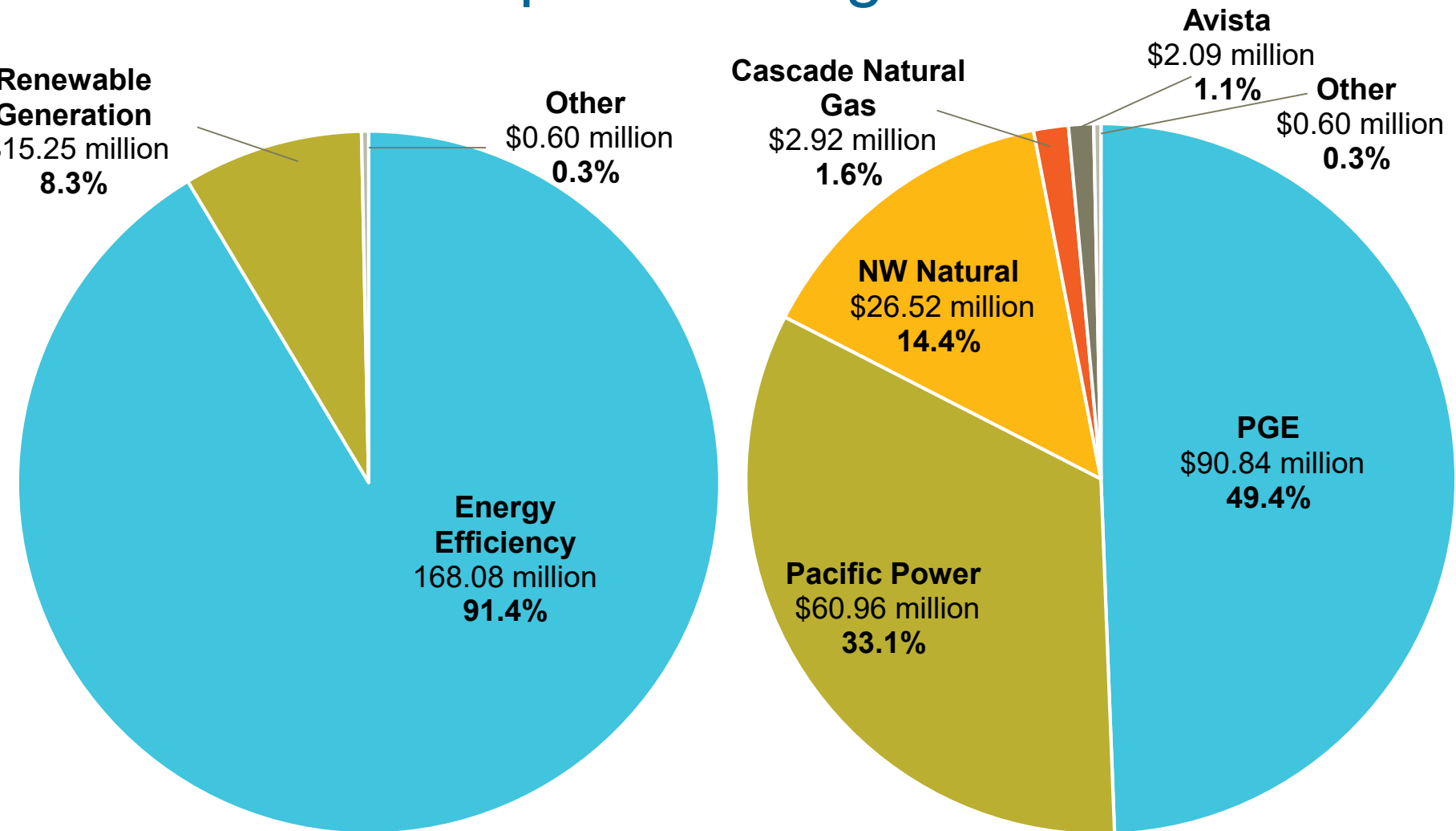
Action Plan Overview

- Maintaining many core services for customers
- 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 (DEI)
 - 10 focus areas in DEI operations plan, with quantitative goals, tracking and reporting
 - Establishment of Diversity Advisory Council
 - Explore the role of a full-time DEI manager
 - Expanded outreach to underserved customers

Managing Costs, Preparing for Future

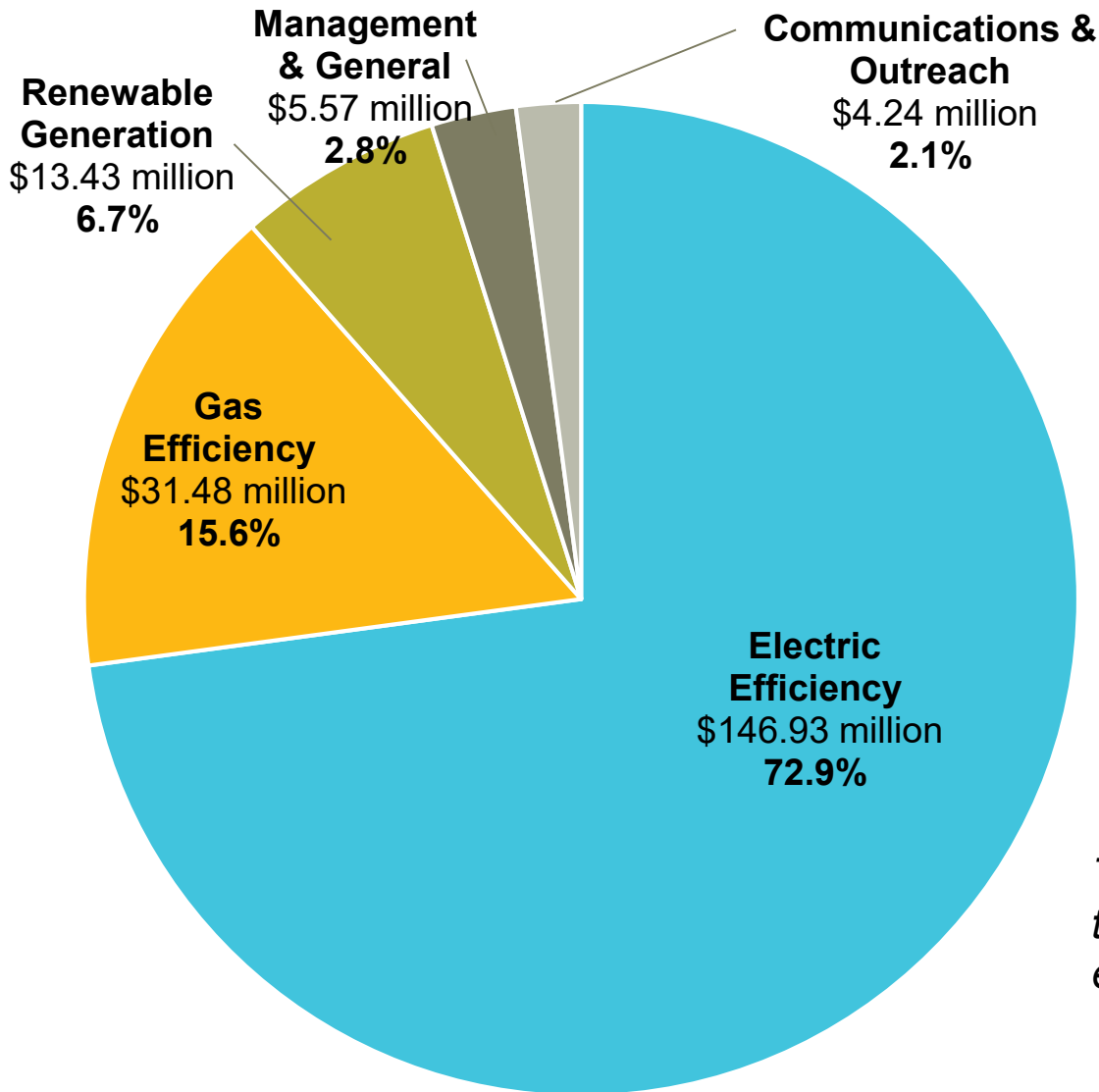
- Developing new sources of savings and testing new delivery models:
 - Luminaire lighting controls pilot
 - Manufactured home replacement pilot
 - Residential air conditioning pilot
 - Targeted load management pilots
 - Multifamily program redesign
 - Valuing peak savings
- System and process enhancements:
 - Automated workflows in finance
 - Electronic signature of forms using DocuSign
 - Scoping of electronic incentives payment

2019 Final Proposed Budget Revenue



Total 2019 revenue \$183.9 million, down 1.6%

2019 Final Proposed Budget Expenditures



\$201.7 million
Up 1.4% from 2018

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

2019 Final Proposed Budget Expenditures Detail

Renewable Generation

\$13.43 million

6.7%

Gas Efficiency

\$31.48 million

15.6%

Electric Efficiency

\$146.93 million

72.9%

External program delivery

32.2%

Internal Program Delivery

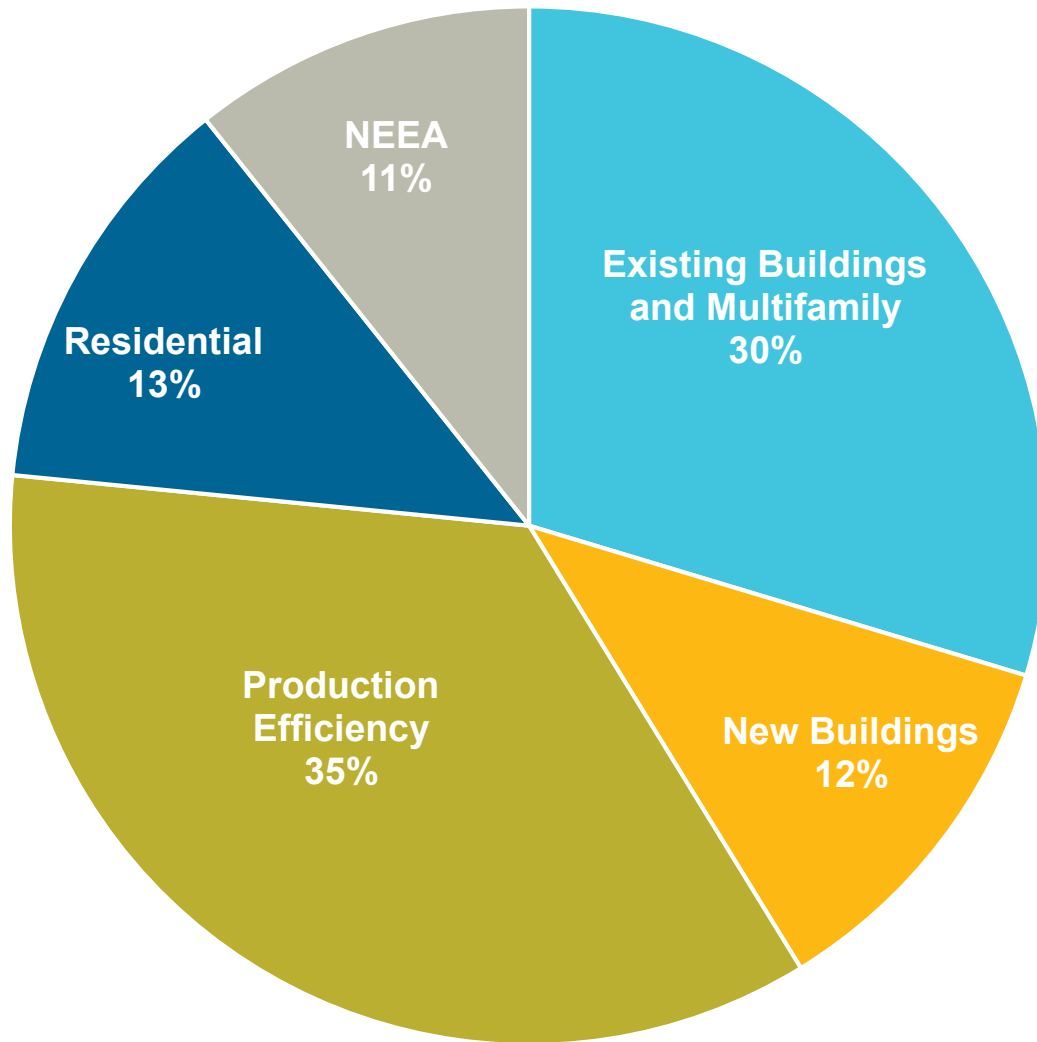
10.9%

Incentives

56.9%

*Pie chart above **Excludes** Management & General and Communications & Outreach expenses*

2019 Electric Savings by Program

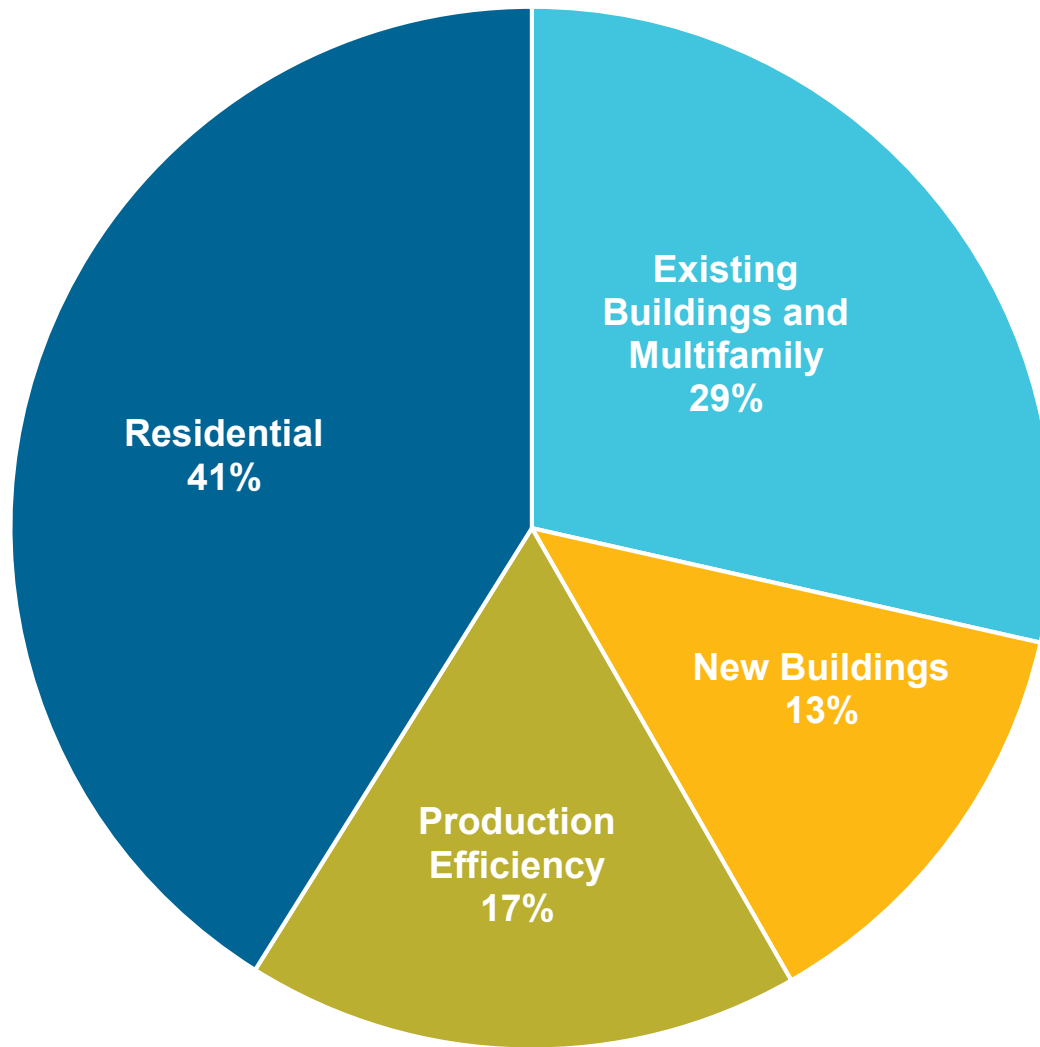


53.2 aMW savings
3.11 cents/kWh

- Savings down 6%
- \$154.4 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

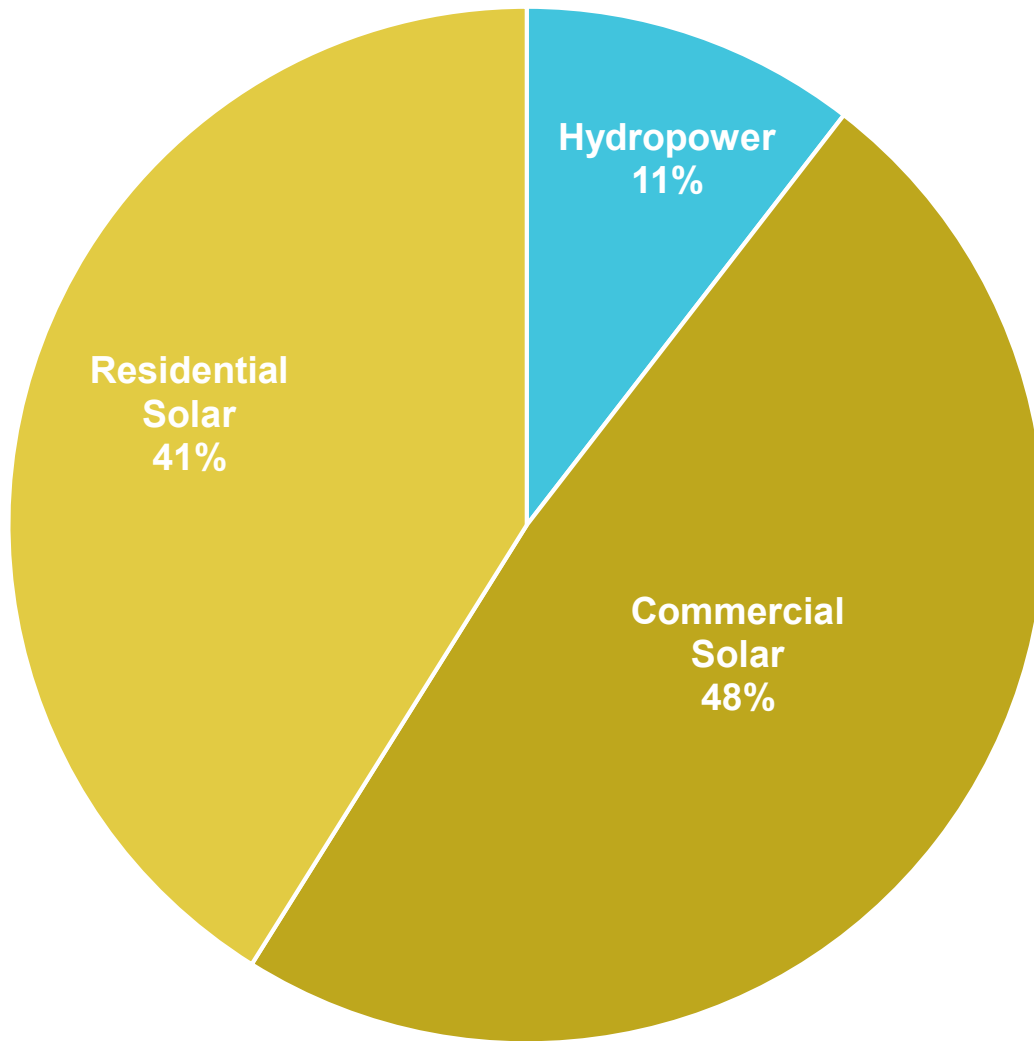


6.4 MMTh savings
39.37 cents/therm

- Savings down 7.2%
- \$33.09 million in total costs, including customer incentives, services and delivery

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

2019 Renewable Generation

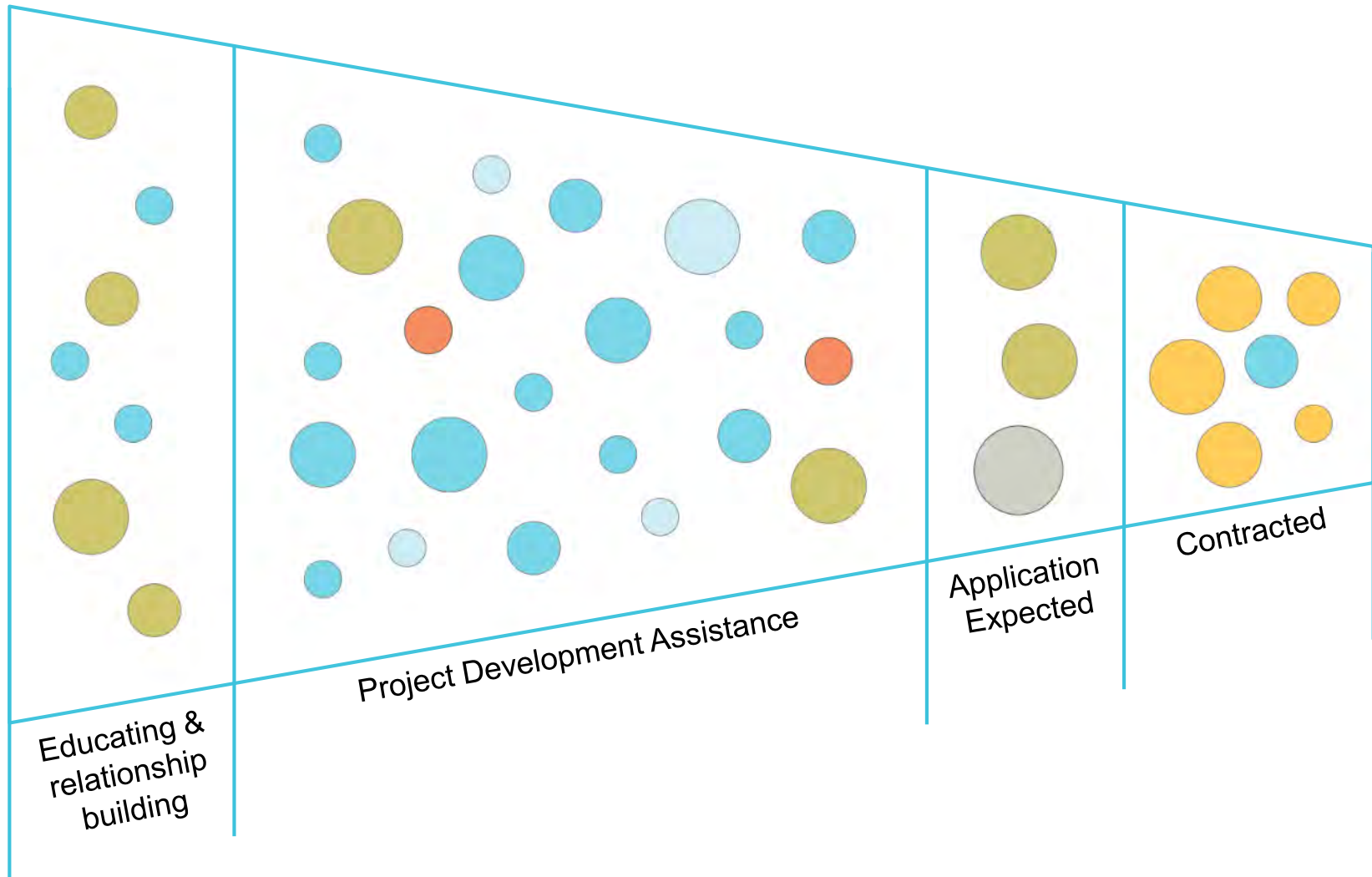


2.25 aMW generation

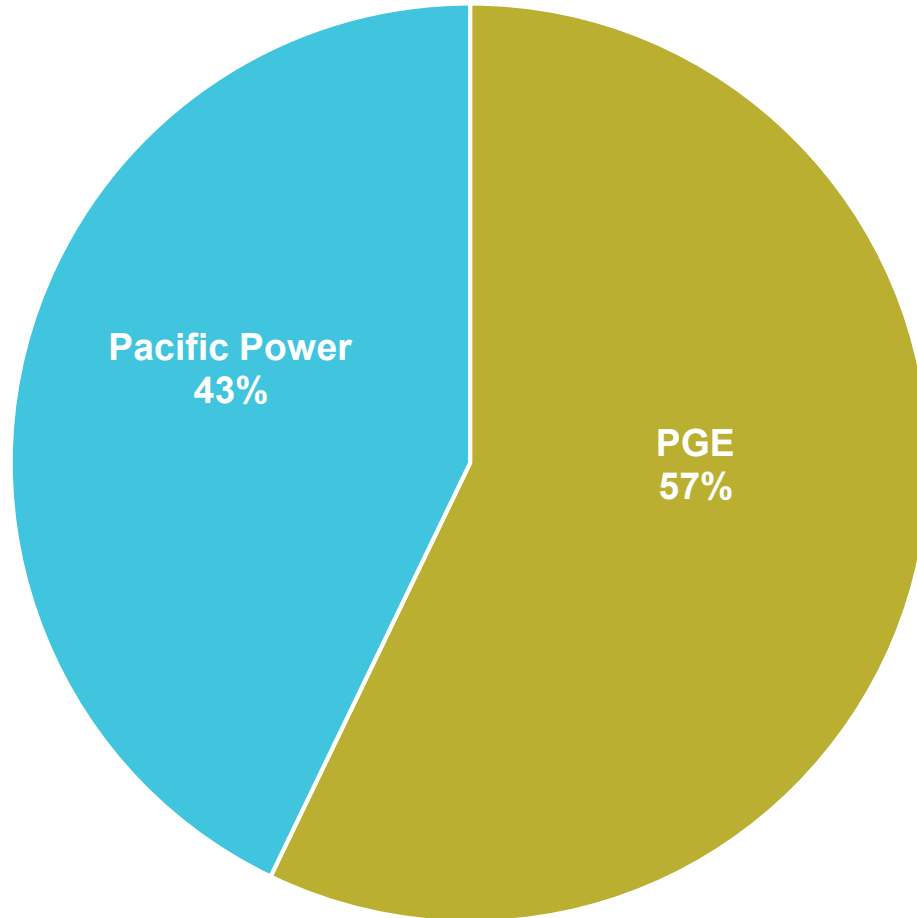
- Generation up 19%
- \$14.1 million in total costs, including customer incentives, services and delivery

Renewable Energy Pipeline Building Process

(representative)



2019 NEEA Electric Savings by Utility



5.7 aMW savings
1.75 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

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

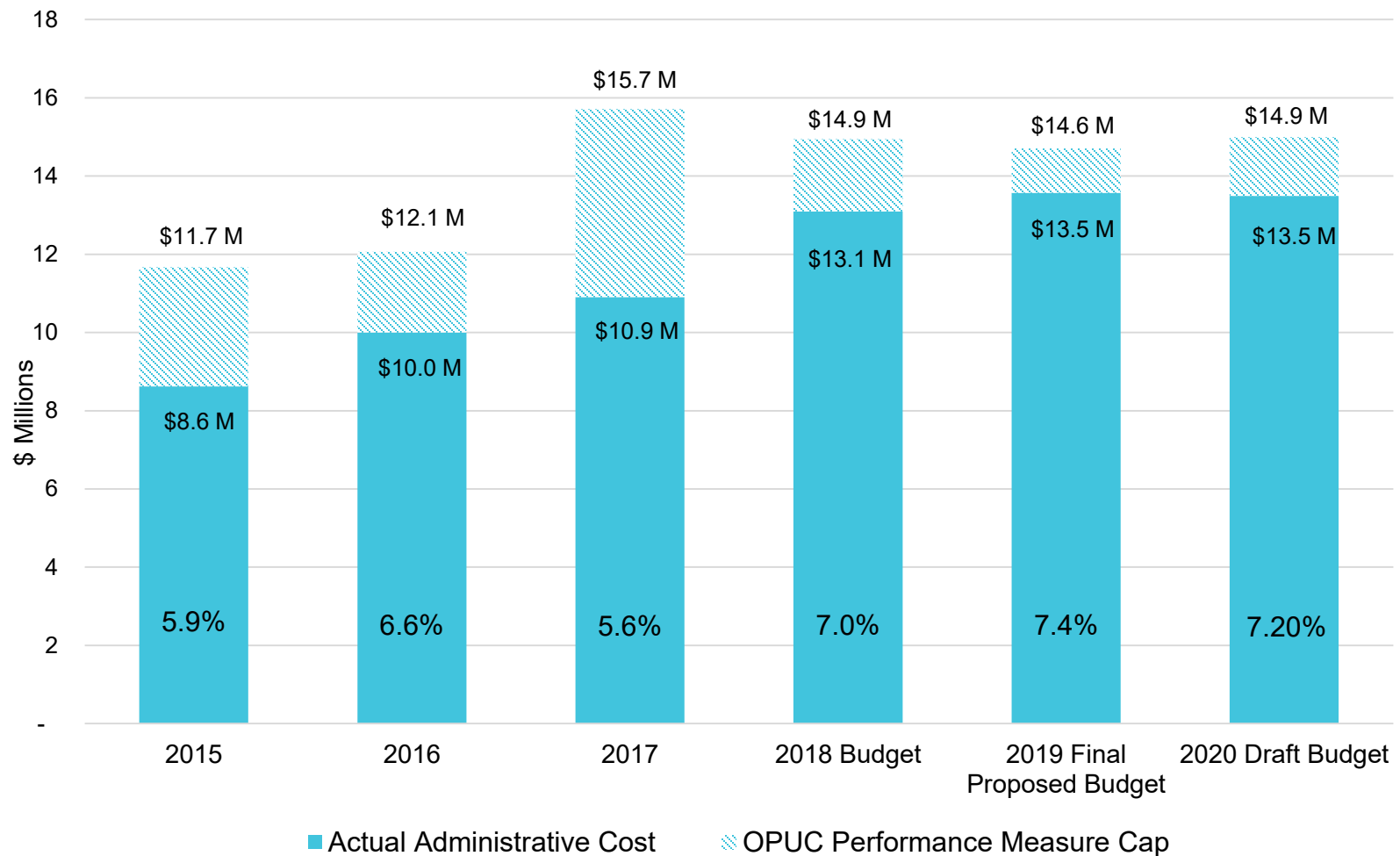
Savings and Generation Summary by Utility

	2019 Budget Savings (Net) aMW or MMTh	2019 Budget Savings (Gross) aMW or MMTh
PGE (Efficiency)	33.48	36.35
Pacific Power (Efficiency)	19.72	21.4
NW Natural (OR)	5.17	5.68
NW Natural (WA)	0.37	0.37
Cascade Natural Gas	0.51	0.55
Avista	0.36	0.39
PGE (Renewables)	1.22	N/A
Pacific Power (Renewables)	1.03	N/A

- 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)

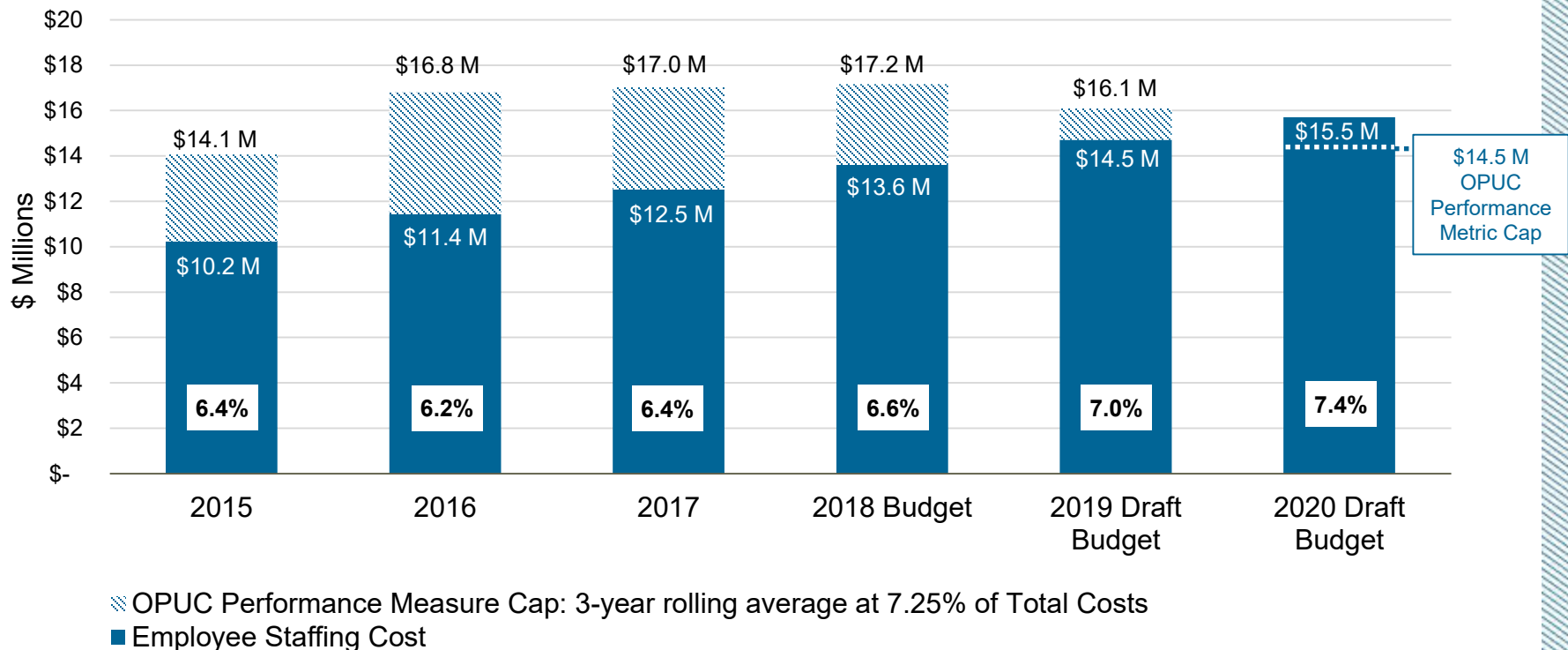
Administrative and Program Support Costs

- Administrative and program support costs below 2019 OPUC performance measure cap of 8% of revenue
- Costs increasing 3.5% 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.

Utility Rate Information

	PGE	Pacific Power	NW Natural	Cascade Natural Gas	Avista
Estimated incremental collection adjustment	-\$13M	\$0	\$2.0M	\$0.70M	\$0.94M
Estimated PPC* for Energy Trust efficiency only	4.6%	4.7%	3.9%	5.8%	2.3%
Estimated PPC* for Energy Trust efficiency and renewable generation	5.0%	5.2%	N/A	N/A	N/A
Estimated total PPC* (includes schools, low-income and Energy Trust for electric utilities)	5.9%	6.0%	3.9%	5.8%	2.3%
Anticipated effective date, pending OPUC action	Jan. 1	Jan. 1	Jan. 1	Dec. 1	Jan. 1

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

Note: PPC rates shown above are based on best available estimates at time of Final Proposed Budget publication. Actual rates may vary. These estimated rates do not include utility administered low-income program funds.



2020 Budget Projection

- Expenditures projected to decrease 7.2%
- Electric savings expected to decrease, gas savings stable
 - Electric savings down 19.1%
 - Gas savings up 0.35%
- Levelized costs projected to increase
 - Electric increasing to 3.41¢/kWh (3.11¢/kWh in 2019)
 - Gas increasing to 41.7¢/therm (39.4¢/therm in 2019)
- Renewable generation expected to increase 25.8%

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



Questions and Discussion

Staff recommends the Board of Directors adopt Resolution 861:

**The Final Proposed 2019 Budget,
2020 Projection and 2019-2020
Action Plan**



Thank You

www.energytrust.org/budget
1.866.368.7878

Supplemental Information

Projected 2018 Results by Utility

	2018 Budget Savings & Generation (Net) aMW or MMTh	2018 Budget Levelized Cost per kWh or therm	2018 Forecast Savings & Generation (Net) aMW or MMTh	Forecasted % of 2018 Goals (Net)	Forecasted 2018 Levelized Cost per kWh or therm
PGE (Efficiency)	36.40	2.9¢	33.65	92%	2.9¢
Pacific Power (Efficiency)	20.18	3.2¢	20.06	99%	3.1¢
NW Natural (OR)	5.66	32.5¢	6.07	107%	26.5¢
NW Natural (WA)	0.36	51.6¢	0.36	100%	44.8¢
Cascade Natural Gas	0.55	37.2¢	0.48	87%	32.9¢
Avista	0.35	21.9¢	0.39	111%	22.4¢
PGE (Renewable)	1.08	N/A	1.38	128%	N/A
Pacific Power (Renewable)	0.82	N/A	1.21	148%	N/A

Comments Received on Draft Budget

Summary of Comments: Utilities

- Formal and informal comments show support for the budget and action plan
- Concerns with decreasing savings and increasing costs
- Support for regional outreach and targeted load management efforts that tie to energy efficiency and renewable energy
- Request further discussion on low-income outreach to ensure there is no overlap with other programs
- Appreciate changes made to the budget process

Summary of Comments: General Stakeholders

- More specific requests and feedback
- Utilize data and information resulting from City of Portland-led clean energy programs to ensure follow-on energy upgrades
- More support for residential solar and weatherization in gas-heated homes
- Dissatisfaction with organization's progress on diversity, equity and inclusion
- Develop a Spanish-version of the EPS Field Guide
- Replace the public purpose charge with a loan program to reduce carbon
- Support for solar shingles and large-scale renewable approaches

OPUC Comments

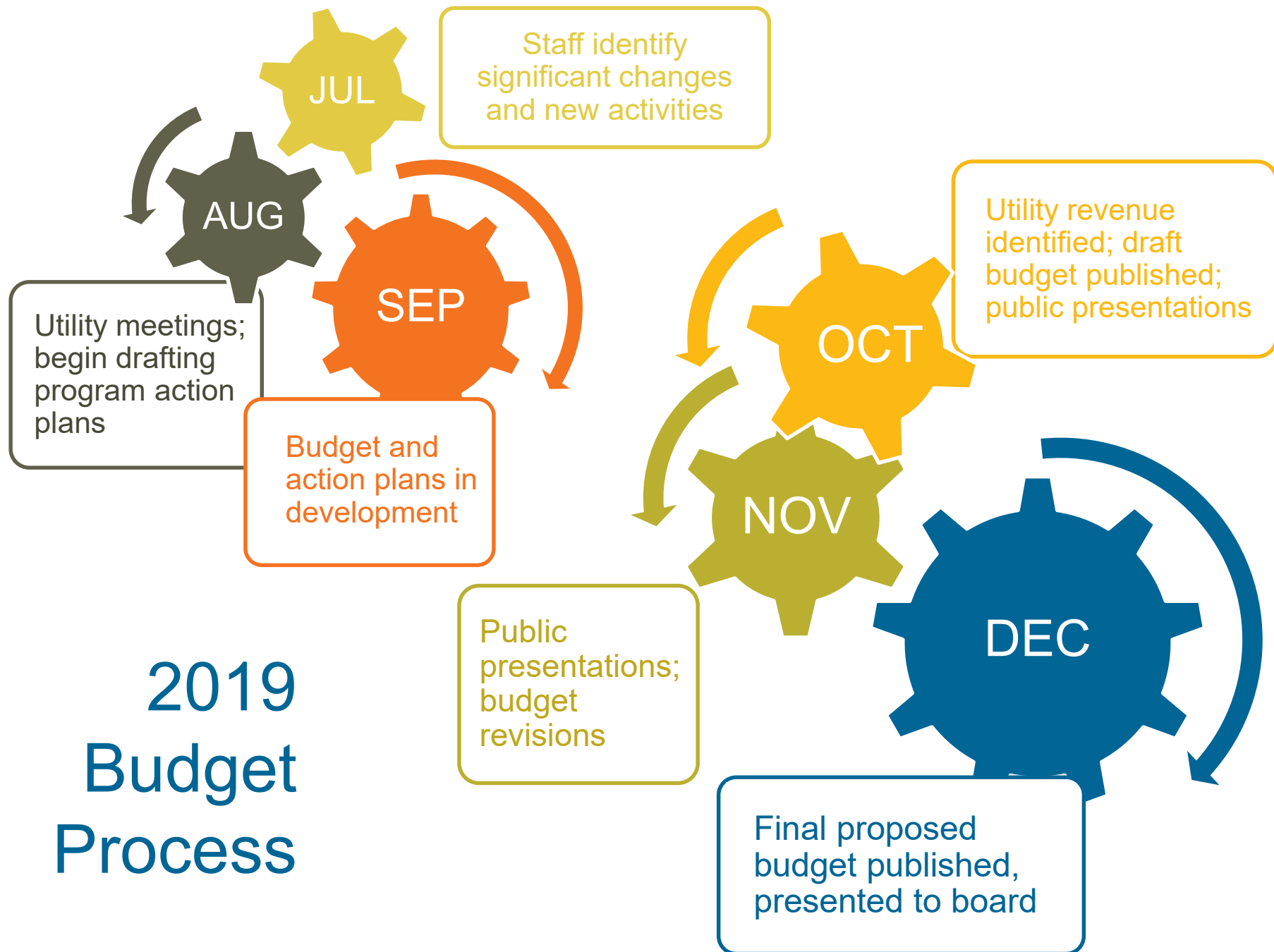
- Reduce detail in 2020 Action Plans to key activities; include metrics, budget impacts and responsible staff
- Provide longer-range forecast for contracted projects in renewables pipeline
- Identify and report on measures with high delivery costs
- Prioritize future of residential and multifamily programs through pilots and redesign activities
- Focus on decreasing transaction costs for high-volume activities through automation and electronic signatures
- Continue to report on DEI initiative progress; estimate potential in underserved markets and report on staff diversity

OPUC Comments (continued)

- Develop scenarios for managing potential for reduced revenue in future years
- Review services provided to commission and utilities to assess for value
- Identify and prioritize organizational review recommendations that save costs or add flexibility
- Begin implementation of needed budget software
- Ensure public purpose funds are not impacted by Community Solar subcontract; make clear in budget
- Eliminate presentation of Q1 report at public commission meeting

Budget Development Detail

2019 Budget Process



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

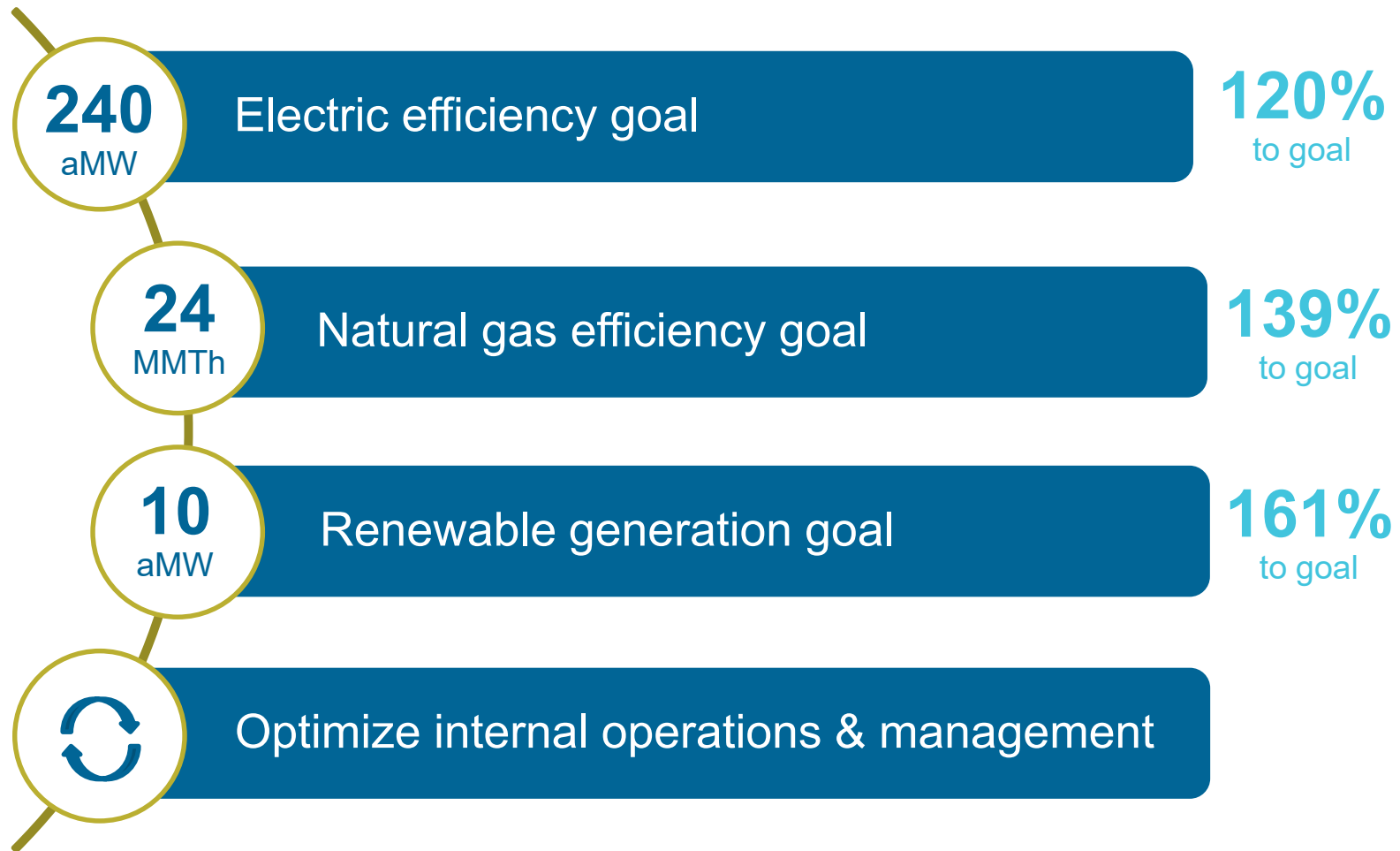
3

Market
knowledge
and context

4

Business
planning and
prioritization

Progress to 2015-2019 Strategic Plan Goals: Through 2019



Progress to goal includes 2015-2017 actuals, 2018 forecasted, 2019 final proposed

2015-2019 Strategic Plan Strategies

Expand
participation

Flexibly
support mature
renewable
technologies

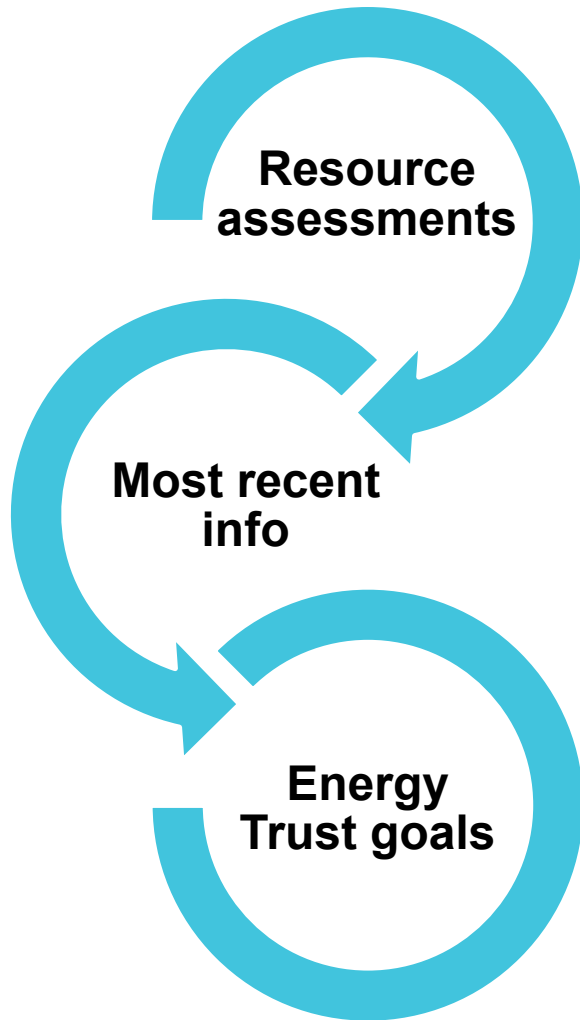
New
approaches,
emerging
technology

Pursue
complementary
initiatives with
others

Strengthen
operational
effectiveness

Manage
transitions

Annual Goal Setting



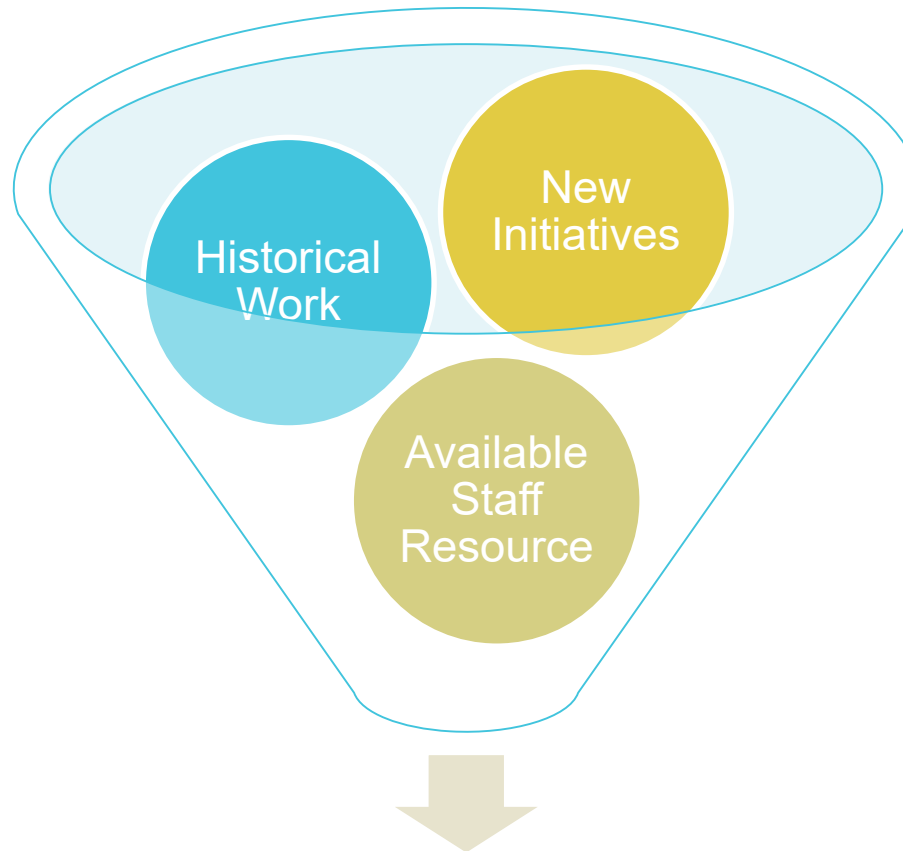
- Annual savings goals related to each utility's Integrated Resource Plan (IRP) target
 - Staggered two-year IRP cycles
 - Energy Trust annual goals can be higher because of new information
 - Utilities file tariffs to collect funding necessary to meet annual goal
- Generation goals informed by resource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

Market Knowledge and Context



- 5th 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

Implemented Business Planning Process



2019 Business Plan Activities

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.*

2019 Budget Outreach Schedule

October & November

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

December

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

www.energytrust.org/budget

Savings and Generation Detail

Final Proposed 2019 Summary by Utility

	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
PGE (Efficiency)	36.40	\$96.67	33.48	34.5	\$96.12	3.0¢
Pacific Power (Efficiency)	20.18	\$57.85	19.72	20.2	\$58.32	3.3¢
NW Natural (OR)	5.66	\$24.79	5.17	5.19	\$26.05	38.6¢
NW Natural (WA)	0.36	\$2.37	0.37	0.37	\$2.43	49.2¢
Cascade Natural Gas	0.55	\$2.72	0.51	0.58	\$2.74	41.4¢
Avista	0.35	\$1.14	0.36	0.29	\$1.87	37.5¢
PGE (Renewable)	1.08	\$6.81	1.22	N/A	\$6.63	N/A
Pacific Power (Renewable)	0.82	\$6.52	1.03	N/A	\$7.48	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
Production Efficiency	19.23	35.16	18.79	38.72	2.18	35%
Existing Buildings	14.96	49.02	14.24	47.77	3.61	27%
Existing Multifamily	1.79	8.85	1.54	8.71	5.46	3%
Residential	7.17	34.52	6.78	33.36	4.84	13%
New Buildings	6.26	19.87	6.16	18.71	3.18	12%
NEEA	7.16	7.10	5.69	7.19	1.75	11%
TOTAL	56.59	154.52	53.20	154.44	3.11	

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
Production Efficiency	1.06	2.9	1.10	3.0	23.32	17%
Existing Buildings	1.64	6.9	1.68	7.7	41.19	26%
Existing Multifamily	0.17	1.1	0.15	1.4	71.65	2%
Residential	3.10	16.3	2.63	17.1	43.24	41%
New Buildings	0.94	2.2	0.85	2.5	24.89	13%
NEEA	-	1.5	-	1.4		
TOTAL	6.91	31.01	6.41	33.1	39.37	

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.

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

	2018 Generation Goal aMW	2018 Generation Forecast aMW	2019 Generation Goal aMW	2019 Budget (\$ Million)
PGE				
Other Renewables	0.00	0.00	0.00	\$0.79
Solar	1.08	1.38	1.22	\$5.85
Total	1.08	1.38	1.22	\$6.63
Pacific Power				
Other Renewables	0.00	0.09	0.24	\$3.73
Solar	0.82	1.12	0.79	\$3.76
Total	0.82	1.21	1.03	\$7.48

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.

Energy Efficiency Detail by Utility

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
Existing Buildings	9.03	8.21	8.98	\$29.72	3.5¢	27%
Existing Multifamily	1.35	1.46	1.16	\$6.37	5.3¢	3%
New Buildings	4.05	4.70	4.35	\$13.67	3.3¢	13%
Production Efficiency	13.61	10.64	11.95	\$23.26	2.0¢	36%
Residential	4.27	4.35	3.78	\$18.98	5.0¢	11%
NEEA Combined	4.10	4.28	3.25	\$4.12	1.8¢	10%
Total	36.40	33.65	33.48	\$96.12	3.0¢	

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
Existing Buildings	5.93	5.28	5.26	\$18.1	3.8¢	27%
Existing Multifamily	0.45	0.45	0.38	\$2.3	5.9¢	2%
New Buildings	2.21	1.76	1.81	\$5.0	2.9¢	9%
Production Efficiency	5.62	6.02	6.85	\$15.5	2.5¢	35%
Residential	2.91	3.36	2.99	\$14.4	4.7¢	15%
NEEA Combined	3.06	3.19	2.44	\$3.1	1.7¢	12%
Total	20.18	20.06	19.72	\$58.3	3.3¢	

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
Existing Buildings	7.36	6.55	6.04	\$18.0	3.3¢	28%
Existing Multifamily	0.54	0.54	0.44	\$2.3	5.0¢	2%
New Buildings	2.19	1.74	1.79	\$5.0	2.9¢	8%
Production Efficiency	6.18	7.34	7.67	\$15.5	2.3¢	36%
Residential	2.91	3.36	3.02	\$14.4	4.6¢	14%
NEEA Combined	3.06	3.19	2.44	\$3.1	1.7¢	11%
Total	22.23	23.73	21.40	\$58.3	3.0¢	

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
Existing Buildings	720,841	661,002	699,614	\$3.2	42.5¢	18%
Existing Multifamily	142,323	106,902	120,567	\$1.2	73.9¢	3%
New Buildings	541,482	513,765	703,930	\$2.1	25.2¢	18%
Production Efficiency	255,710	686,454	244,818	\$0.7	22.0¢	6%
Residential	2,479,440	2,479,356	2,098,201	\$13.8	43.7¢	54%
NEEA Combined	-	-	-	\$1.3	-	-
Total	4,139,795	4,447,479	3,867,131	\$22.3	42.3¢	

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
Existing Buildings	497,146	449,415	498,158	\$1.66	30.4¢	38%
New Buildings	267,298	280,195	18,289	\$0.04	19.8¢	1%
Production Efficiency	751,105	893,651	787,018	\$2.06	23.3¢	60%
Total	1,515,548	1,623,621	1,303,465	\$3.77	25.9¢	

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
Existing Buildings	160,000	156,105	147,481	\$0.99	47.8¢	40%
Residential	199,880	199,828	221,714	\$1.44	50.5¢	60%
Total	359,880	355,933	369,196	\$2.43	49.2¢	

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
Existing Buildings	1,377,987	1,266,522	1,345,253	\$5.9	38.6¢	24%
Existing Multifamily	142,323	106,902	120,567	\$1.2	73.9¢	2%
New Buildings	808,780	793,960	722,219	\$2.1	25.0¢	13%
Production Efficiency	1,006,815	1,580,105	1,031,836	\$2.7	22.9¢	19%
Residential	2,679,320	2,679,184	2,319,916	\$15.2	44.4¢	42%
NEEA Combined	-	-	-	\$1.3	-	-
Total	6,015,224	6,426,673	5,539,792	\$28.5	39.3¢	

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
Existing Buildings	211,339	160,268	216,463	\$1.1	48.7¢	42%
Existing Multifamily	6,053	5,921	5,125	\$0.04	58.4¢	1%
New Buildings	79,795	78,449	76,135	\$0.2	25.2¢	15%
Production Efficiency	48,176	32,596	51,991	\$0.2	32.3¢	10%
Residential	201,744	204,896	161,839	\$1.1	40.6¢	32%
NEEA Combined	-	-	-	\$0.1	-	-
Total	547,106	482,130	511,553	\$2.7	41.4¢	

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
Existing Buildings	52,367	80,164	121,996	\$0.8	57.8¢	34%
Existing Multifamily	17,416	16,721	19,629	\$0.1	60.6¢	5%
New Buildings	47,465	49,393	47,254	\$0.1	22.0¢	13%
Production Efficiency	9,762	6,645	18,636	\$0.05	20.7¢	5%
Residential	222,510	241,220	153,167	\$0.8	30.8¢	42%
Total	349,520	394,143	360,682	\$1.9	37.5¢	

MEMO

Date: December 7, 2018

To: Board of Directors

From: Michael Colgrove, Executive Director

Subject: Levelized Cost Trends and Managing Future Costs

In the course of our outreach on the 2019 Draft Budget and 2019-2020 Action Plan, we received a number of comments about increasing levelized costs. Our draft budget presentation highlighted these increasing levelized costs. Supplemental slides in the final proposed budget presentation show actual cost trends for electric and natural gas efficiency savings from 2015 through 2017, and budget projections for 2018 through 2020.

In 2019 and 2020, Energy Trust is losing some of its lowest cost savings measures due to our success transforming the efficient lighting and showerhead markets. These and other cost drivers mean effective management of all costs—program, delivery and administrative costs—remains of critical importance. Two separate memos in this budget package provide specific detail on staffing cost and administrative cost trends and management. This memo has been added to the Final Proposed 2019 Budget and 2019-2020 Action Plan to provide some additional information on the trend of increasing levelized costs for electric and gas savings, and planned activities related to future cost management.

Levelized Cost Trends

The Final Proposed 2019 Budget and 2019-2020 Action Plan delivers electric savings at a cost of 3.1 cents per kilowatt hour and 39.4 cents per therm, levelized. This is a 4.8 percent increase over 2018 electric levelized costs and an 18.3 percent increase over gas levelized costs, comparing budget to budget. Our 2020 budget projection shows levelized costs rising again to 3.41 cents per kWh and 41.2 cents per therm.

There are a number of drivers contributing to the increasing levelized costs, including:

- Increasing project volume with fewer savings on average per project in the business programs, which requires resources for outreach, technical assistance, processing and other needs to help customers close projects. (We expect to complete about 10,500 business projects in 2018, a 40 percent increase over 2013.) This trend arises from prior success at getting large projects and the intentional drive to increase participation from more small- to medium-sized customers.
- The loss of some inexpensive, high-volume savings from the retail lighting market and from lighting in existing commercial buildings due to successful market transformation. High-efficiency LEDs are becoming standard in the residential and commercial markets and these programs no longer need our support. In addition, there is a reduction in inexpensive high-volume savings from water conservation measures due to successful market transformation.
 - In anticipation of the impacts on the residential sector, we are rebuilding our residential portfolio with other cost-effective, higher-cost measures like heating, water heating and controls equipment. Some smaller residential lighting initiatives

will remain for specialty bulbs and in some retail outlets, such as in smaller stores and stores in rural areas, to ensure all markets have been served.

- The last year of savings from a very large industrial project with very inexpensive electric savings.
- The loss of a significant segment (20 percent) of inexpensive NEEA savings from a residential battery charger standard moving to standard baseline practice.
- A 47 percent reduction in market transformation savings for gas resulting from baselines shifting due to new homes code changes.
- The amount of savings Energy Trust will be able to claim for some measures will be lower than what we are claiming for the same measures this year. This is because we are using updated evaluation information about how some measures actually perform in homes and businesses, or our studies indicate market transformation is at work and people may be buying the measure and fewer people need our support.

Despite increasing costs, the energy we acquire for utility customers remains cost-effective. It is the least expensive energy resource available to our utilities for serving customer needs—about half the cost of electricity from other sources and about 70 percent of the cost for natural gas.

Managing Levelized Costs

Managing levelized costs over time requires that we look at three components: savings, program and program delivery costs, and administrative costs.

Finding new sources of savings—by supporting the work of NEEA and investing in emerging technology efforts by conducting pilots—may add cost per unit of savings in the short-term but helps us manage levelized costs in the long-term. We make these investments to fill the pipeline for future program savings measures, and the expectation is that some of these future measures will contribute to a portfolio of reasonably priced, cost-effective savings over time.

Similarly, exploring new program designs and delivery methods helps us manage program and delivery costs. This also contributes to keeping down levelized costs. We take advantage of specific opportunities, such as market saturation, to reexamine and redesign our programs to work more effectively in new market realities. We may remove some services and reconfigure others to effectively target resource potential in various markets.

We are always looking for ways to better reach our customers. The Lean Startup approach provides tools to help us identify innovative ways to engage customers and to help manage our costs.

While Energy Trust is maintaining many core services and approaches to serving customers, we are focusing on reaching underserved markets. We completed a data analysis this year on our program participation across various dimensions. Specifically, we looked at rural versus urban participation, participation by income level, and participation within communities of color. By serving customers we have not previously served, perhaps because our programs have not been effectively designed to reach them, we will open up new sources of savings in the future.

To aid in managing our administrative costs, we continuously seek out system and process enhancements aimed at enabling us to continue serving high volumes of transactions and serving customers more efficiently. For example, in 2019 we will be developing systems and processes to enable electronic signatures on customer and vendor forms using DocuSign, developing automated finance workflows, and scoping for electronic incentives payment.

To keep our organization nimble and effective, and to help us manage costs over the long-term, we are investing in key internal projects next year, such as implementing a more efficient budget system,

improving our annual measure review process, updating our forecasting functionality, rebuilding our data warehouse, and improving the usefulness and functionality of our lighting tool for businesses and trade allies. The Information Technology action plan in this final proposed budget identifies several other initiatives to improve staff productivity and systems efficiency.

We are also investing in the adoption of improved organizational processes and structures, an outcome of the organization review project completed in 2018. These changes will help us make internal decisions more effectively, explore new ideas and develop new approaches more efficiently, and manage staff to ensure we maintain the necessary level of resources relative to future expenditure projections.

These efforts are not new. Emerging technology, pilots, program redesign efforts, system improvements, and electronic forms and processes have been embedded in our budgets and action plans for years—and they represent a consistent testament to our commitment to manage our costs.

Energy Trust has always taken our responsibility as stewards of ratepayer funds very seriously. As we continue to effectively manage our program, delivery and administrative costs, we realize that without the effects of inexpensive savings, the optics of these rising levelized costs becomes more apparent. In alignment with our core value of transparency, we will continue to report on our cost management efforts and call out these efforts in future action plans.

MEMO

Date: December 7, 2018

To: Board of Directors

From: Michael Colgrove, Executive Director

Subject: Administrative and Program Support Costs for the Final Proposed 2019 Budget and 2019-2020 Action Plan

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

The administrative and program support costs in the final proposed 2019 budget are 7.4 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 information about 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 manage 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 and General:** Providing core finance, legal, human resources, office administration and board of directors administration to ensure general management and operations of the organization. These 2019 and 2020 costs are detailed in the final proposed 2019-2020 management and general action plan.
- **General Communications and 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. These 2019 and 2020 costs are detailed in the final proposed 2019-2020 general communications and outreach action plan.

- **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. These 2019 and 2020 costs are detailed in each of the program and support group action plans attached to the final proposed 2019 budget.
- **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. These 2019 and 2020 costs are detailed in the final proposed 2019-2020 Information Technology action plan.
- **Program Support:** Program indirect costs include travel, meetings, conferences, dues and general materials managed and used by programs to perform effectively. These 2019 and 2020 costs are detailed in each of the program and support group action plans attached to the Final Proposed 2019-2020 Budget.

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 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 View of Administrative and Program Support Costs and Performance Measure

	2015	2016	2017	2018 Budget	2019 Final Proposed Budget
Annual revenue	145,843,858	150,791,320	196,357,749	186,772,918	183,326,188
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	14,666,095
Administrative cost and program support	8,620,600	9,998,165	10,901,915	13,097,175	13,552,715
Actual % of revenue	5.9%	6.6%	5.6%	7.0%	7.4%
Increase from prior year		1,377,565	903,750	2,195,260	455,540
Increase percentage		16.0%	9.0%	20.1%	3.5%
<i>note: Administrative cost and Program Support, as originally calculated</i>	7,957,783	9,283,716	10,141,700	12,291,474	13,411,012

Detail of Administrative and Program Support Costs in Final Proposed 2019 Budget

	Total	Program	Administrative and Program Support
Incentives	\$109,121,220	\$109,121,220	
Program Delivery Subcontracts	61,771,050	61,771,050	
Employee Salaries & Fringe Benefits	14,505,380	7,284,138	7,221,242
Agency Contractor Services	1,888,663	825,439	1,063,224
Planning and Evaluation Services	3,702,872	3,628,035	74,837
Advertising and Marketing Services	3,195,450	2,083,450	1,112,000
Other Professional Services	4,754,149	3,386,799	1,367,350
Travel, Meetings, Trainings & Conferences	466,860		466,860
Dues, Licenses and Fees	253,683		253,683
Software and Hardware	526,989		526,989
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
TOTAL	201,652,845	188,100,131	13,552,715

Administrative Cost Drivers in Final Proposed 2019 Budget

Administrative and program support costs in the final proposed 2019 budget increased 4 percent over 2018, which is below the 10 percent annual increase cap set by the OPUC. The increase is due to staff health care cost and merit increases (detail is provided in a separate staffing cost memo attached to the Final Proposed Budget), a change in how costs are allocated for the director of operations role, increased allocation of communications and outreach staff resources to the organization's diversity, equity and inclusion initiative, additional expenditures on media and sponsorships related to expanding awareness and participation among underserved customers, the addition of an agency contractor to support implementation of a multi-year budget process stemming from the budget review project initiated in 2017, and the addition of consulting services to implement

changes recommended by the organization review project, initiated in 2017 to prepare the organization for a dynamic future.

Administrative Cost Management Going Forward

Energy Trust has always taken seriously its responsibility to manage ratepayer funds in a cost-effective manner and has continuously invested in systems and process efficiencies to maintain low administrative and program support costs. Strong administrative cost management has helped the organization deliver energy savings at a low levelized cost since inception.

As Energy Trust realizes success in transforming the efficient lighting and efficient showerhead market, it is losing some of its lowest cost savings measures. This means effective management of all costs—program, delivery and administrative costs—remains of critical importance.

To manage administrative costs in the future, Energy Trust is prioritizing systems and process enhancements for 2019 that will enable us to process high volumes of transactions, serve customers more efficiently, and continue maintaining high customer satisfaction in future years. Some specific projects identified in our final proposed 2019 action plans are developing systems and processes to enable electronic signature of customer and vendor forms using DocuSign, developing automated finance workflows, and scoping for electronic incentives payment.

Energy Trust continues to carefully examine resource needs within work groups when staff vacancies occur to consider whether and how work might be redistributed prior to posting a job opening. In 2018, we adopted a new practice of bringing all position vacancies to Management Team for discussion regarding whether rehiring is necessary. Through this process, management team can identify potential staffing shifts in the broader organization to cover the existing work, consider deprioritizing business plan initiatives to avoid rehiring, or approve the position posting.

Finally, in 2019, Energy Trust is planning for future implementation of a number of recommendations resulting from organization review and budget process review activities concluded in 2018. In developing the implementation plans, the organization will prioritize changes that will help Energy Trust continue operating efficiently and effectively in the future.

MEMO

Date: December 7, 2018
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Staffing for the Final Proposed 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 final proposed 2019 budget are compliant with the OPUC minimum performance measure related to staffing costs.

This memo provides background and information about 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 2018 budget, as well as responses to comments on the draft 2019 budget. This supporting information is provided in the following sections:

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

I. Staffing for Organizational Needs

The final proposed 2019 budget aligns staffing resources with priority organizational needs. Pursuant to recommendations from Energy Trust's 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 Final Proposed 2019 Budget

In the final proposed 2019 budget, staffing costs, excluding agency contractor staff, represent 6.97 percent of the organization's total budget on a three-year rolling average. This is a 6.6 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 2019. 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 by 25.5 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 encourages 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 final proposed 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.

In response to comments on the draft 2019 budget, we have revised staffing costs modestly down by the following actions: (i) increasing the employee deductible slightly, resulting in savings in health care premiums, (ii) reducing the number of interns by 2.5 FTE, and (iii) modifying the estimate for employer taxes. Altogether, the final proposed budget is \$207,114 less than had been presented in the draft budget, a savings of 1.4%.

For historical context, the table below compares employee staffing costs, excluding agency contractor costs, year over year through our updated projection for 2020.

	2015	2016	2017	2018	2019	2020
Employee Cost	10,233,136	11,433,837	12,524,401	13,608,430	14,505,374	15,527,709
Three year rolling average	6.40%	6.19%	6.41%	6.62%	6.97%	7.43%
Year/Year \$ Change	\$633,219	\$1,200,701	\$1,090,564	\$1,084,029	\$896,944	\$1,022,336
Year/Year % Change	6.6%	11.7%	9.5%	8.7%	6.6%	7.0%
Drivers						
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	6.0	6.0
Salary adjustment pool	6%	8%	8%	4%	5%	5%
Benefit rate increase	-9%	8%	0%	11%	24%	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. However, similar concerns on staffing cost year-over-year increases were expressed by the OPUC regarding the 2019 draft budget. 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 currently projects that the three-year rolling average will be 7.43 percent in 2020. Energy Trust will continue to identify ways to reduce its staff costs responsibly 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, 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 have identified and are practicing three additional 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: December 7, 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 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 final proposed 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 (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).

2017 Measures	kWh	kWh % of total	therms	therms % of total
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%
Total	591,136,938	100.0%	6,909,611	100.0%

2018 Measures (year-to-date through 10/3/2018)	kWh	kWh % of total	therms	therms % of total
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%
Total	219,137,046	100.0%	3,155,073	100.0%

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)

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost-Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost- Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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
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

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost-Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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	
Existing Buildings Multifamily (≤ 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

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost- Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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 (≤ 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 (≤ 4 units), Existing Single Family	Floor insulation incentive cap (gas)	A	4/30/15	N/A	No	Yes	
Existing Buildings Multifamily (≤ 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	

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost- Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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	
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	

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost- Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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	
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.

Program(s)	Measure	Criteria	Date Granted	Expiration Date	Cost- Effective with 2019 Avoided Costs*	Offered in 2019	Comments
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: December 7, 2018
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Planning Assumptions for the Final Proposed 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 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 final proposed 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 more 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.”¹

- **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 directly benefit from Energy Trust’s programs.
- **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 25 percent tariff on Chinese-made inverters.
 - An assumption of no significant changes to the net metering policy in 2019.

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

- 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.
 - 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 collaborate with other funding partners in pursuit of electric and gas market transformation.
- **Energy Trust has not included funds to facilitate coordination and project development with the City of Portland when the city implements the Portland Clean Energy Initiative policy.** When the city implements the policy, 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: December 7, 2018
To: Board of Directors
From: Michael Colgrove, Executive Director
Subject: Key Trigger Events and Scenarios for Final Proposed 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. Energy Independence and Security Act assumptions not accepted by OPUC	<p>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.</p> <p>Oct. 1 update: OPUC accepted lighting market exit approach</p>	<p>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.</p>	<p>Energy Trust highlighting LED assumptions and exit strategy on August 28 to Commission.</p> <p>Oct. 1 update: Energy Trust draft budget will include incentives for 2019 and implementation.</p>
2. Multifamily program cost-effectiveness	<p>After successfully reaching significant portions of the market, the program is cost-effective in its current design for 2019 but not for 2020.</p> <p>If EISA assumptions are not accepted by OPUC, direct installation offering for energy-efficient lighting and water-saving devices would not be cost-effective and savings would also be reduced for gas.</p>	<p>Analysis is complete, so trigger will not occur in 2019. No alternative is needed unless EISA assumptions are not accepted, in which case direct installation will be eliminated and both electric and gas savings will be reduced.</p>	<p>Energy Trust highlighting LED assumptions and exit strategy on August 28 to Commission.</p> <p>Energy Trust will redesign Multifamily program in 2019 to ensure cost-effective offerings in 2020 targeting underserved parts of the market.</p> <p>Oct. 1 Update: Energy Trust will proceed as planned.</p>

	Oct. 1 update: OPUC accepted lighting market exit approach		
3. Year-end forecasts are not as expected	<p>Per the Q2 forecast, current rates are expected to supply sufficient reserves for 2019 and 2020.</p> <p>Oct. 1 update: Forecasted reserves appear to be on track as anticipated in the 2018 budget projections for 2019.</p>	If Q3 forecast shows reserves are not sufficient for a utility, Energy Trust will negotiate a rate adjustment with the applicable utilities.	<p>Share Q2 forecast information with utilities and OPUC in August budget kickoff meetings.</p> <p>Update utilities in mid-October with Q3 forecast and finalize funding models. Inform OPUC staff.</p>
4. Year-end forecast shows significant variances in savings potential and costs	<p>Program market intelligence or IRP information will significantly impact savings and cost projections for next year's budget.</p> <p>Oct. 1 update: No major events or major project changes are foreseen at this time to cause remedial action.</p>	If forecasts show significant variances impacting next year's savings and expenditures, Energy Trust will surface issues with OPUC, utilities and Conservation Advisory Council 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	<p>Rising healthcare premiums are anticipated over the next two years, potentially impacting the OPUC staffing cost performance measure.</p> <p>Oct. 1 update: Draft 2019 budget includes confirmed healthcare premium cost increases. Energy Trust remains in compliance with staffing cost performance measure for 2019.</p>	Determine impact on staffing cost as compared to previous years costs. If the 7.25 percent three-year rolling average and 10 percent annual cost increase caps are exceeded due to this cost increase, work with OPUC staff to determine if a performance measure change is warranted.	<p>Meet with OPUC staff in October when budget numbers are available and analysis is complete to determine course of action.</p> <p>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.</p>

MEMO

Date: December 7, 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 the first quarter of 2019. 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 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.

Summary of Outreach Activities and Comments Received on the Energy Trust Draft 2019 Budget and 2019-2020 Action Plan

Outreach Activities

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

Summary of completed outreach activities:

August	Energy-efficiency program concepts for 2019—including proposed pilots, incentive and measure changes, market trends, and emerging challenges—were reviewed in meetings with PGE, Pacific Power, NW Natural, Cascade Natural Gas and Avista
September	Received comments, suggestions and requests from utilities on 2019 energy-efficiency program concepts. Feedback incorporated and program plans adjusted; clarified information in written responses. Informal discussion continued with utilities throughout preparation of the draft annual budget and action plan. 9/14: Draft program action plans reviewed at the Conservation and Renewable Energy Advisory Council meetings 9/21: Reviewed early draft budget expenditures, revenues, savings, generation and discussed 2019-2020 funding levels with Oregon Public Utility Commission staff at an informal work session
October	Met with all five utilities to provide detail on costs and revenues, and respond to earlier questions with data on measure and program track savings, incentives, and levelized costs 10/5: Draft budget and action plan presented to Oregon Public Utility Commission staff at an informal work session 10/17: Draft budget presented to Conservation and Renewable Energy Advisory Councils and board of directors at a public budget workshop; meeting format included discussion of budget and action plans with staff
November	10/17: Draft budget and action plan webinar posted online to inform public review of documents 11/8: Draft budget presented to OPUC commissioners at public workshop 11/14: Update on budget development and public comments presented at board of directors meeting 11/30: Update on budget revisions presented at Conservation and Renewable Energy Advisory Council meetings

Public Comments

The draft budget and action plan are on the website at www.energytrust.org/budget. Budget presentations and action plan documents are also included in the public meeting packets posted online for the Conservation Advisory Council, Renewable Energy Advisory Council meetings and for board of directors meetings at www.energytrust.org/about/public-meetings. Public comments on the draft budget and action plan were accepted from October 10 through October 31, 2018. Written comments were invited from all parties engaged in outreach meetings, as well as the public. Comments received are summarized in the table below, followed by copies of actual comments received.

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

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

We appreciate the time and effort of OPUC staff and commissioners to review and comment on our draft budget and action plan. We understand these comments to be largely supportive of our plans and intentions. We acknowledge OPUC staff member and liaison Anna Kim for her comprehensive review and thoughtful comments on our draft budget and action plan.

Summarized Energy Trust follow-up actions on OPUC recommendations provided on the 2018 (current year) budget:

We appreciate OPUC staff acknowledgement of our completed, in-progress and ongoing activity to respond to budget comments received for the current budget and action plan cycle.

As noted by OPUC staff, we will continue to monitor the lighting market in all sectors for budget implications.

- Continue progress on implementing 2017 budget comments not yet completed, many of them multi-year efforts, including:
 - Develop a matrix of key triggering events and resulting alternative budget scenarios. (complete)
 - Identify steps that could be taken to stabilize operations by smoothing the acquisition of certain savings. (complete and ongoing)
 - Continue and report back on progress related to the organizational assessment and resulting efficiencies in staffing and contractor resources. (complete and ongoing)
 - Continue work to improve forecasting methods and report on progress within a quarterly commission update. (complete)
- Implement a revised OPUC staffing performance metric that removes agency contractors from staffing cost category, and reports them separately; reduces the metric from 7.75 to 7.25 percent; and caps year-over-year staffing cost increases to 10 percent. (complete)
- Update the OPUC administrative cost metric to cap year-over-year increases in administrative costs at 10 percent of the previous year. (complete)
- Provide updates in the Quarter 2 2018 Report on near-term DEI activities, and the status of LED lighting in all sectors. (complete)
- Provide in the 2018 Annual Report the number of solar systems that received incentives and had a battery storage system, advanced interconnection and communication devices, or were installed for customers considered moderate-income. (in progress)

Reduce detail in 2020 Action Plans to the most important activities pertaining to the budget; include measurable outcomes, budget impacts and responsible staff.	<p>We will take this recommendation into consideration with our board of directors, advisory councils and utility stakeholders and identify changes that can be made for the 2020 budget and action plan documents. Action plans are currently developed for multiple audiences that have different requests for action plan details.</p> <p>Currently, savings, generation, levelized cost, administrative cost and staffing costs are the most visible measurable outcomes associated with the budget and action plans. We have been preparing to expand on measurable outcomes for major activities in future budgets and action plans, and we will emphasize these metrics in the next budget cycle.</p>
Provide longer-range forecast for contracted projects in the renewables pipeline to better represent expected outcomes of investments made today and that shows expected operation dates of projects currently under contract.	<p>We will add a longer-range forecast for contracted renewables projects to next year's Other Renewables action plan, and when applicable, will include expected operation dates of projects with committed incentives. The program's project development assistance pipeline may include projects that have not yet reached the stage in the development cycle to have an expected renewable energy system installation date.</p>
Identify and report on measures with high delivery costs, especially in natural gas, so they can be assessed for extension or discontinuation. Report by July 2019.	<p>We acknowledge the OPUC's request and will deliver an assessment by July 2019. We will approach OPUC staff for further discussion in early 2019 to better understand what information will be of most value to OPUC and Energy Trust.</p>
Prioritize the future of residential and multifamily programs through pilots and redesign activities. Provide quarterly updates.	<p>We are prioritizing the reassessment of the Existing Multifamily program given savings changes and cost-effectiveness challenges. We will continue to look for innovative ways to evolve the Residential program, which is entering its second year after a significant redesign. We will report on efforts to identify new savings sources or delivery approaches for these two programs in quarterly reports to the OPUC.</p>

Focus on decreasing transaction costs for high-volume activities through activities like automation and electronic signatures. Provide quarterly updates.	We have successfully rolled out the use of DocuSign for electronic signatures for a few use cases. We have put in place a team and process to continue implementing the use of electronic signatures across various areas of the organization. Much of the work of enhancements to our information systems includes increased automation along with improved tracking and accountability. We report on enhancements in our quarterly reports and will add progress on electronic signatures to that reporting.
Continue to report on DEI initiative progress, estimate energy efficiency potential in underserved markets and report on staff diversity. Provide quarterly updates.	<p>We appreciate the commission's support for our diversity, equity and inclusion (DEI) initiative, and the involvement of multiple community-based organizations and stakeholders in supporting the development of our operations plan and work in this area.</p> <p>The DEI baseline report is now complete, and the first iterations of program-specific DEI goals have been developed. Estimating the efficiency potential in underserved markets is complex, and we will look for ways to enhance our baseline report, access other data to inform program outreach and delivery, and utilize the expertise from the Diversity Advisory Council that is expected to be in operation by Q1 2019.</p> <p>Increasing diversity in recruiting and hiring is one of our DEI operations plan goals. We have two baselines for examining and reporting on staff diversity: an annual, voluntary staff survey and the required annual EEOC report on staff demographics. Using these baseline sources, we will report on changes and on strategies for increasing diversity in recruiting and in hiring as we report on progress on other DEI operations plan goals.</p>
Develop scenarios to prepare for possibility of reduced revenues in 2020. Include reduced staffing levels. Report back in the Q1 2019 report.	We acknowledge the OPUC's request and will deliver an assessment by the Q1 2019 report due date. We will develop scenarios that reflect budgets with reduced revenues and associated cost management strategies.

Review with OPUC staff the services provided to the commission and utilities to assess for value, for example, the targeted load management pilot.	We will work with OPUC to conduct an informal review of services provided and to look for ways to streamline the provision of important information. We do not view the targeted load management pilots as in this category. We view these as important development projects that deliver energy efficiency and renewable energy services to customers. We will work with OPUC staff to review these planning and program activities.
Identify and prioritize the organizational review recommendations that quantifiably either save costs or add flexibility. Provide quarterly updates.	<p>In total, the organization review recommendations are geared toward optimizing Energy Trust staff and organizational readiness to serve ratepayers through existing programs while developing new approaches to deliver customer services and benefits in an increasingly dynamic and likely resource constrained future environment. This will require Energy Trust to continuously improve internal operations, gain efficiencies, be responsive in adapting to change and be innovative in the design of program offerings.</p> <p>The expected benefits of the organization review recommendations will be challenging to quantify directly. However, improving our ability to innovate will be evidenced by the development of new program offerings that efficiently deliver value and by measurable increases in participation by historically underserved customer segments.</p> <p>Success measures related to this work will be monitored, measured and reported to the OPUC. We would like to work with the OPUC to develop a standard template for reporting measurable progress on a quarterly basis.</p>

<p>Begin implementation of needed new budget software on time and on budget, and to enable improved reporting on how public purpose funds are spent and enhance capability to test different scenarios. Provide quarterly updates.</p>	<p>Implementing new software systems is a lengthy, complex process. For the new budget software, staff will determine business and technical requirements of improvements to our budgeting information systems, prioritize those requirements, and then assess the best way to fulfill those requirements. Fulfillment of the requirements will include an assessment of available software solutions. Based on these various inputs, an overall approach and a project schedule will be created and shared with the OPUC. We will reference this schedule as we provide regular updates to the OPUC.</p> <p>A new system would need to be implemented and staff trained by July 2019 to be used for the next 2020 budget development cycle. Staff believes it would be difficult to meet this timeframe. In addition, staff is exploring modifications to the budget process that are expected to be implemented in future budget cycles. We anticipate aligning the capabilities and availability of the budget information systems improvements with that new, revised budget process.</p>
<p>Present the impact of Energy Trust's role as a delivery [sub]contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report by July 2019.</p>	<p>When contracting between the state and the winning bidder has concluded and a subcontract between Energy Trust and the Community Solar Program Administrator executed, we will present any impacts to the budget to demonstrate that public purpose funds will not be impacted by Energy Trust's role as a delivery subcontractor.</p>
<p>Eliminate public presentation of Q1 2019 Report at a public commission meeting.</p>	<p>We acknowledge this recommendation. Quarter 1 is generally the lowest activity quarter for Energy Trust. We will continue to deliver a Quarter 1 report to the commission to meet the requirements of our grant agreement, and respond to questions as needed.</p>

Respondent: Portland General Electric Comment topics	Energy Trust staff responses
Reviewed and supported the draft 2019 budget and 2019-2020 action plan.	We appreciate the time and effort of PGE staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Brendan McCarthy, Garrett Harris, Jason Klotz, Bruce Barney, Dave Robertson, Karla Wenzel and Jim Cox.
Provided high-level comments on the budget planning process, including a suggestion to include an executive summary that shows savings potential by sector.	We appreciate PGE's feedback. We have included sector level savings breakdowns for electric and gas in our 2019 budget at-a-glance handout and in the budget presentation slides. We will seek clarification in a future coordination meeting with PGE to understand whether these summaries meet the need or what other information would be helpful in future years.
Expressed appreciation for continued refinements to forecasting. Supported the organization's diversity, equity and inclusion efforts, and hopes to engage with Energy Trust on the delivery of services to underserved customers and the launch of the Diversity Advisory Council.	Thank you for this acknowledgement. Thank you for supporting our diversity equity and inclusion initiative. We appreciate PGE's leadership and willingness to share insights in this area.
Respondent: Pacific Power Comment topics	Energy Trust staff responses
Acknowledged Energy Trust's presentation of the draft budget and action plan to Pacific Power staff, and other utilities and stakeholders. Appreciates the improved alignment between the 2019 target for Pacific Power and the utility's 2017 IRP.	We appreciate the time and effort of Pacific Power staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Kari Greer, Erik Anderson, Cory Scott, Eli Morris and Scott Bolton.
Noted that while the 2019 savings target for Pacific Power is lower than projected savings for 2018, expenditures are forecast to increase both over 2018 levels and the 2019 projected level listed in the 2018-2019 budget. Expressed concern that the increased costs are being driven by additional administrative work that may have little or no impact on the acquisition of cost-effective conservation, and that the activities that are driving the increase are not described or cited in the draft 2019 budget and 2019-2020 action plan.	The less than one percent increase in expenditures in Pacific Power territory is due to factors outlined in the levelized cost memo included in the final proposed budget. This comment helped us realize these factors were not well explained in our budget documentation, although they were discussed in our presentation at the public budget workshop on October 17. We appreciate the feedback.

Supportive of Energy Trust's focus on delivering benefits to a wider group of customers including rural and low- to moderate-income households. Recommended working with Pacific Power's regional business managers to further this effort.	We appreciate the offer of collaboration, and we will coordinate with Pacific Power's regional business managers through Energy Trust's regional outreach staff.
Concerned about funding to community-based organizations and internships being co-mingled with initiatives that go beyond directives to acquire energy efficiency and renewable energy.	<p>Pacific Power and Energy Trust share a common goal of ensuring that communities served by Pacific Power are engaged, aware of Energy Trust offers and services, and learn about the benefits provided to them as Pacific Power customers. Energy Trust has provided training, staff support and resources to increase capacity in these communities through interns placed in businesses, development of local contractor networks, staff involved in local planning processes, and support for AmeriCorps RARE interns. A requirement for all of these efforts is that the support we provide increases awareness of Energy Trust services and offers and ultimately results in energy efficiency and solar project activity benefitting eligible utility customers. Energy Trust is interested in aligning these efforts with Pacific Power and ensuring that the goals are clear and that we are meeting our shared objectives.</p> <p>Additionally, Energy Trust's diversity, equity and inclusion operations plan has a goal of deepening relationships with community-based organizations to learn and leverage their knowledge of the communities we hope to serve more deeply. Energy Trust expects to develop new relationships across our service territory as we do this work and can keep Pacific Power aware of this emerging area of community development work.</p>
Approved and encouraged continued efforts in conducting targeted energy efficiency and renewable programs to maximize potential grid benefits, as these activities could lead to additional opportunities to provide targeted system benefit to customers.	We look forward to continuing this exciting and challenging work, and to continuing our strong collaboration with Pacific Power to benefit customers.

Respondent: NW Natural Comment topics	Energy Trust staff responses
Expressed overall support for the 2019 budget and noted an increasingly positive working relationship with Energy Trust staff in advancing mutual interests.	We appreciate the time and effort of NW Natural staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Holly Braun, Rick Hodges, Shanna Brownstein, Bill Edmonds and David Anderson.
Expressed concern with the continued, year-over-year increases in administrative costs and requested information about how we are working with the OPUC to navigate issues of cost-containment in the future, especially given this time as one of decreasing savings and threats to cost-effectiveness.	Detail on cost increases are provided in three supporting memos included in the final proposed budget addressing levelized costs and cost management, administrative costs and staffing costs. All three memos are important to understanding the cost trends and cost management approaches in our final proposed budget and action plan. Energy Trust is working with the OPUC to develop scenarios for managing costs as we anticipate further reduction in revenues. We will share information on cost management strategies with NW Natural in future coordination meetings.
Noted that administrative costs allocated to their Washington territory are increasing at a greater percentage than program costs for the territory. Requested more detail about the additional value Washington ratepayers are receiving from the extra overhead.	<p>Based on updated housing forecasts and other comments, we re-examined savings and costs for our Washington efforts for the final budget. In the final proposed budget, NW Natural-Washington savings are up 2.6 percent and program costs (not including administrative costs) are up 2.3 percent to support the expansion of the offerings in Washington and gain the additional savings.</p> <p>Excluding program support costs, total Energy Trust general administrative costs are up 9.5 percent, and this increase is shared across all programs and funding sources proportionately. NW Natural's share of this increase for services in Washington is \$10,291. These costs will support executive leadership, finance, human resources, contracting support, general outreach and reporting. Energy Trust administrative costs are well below the typical nonprofit administrative costs. Because of our size, we can be more efficient than a small organization.</p>
Respondent: Cascade Natural Gas Comment topics	Energy Trust staff responses
Supported the proposed adjustments to the public purpose charge collection for 2019. And appreciated changes to the annual budget process, particularly with regards to the frequency and detail of	We appreciate the time and effort of Cascade Natural Gas staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Al Spector, Monica Cowlshaw, and Mike Parvinen.

meetings, which helped in providing feedback on current and anticipated outcomes.	
Encouraged Energy Trust to continue seeking ways to manage levelized costs.	Please see the supporting memo on levelized costs and cost management in the final proposed budget for additional information. The increase in gas levelized costs for 2019 was driven primarily by reduced savings from low-cost, water-savings measures and expiring no-cost market transformation savings in new home construction. We continue to looking for new approaches to add more savings at the lowest possible costs, while maintaining outreach to rural customers.
Will continue working with Energy Trust to determine ways to overcome ongoing barriers including continued reduction of active contractors, and other externalities affecting cost-effectiveness and participation.	We appreciate the help of Cascade Natural Gas help in this area. We will be re-drafting an Eastern Oregon strategy for residential efforts to help recruit more contractors to the programs and define easier paths for customer participation. We look forward to your review and input when it is ready. In the final proposed budget, we expanded regional staff though our program contracts to better serve agricultural and industrial customers in Eastern and Southern Oregon with standard measures.

Respondent: Avista
Comment topics

Energy Trust staff responses

Expressed support for the 2019 budget, and noted the process this year revealed the savings goal for 2019 had been underestimated due to a lack of historical knowledge and staff becoming familiar with the territory.	We appreciate the time and effort of Avista staff in reviewing the draft budget materials, especially the ongoing collaboration and coordination with Lisa McGarity and Kevin Holland.
Requested continued mindfulness of any upward rate pressure for Avista customers, and to ensure a balanced approach to budget and action plans.	We acknowledge this comment and understand Avista's concern regarding rate impacts on customers. We will continue to coordinate with Avista in delivering programs and services to benefit customers.
Requested additional discussion related to low-income outreach to confirm there is no overlap from existing or other planned programs. Recommended using the to-be-completed analysis from the state's low-income working group and coordination with Avista prior to moving forward.	<p>We understand Avista's concern and will plan further discussion in a future coordination meeting.</p> <p>Meanwhile, we are participating on the OPUC low-income working group, and plan to use what we can from any reports that will be issued. We are also participating in discussions</p>

	<p>hosted by OPUC and OHCS regarding ways to best administer funds from various sources.</p> <p>From a program coordination perspective, Energy Trust field staff are currently attending low-income agency coordination forums to share information and encourage referrals between agency-driven low-income efforts and Energy Trust Savings Within Reach offers for moderate-income customers. We have developed a field protocol for trade allies offering Savings Within Reach to help flag and refer customers who should be working with low-income agencies to access the highest levels of support.</p>
Requested more information about Energy Trust strategies to keep programs cost-effective despite declining savings.	Please see the supporting memo on levelized costs and cost management in the final proposed budget for additional information. The increase in gas levelized costs for 2019 was driven primarily by reduced savings from low-cost, water-savings measures and expiring no-cost market transformation savings in new home construction. We continue to look for new approaches to add more savings at the lowest possible costs while maintaining outreach to rural customers. We will provide this information over the course of the year through Conservation Advisory Council and/or ongoing utility coordination meetings.
Requested more information about the increase in staffing costs in order to validate that Energy Trust's efforts are delivering savings at a reasonable cost.	Please see the supporting memo on staffing costs in the final proposed budget for additional information. We would be glad to answer questions at a future coordination meeting.

Respondent: Aeropower Services Inc. (received after the deadline)
Comment topics

Energy Trust staff responses

Noted that in personal experience doing business for years in Eastern Oregon and Washington, small rural commercial and agricultural businesses are not aware of Energy Trust and there is a need for increased outreach to these areas.	<p>Thank you for this feedback. Improving our presence and outreach in Eastern Oregon is a priority for us. Energy Trust recently completed data analysis that examined program participation across our service territory. That analysis showed gaps in our service to rural commercial, agricultural and industrial businesses, including small businesses, and opportunity to achieve energy savings from these customers. We are developing and implementing plans to improve program awareness and outreach in 2019 in response, and ultimately increase participation in this area as well as other</p>
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	rural areas in Oregon. Our plans will include leveraging local field staff in the region, trade allies and marketing outlets.
Concerned about the problems involved in trying to sell renewable generation from a single large project to multiple Northwest commercial and industrial users, stating there is a lack of competition except for the very largest buyers and an effective monopoly within utility service territories. Recommended exploring community choice aggregation or other methods to bridge the gap between larger projects and many smaller buyers.	Energy Trust's work is focused on renewable energy projects that sell their power to a utility or projects that generate power for on-site use. Changes as described in the comment would need to come from the legislature or the OPUC.

Respondent: Attic Access
Comment topics

Energy Trust staff responses

Likened the public purpose charge to a small carbon consumption tax and suggested that revenues from that tax be deposited locally in public banks and deployed as loans to finance actions that invest in home integrity, efficiency and other actions. The financing would be upfront instead of in the form of rebates as it is currently delivered.	<p>Energy Trust is charged with delivering energy efficiency at lower costs than delivered power and gas, and delivering renewable energy where there is above-market costs. We are also required to transform markets to efficient and renewable products and practices. The share of the public purpose charge invested by Energy Trust is to deliver cost-effective energy efficiency, lower the above-market costs of renewable energy and transform markets to higher-efficiency products and practices. We serve all customers, residential, commercial and industrial, who pay into the fund. A benefit to this work is the reduction of carbon but it is not the primary objective for investments of public purpose funds. The Oregon Legislature sets this energy-saving directive.</p> <p>Residential program offers include a range of support for customers to lower the cost of energy-efficient installations, such as cash-back incentives, point-of-purchase rebates, and partnering with Craft3 for low-interest loans and on-utility bill repayment. Offering only loans can create barriers to participation for those customers without credit or who are not comfortable with taking out a loan. This may widen participation gaps.</p>
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Respondent: City of Portland Bureau of Planning and Sustainability

Energy Trust staff responses

Comment topics

Noted the absence of the City of Portland's Home Energy Score and Commercial Energy Reporting policies in the Market Knowledge section of the draft budget. Observed there is more that both organizations can do to move the market past benchmarking and scoring to efficiency upgrades that reduce carbon. Requested acknowledgement of these policies in context-setting and program planning, and stronger direction to staff to work with the city on integrating data from these two city-led programs and collaborating on new program ideas.

Thank you for this comment. Upon further review of our action plans, the references to utilizing data sets and program opportunities out of the Home Energy Score and Commercial Energy Benchmarking programs were broadly stated. We have revised the Residential program and Existing Buildings program action plans to highlight our current and continuing coordination and alignment with city initiatives.

We have provided support and coordinated with the City of Portland on these and other programs and intend to in the future, in alignment with market actors such as BOMA and Community Energy Project.

Respondent: Earth Advantage
Comment topics
Energy Trust staff response

Requested the EPS Field Guide be translated into Spanish in 2019 to respond to requests from many of Earth Advantage's builders and subcontractors.

We are currently updating the field guide, which is typically updated annually. Revisions from the 2018 update are more significant than usual, and the guide is not yet updated. During this revision process, staff is discussing options to make the guide more useful and accessible. The subcontractor delivering EPS (TRC) is checking with builders, verifiers and subcontractors to see if a Spanish version would be helpful. In addition, we are expanding the guide to include pictures to help users who do not read or speak English. We will also look into some other options like a job-site poster or a shorter field guide resource based on some of the feedback associated with the latest round of changes.

Spanish translation of resources is an ongoing conversation that is explored with every piece where there might be value. We look forward to working with Earth Advantage on this important topic.

Respondent: Neil Kelly
Comment topics
Energy Trust staff responses

Requested Energy Trust focus more incentives on residential solar to mitigate the effects of the tax credit expiration slowing down project

Solar funds are budgeted to support a portfolio of distributed projects for residential, public, nonprofit and business customers. In 2018, Energy Trust increased residential solar

demand and weakening the solar workforce. If this continues to happen, Oregon will fall behind other states.	incentives moderately following the expiration of the state Residential Energy Tax Credit at the end of 2017. Based on these higher rates and current market demand, the Solar program is on track to spend its full budget in 2018. In 2019, we will continue this budgeting approach as we look to continue driving demand, respond to pricing trends and improve equitable access to solar for a range of participants.
Requested increased incentive spending on weatherization, especially attic insulation and air sealing in gas-heated homes.	<p>Incentives are provided for measures that meet cost-effectiveness requirements. With the low cost of natural gas, it is harder for weatherization incentives like attic insulation and air sealing in gas-heated homes to meet those requirements. We currently provide incentives for insulation based on an OPUC exception.</p> <p>In 2019, we maintained roughly the same incentive budget as 2018 and see energy-efficient heating systems, controls and water heating systems in both gas- and electric- heated homes as growing savings sources. We also provide increased incentives for income qualified participants and rental properties.</p>

Respondent: Prisma Point
Comment topics

Energy Trust staff responses

Recommended that the increases in the staffing budget, administrative and program support costs, and the Residential program budget should not be approved by the board.	More information on costs and cost management is available in supporting budget memos in the final proposed budget.
Commented that a top priority for the budget should be the allocation of budget to address the racial disparity of the organization.	Diversity, equity and inclusion operations plan goals and focus on diversity have been integrated widely throughout the organization. The final proposed budget and action plans reflect this focus. In addition to DEI-specific activities, program and support group budgets include funding for efforts to expand participation to diverse communities and to support the other DEI operations plan goal areas.
Concerned about staffing budget increases yet there are no new positions.	While there are no new staff positions included in this budget, Energy Trust does experience staff turnover each year. Recruiting and hiring strategies include a significant focus on increasing diversity, both through extended outreach and with the assistance of a recruiter experienced in diversity. In addition, because Energy Trust does engage agency

	contractors for project work, and these agency contractors gain experience with Energy Trust and become attractive candidates, we work closely with temporary staffing agencies who provide us with agency contractor candidates to ensure that our organizational focus on diversity is shared.
Requested the staffing budget be revised to accommodate an executive level diversity officer of color.	The 2019 budget includes funding for an experienced DEI consultant to support and guide diversity, equity and inclusion efforts. As vacancies occur at every level of the organization, we will use strategies to increase diversity in our staff and will recruit for diversity, equity and inclusion skills, but we have not made any specific revision to the final proposed budget to accommodate this comment.
Concerned about administrative budget increases.	Energy Trust takes seriously its responsibility to manage ratepayer funds in a cost-effective manner and continuously invests in systems and process efficiencies to maintain low administrative and program support costs. Please see the memo included in the final proposed budget on administrative costs for more information.
Concerned about program delivery increases.	Increases in program delivery costs over the 2018 budget are primarily driven by a reclassification of industrial Strategic Energy Management from an incentive category to a program delivery category, an increasing volume of business projects, conducting outreach to underserved markets, extra technical assistance and expanded measure review requirements for program management contractors. We feel these cost increases are reasonable and support our core energy-efficiency activities.
Commented there is duplication of program management and program delivery tasks between Energy Trust and CLEAResult.	Energy Trust residential sector staff establishes the annual budget and savings goals, statements of work, and oversees implementation by program management contractors (PMCs) and program delivery contractors (PDCs). Energy Trust is the budget authority, administers the funds and approves program strategies, while PMCs and PDCs deliver annual programs to achieve program savings goals within budget.
Noted the program delivery budget doesn't include diverse spending. Commented the 15 percent diverse spend goal by 2020 in the DEI operations plan is unachievable under current procurement policies.	As contracts and scopes of work are developed with PMCs and PDCs, staff ensure diversity, equity and inclusion goals and activities are included. For instance, approximately 9 percent of the 2019 Residential program's PMC delivery budget is allocated toward DEI efforts. This includes a new

	<p>full-time program consultant specializing in working with community-based organizations and increasing participation rates for communities of color. In addition, the PMC will subcontract with a nonprofit to drive free and low-cost measure installations, among other efforts.</p> <p>Through the DEI operations plan, a goal has been set to enhance procurement policies to increase the number of diverse vendors and contractors we work with. This is not a goal around spending levels. It is a goal that seeks to expand the number of diverse businesses with which Energy Trust is contracting for services. Some contractors also have their own active DEI procurement and supplier policies, and diversity and inclusion philosophies.</p>
<p>Concerned about the increase in the management and general, and communications and outreach, budgets. Commented external organizations are dissatisfied with Energy Trust outreach. Stated Energy Trust has not been able to demonstrate it is reaching all customers. Noted the DEI report provides community demographics instead of direct information on the race of participants, which would have cost more to include.</p>	<p>Costs for management and general functions increased to support implementation of a multi-year budget process stemming from the budget review project, and implementation of changes recommended by the organization review project. Both projects were initiated in 2017 to increase organizational efficiency and effectiveness. Costs for communications and outreach functions increased due to the allocation of more staff resources to the organization's diversity, equity and inclusion initiative, and additional expenditures on media and sponsorships related to expanding awareness and participation among underserved customers—those with low incomes, in rural areas, or who are people of color.</p> <p>Energy Trust's initial DEI data analysis focused on the demographics of census tracts and participation rates in those tracts because Energy Trust does not track race or income of participants. We are considering a pilot in 2019 to collect race demographics information on an incentive application form to determine if this strategy is an appropriate approach to improving our understanding of who we are serving without establishing barriers for participation.</p>

Respondent: Debbie Brown**Energy Trust staff response**

Comment topics

Suggested Energy Trust support residential adoption of solar shingles on homes.

To qualify for an Energy Trust incentive, the solar installation must meet national electrical standards, have minimum warranty levels and comply with Energy Trust installation standards. Solar shingle products that meet these requirements are currently eligible to receive incentives. If you are interested in a system that includes solar shingles, we encourage you to go to www.energytrust.org/solarbid and request a free quote from qualified Energy Trust solar trade ally contractors.

Comments from October 17, 2018 draft budget workshop

On October 17, Energy Trust hosted a public budget workshop for the board, members of the Conservation and Renewable Energy Advisory Councils and the general public. The 2019 draft budget and budget trends were presented at the workshop, and meeting attendees had an opportunity to ask questions of staff leading major areas of activity described in the 2019-2020 Action Plan, and to submit comment cards. The workshop concluded with a general discussion among all attendees with time for questions and answers. The following comments were collected on cards or captured during the workshop discussion.

Respondent: General topics**Energy Trust staff responses****Comment topics**

Requested more information on decarbonization.

We appreciate the interest in this topic. Energy Trust's budget and action plan is developed to deliver all cost-effective energy efficiency for our affiliated utilities and to support above-market costs of small-scale renewable energy development in Oregon. We track carbon dioxide emissions avoided as a result of our investments. However, because our investments are not made on the basis of decarbonization goals, we don't address decarbonization beyond estimating carbon emissions that will be avoided. We provide the carbon avoidance benefit of our work in reports to the OPUC, on our website and general informational materials, and in the budget information presented to the board and posted online.

Commented that budgeting should include scenario planning.

The draft budget and final proposed budget materials include a scenarios planning memo. We also plan to incorporate scenario planning into the 2020 budget process, and are looking to develop new budget software so it has the capability for more robust scenario planning than our current system allows.

**Respondent: Feedback regarding renewables and energy efficiency
Comment topics****Energy Trust staff responses**

Recommended Energy Trust efficiency and renewables programs be more integrated to ensure customers are receiving holistic services and program offers.

Customers increasingly ask about how they can approach the design and retrofitting of whole buildings and their energy costs holistically. We are responsive to that desire.

Staff from the Solar program work in coordination with energy efficiency staff, and biopower staff also coordinate with Production Efficiency program staff when serving water resource recovery facilities. For new construction in homes or commercial buildings, we offer solar-ready incentives support, and also solar design support for new commercial construction. We will present information at future Conservation Advisory Council and Renewable Energy Advisory Council meetings about how efficiency and renewable programs are working in an integrated manner, and we will highlight customer interest and participation in these offers.

Requested more information about storage, whether it is in Energy Trust purview and what the capabilities are.

Customers are increasingly interested in storage as a way to make the places they live and work more resilient during outages, to manage energy costs and to make the grid more flexible. New Buildings customers in the public sector or those serving vulnerable communities are especially interested in opportunities to consider resilience as part of building design. Energy Trust is working to meet this need.

Energy Trust is collaborating with the National Renewable Energy Lab and Clean Energy Group to analyze the resilience capabilities and financial benefits of solar paired with storage for 10 specific sites. We offer a solar and storage feasibility assessment incentive to offset the cost of customized system

	<p>design and financial analysis so that customers can gain an understanding of the cost and benefits for their individual sites.</p> <p>Currently there are a number of dockets underway with the OPUC that impact what benefits solar and storage can provide to the utility grid.</p> <p>There is more we can learn and do regarding storage, and we are open to ideas from stakeholders.</p>
Recommended looking at system capacity and capacity benefits, not just efficiency savings.	<p>Energy Trust has included capacity benefits of efficiency in looking at the value of savings and cost-effectiveness, and likewise for renewable energy benefits when calculating above-market costs for projects delivering power off-site. We value just energy benefits for net-metered renewable generation at this point.</p> <p>The importance of capacity benefits in overall efficiency and renewable resource valuation has increased, and this will be reflected in new forecasts of avoided costs that we will receive from utilities in January. NW Natural has also begun to quantify these benefits for natural gas. In response, we are undertaking several projects to improve how we quantify these benefits. These include investing in metering to improve data regarding when measures save energy, developing improved load shapes, and including peak savings as a criteria when looking for new efficiency measures. We are also improving the calculations we use to estimate peak value.</p> <p>When SB 1149 was drafted, the need for greater grid flexibility and the opportunity for businesses and homeowners to invest in resources that could interact and provide grid benefits beyond conservation and distributed renewable energy generation were not possible and therefore not contemplated. Energy Trust is charged with delivering demand-side management programs and some of the measures or equipment we provide incentives for can also provide additional grid benefits such as peak reduction, or demand response, to help utilities reduce their capacity needs.</p>

	<p>We are closely coordinating with utility efforts to manage peak and meet their demand response targets, so that our existing demand-side management programs can continue to maximize the benefit to ratepayers by providing benefits to both customers and the utility grid. Early work in this area includes our targeted load management pilots with Pacific Power and NW Natural, and our work with PGE on development of their pending Smart Grid Test Bed pilot and coordinated incentives and delivery of smart thermostats for homes. We are also exploring whether coordinated delivery and incentives are feasible for home water heaters and heat pumps as a way to achieve efficiency and load management together. In addition, we are beginning discussions on how the increasing customer adoption of solar paired with advanced battery storage might integrate with future utility battery energy storage pilots currently under development.</p>
<p>Recommended more consideration of the soft costs of solar in thinking about how incentives can be restructured.</p>	<p>We agree that solar soft cost reduction is an important area of focus, and the Solar program addresses soft cost reduction in two ways. First, we offer programs to assist solar trade ally contractors in decreasing the upfront cost of solar to customers, such as through solar technical training, solar lead referrals and solar business development matching funds. And second, we are reviewing solar incentive delivery to increase value and reduce the trade ally time required to participate in the program.</p>
<p>Recommended simplifying solar for contractors.</p>	<p>We are looking for ways to simplify the program and incentives, and we have included these activities within the Solar program action plan. Many of the activities are similar to how we are looking to reduce solar soft costs, which are described in the comment and response above.</p>
<p>Suggested doing more work on residential codes and standards to bring the organization's knowledge to bear to advance them.</p>	<p>The primary benefit to ratepayers of Energy Trust's new homes track comes through creating greater market acceptance of efficiency measures that subsequently are incorporated into Oregon and Washington building codes and federal and state appliance standards. In alliance with state agencies, we also work directly, and through NEEA, to support the process for code development in Oregon and Washington. We are open to suggestions for other work we should be doing in this area.</p>

Respondent: Feedback regarding DEI Comment topics	Energy Trust staff responses
Requested more information about what Energy Trust is doing to create a cultural shift toward diversity, equity and inclusion with regards to staff and board, the transparency of those efforts and how they will be governed.	<p>Two of our 10 diversity, equity and inclusion goals focus on developing cultural competency of staff and diversifying staff to better represent the communities we serve.</p> <ul style="list-style-type: none"> • Goal 7: Increase the diversity in recruitment and hiring of employees by 25 percent by the end of 2020. • Goal 9: Based on the Intercultural Effectiveness Scale (IES) survey, increase the overall IES score of all staff and Board of Directors by 20 percent by the end of 2020. <p>Another diversity, equity and inclusion goal is to provide information about goals and progress to achieve them in 2019 and 2020. We plan to report on goals and progress in quarterly and annual reports to the OPUC, and through website content, presentations, and regular and consistent communications to communities and stakeholders.</p>
Interest in the role of the Diversity Advisory Council and its decision-making power.	We want the Diversity Advisory Council to help inform our work in operations, program design and with the board. We are currently working with a formational group of diverse individuals to help us develop an initial charter and parameters for the role of DAC. As with our Conservation Advisory Council and Renewable Energy Advisory Council, members of the board will be present at DAC meetings to hear feedback and convey guidance to the full board.
Requested to know why DEI is not on the list of organizational goals.	<p>As a result of developing of our DEI operations plan and a framework for measuring progress over the next three years, efforts related to DEI are now integrated throughout the organization. As such, DEI is embedded in the six high-level budget goals we have identified, with a very direct link between several of the DEI focus areas and the budget goals. For example:</p> <ul style="list-style-type: none"> • Under the “improve program performance and visibility” budget goal, DEI focus areas include increasing participation in programs and increasing the number of

	<p>trade ally projects completed by minority and women-owned businesses</p> <ul style="list-style-type: none">• Under the “increase customer participation and awareness” budget goal, DEI focus areas include increasing diverse customer participation, increasing participation in our Trade Ally Network by minority and women-owned businesses, increasing the number of trade ally projects completed by minority and women-owned businesses, and improving market awareness through relationship development with community-based organizations and agencies who have specific knowledge regarding diverse customers.• Under the “improve productivity and efficiency” budget goal, DEI focus areas include data analysis, reporting and transparency, increasing the number of contracts we have with minority- and women-owned businesses, and enhancing diverse staff recruitment.
Wanted to know the role of community input on DEI results and reporting.	<p>Our DEI operations plan includes 10 focus areas to help the organization expand participation to underserved customers and better serve all customers. One focus area is on developing a data baseline of participation and benchmarking progress against that baseline.</p> <p>To develop the baseline, staff looked at multiple sources of data and shared the methodology with community-based organizations and other entities in June and July 2018 to obtain feedback and help guide and direct the analysis. Staff incorporated a number of changes into the analysis approach based on the feedback.</p> <p>Staff later presented the findings of the analysis to a group of community-based organizations in late November. We will continue to seek present and invite input from the community as we reach milestones in our DEI work.</p>
Requested better demographic data for underserved communities	<p>We currently do not collect demographic information on participants. Instead, when developing a baseline of participation to benchmark progress against, staff selected a geographic analysis approach using census data. Although census data has limitations, including undercounting certain populations, staff felt that it was useful for creating broad</p>

	<p>demographic indicators to compare participation rates in specific geographic areas.</p> <p>Meanwhile, staff is considering other ways to collect demographic data that will help us measure progress toward engaging diverse customers. For example, we are now collecting some demographic data in Fast Feedback surveys, which are conducted after a customer participates in our programs. Additionally, we are considering a pilot in 2019 to collect race data to determine if this strategy is an appropriate approach to improving our understanding of who we are serving without establishing barriers for participation.</p> <p>Ultimately, any decision to collect demographic data on standard program application forms would be done carefully and in consultation with trusted community organizations, so customers don't perceive the questions as screening tools.</p>
Requested more information on diversity efforts with regards to the Trade Ally Network.	<p>Energy Trust's Trade Ally Network is an integral component of how customers engage and participate with us. We acknowledge and believe that one strategy to increasing customer participation in underserved communities is to support and work with local businesses and contractors within those communities. As a result, increasing the diversity of our network and increasing the number of projects completed by minority- and women-owned contractors is one of our DEI focus areas. Work on these efforts has begun and will continue in 2019.</p> <p>One way we support our trade allies is through business development funds. These funds help support contractors by providing partial reimbursement for approved marketing efforts and trainings. Our residential program redesigned business development fund offerings for 2019, which include an increased funding cap and reimbursement rate for minority- and women-owned businesses along with businesses located in rural Oregon. We are looking at how we</p>

	<p>can leverage a similar approach for commercial business development funds as well.</p> <p>Beyond trade ally benefits, building awareness of our network is also very important. Energy Trust staff have been working throughout 2018 to increase awareness to diverse businesses by participating and/or sponsoring events. These include the Governor's Marketplace and regional roadshows, Oregon Association of Minority Entrepreneur's Trade Show and membership meetings, Shades of Green Conference and Minority Enterprise Development Week. Funding has been allocated in our 2019 budget to expand our memberships, sponsorships, and to allow for strategic partnerships. Energy Trust is finalizing our implementation strategies for our DEI goals. This includes aligning program initiatives with trade ally recruitment opportunities to help ensure that mutually beneficial relationships are built with diverse and rural contractors coming into our network.</p>
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Oregon

Kate Brown, Governor

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Michael Colgrove, Executive Director
Energy Trust of Oregon
421 SW Oak, Suite 300
Portland, OR 97204

December 3, 2018

Dear Michael,

We appreciate the opportunity to comment on the Energy Trust of Oregon's 2019-2020 Budget and Action Plan. We adopt the recommendations of the OPUC Staff, summarized in more detail in the memo and discussed at the Commission's November 8 Special Public Meeting.

In addition to our Staff's recommendations, we request the Energy Trust to report on its staff diversity demographics in an upcoming presentation, perhaps in your 2018 Annual Report.

We applaud the Energy Trust for its continued results in 2018 and look forward to those results continuing into 2019. We look forward to working with Energy Trust and stakeholders to achieve targets in this upcoming year's budget and to face together the many exciting challenges ahead.

OREGON PUBLIC UTILITY COMMISSION


Megan W. Decker
Chair
Stephen M. Bloom
Commissioner
Letha Tawney
Commissioner

ITEM NO. 1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: November 8, 2018**

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: November 2, 2018

TO: Public Utility Commission

FROM: Anna Kim *JPB & AK*

THROUGH: *JPB & JE* Jason Eisdorfer and *JPB* JP Batmale

SUBJECT: ENERGY TRUST OF OREGON: Presentation of 2019 Draft Budget and 2019-20 Action Plan.

STAFF RECOMMENDATION:

The Commission adopt Staff's comments and recommendations on Energy Trust of Oregon's (Energy Trust) Draft 2019 Budget and 2019-2020 Action Plan.

DISCUSSION:

Issue

Whether the Commission should adopt Staff's comments and recommendations on Energy Trust's Draft 2019 Budget and 2019-2020 Action Plan.

Applicable Law

In 1999 Oregon Revised Statute (ORS) 757.612 was adopted and established the public-purpose charge (PPC). The PPC provided funding for new cost-effective local energy conservation, new market transformation, energy efficiency for the state's K-12 public schools, the above-market costs of new renewable energy resources, and new low-income weatherization. Along with authorizing the Commission to direct the manner in which PPC funds are collected and spent, the statute also gave the Commission the authority to direct PPC funds to a nongovernmental entity. This non-profit would implement the part of the PPC that is set aside for cost effective energy conservation, market transformation initiatives, and programs that addressed the above-market costs of new renewable energy resources. The Energy Trust was formed to act as the nonprofit, nongovernmental entity described in ORS 757.612(3)(d).

In December 2005 Energy Trust and the Commission executed the current grant agreement that guides Energy Trust operations. The contract details parties' obligations and describes methods for accountability and oversight, such as submitting an annual budget report to the Commission for review. Specifically, section 3.a.ii of the grant agreement stipulates that Energy Trust will:

...develop an annual calendar budget on or before November 15 of each year and a final budget, approved by Energy Trust's board of directors, on or before December 31 of each year. The budget will include projected revenues to be received under this Agreement, other revenues to be received, and describe proposed expenditures in such a manner as may be requested by the PUC. The budget will also contain information that may permit the reader to evaluate the Energy Trust's total administrative costs and whether such costs may be considered reasonable, and provide a comparison of actual revenues and expenditures received through the first three full quarters and an estimation of projected expenditure for the remaining fourth quarter of the current year, as compared to the current year's budget.

Annually, the Commission reviews and comments on Energy Trust's budget and action plan to ensure that it presents a sound plan to acquire all technically achievable cost-effective savings, continues to accelerate the adoption of small scale renewable resources and keeps certain overhead costs below agreed upon thresholds.

Analysis

In recent years, Energy Trust has had access to exceptionally low-cost energy efficiency opportunities, specifically LED lighting. This has propelled residential electric savings to a record high in 2017. However, with successful market transformation achieved in the lighting market, the year 2019 marks a transition into a new era for the energy efficiency industry, because Energy Trust will phase out the majority of LED lighting measures and other low-cost savings opportunities in electric and gas that will no longer need program incentives to encourage consumer adoption.

For electric efficiency, the 2019 budget marks the beginning of this transition back to a higher level of costs. For gas efficiency, the 2019 budget represents an increase in costs over what has been experienced in the past that is anticipated to be the new normal. That being said, even at these higher costs, all the energy efficiency in Energy Trust's 2019 budget remains the most cost-effective resource for ratepayers.

Energy Trust is reporting steep drops in savings in some sectors, higher costs, and a larger volume of transactions with less savings per transaction. As a result, Energy Trust's revenues are forecasted to decrease in 2020. Energy Trust needs to explore tangible steps to bring down operational expenses in 2019 in anticipation of the higher costs to acquire energy efficiency.

2019 Budget Background

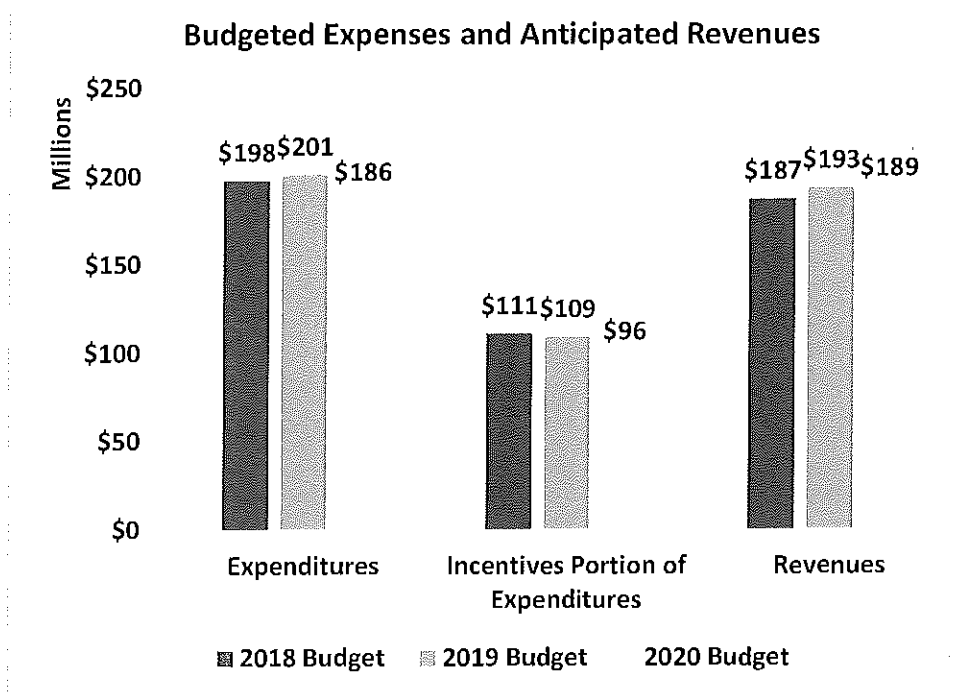
Energy Trust's budget is made available to stakeholders and the public in a series of meetings and through its website starting in September. This year, Energy Trust provided more time for stakeholders to consider the proposed budget and increased their ability to incorporate suggestions. The complete draft Budget and Action Plan was posted online at www.energytrust.org on October 10, 2018. Energy Trust presented the first overview of the 2018 Budget and Draft 2018-2019 Action Plan to its Board of Directors on October 17, 2018. In prior years, the budget wasn't posted publicly until early November.

Energy Trust discussed the Budget and Action Plan with OPUC Staff at an informal workshop on October 5 and October 12. The Commission's Special Public Meeting scheduled for November 8, 2018 is the opportunity for the public and the Commission to consider and comment on Staff's assessment of the Budget and Action Plan. The Energy Trust Board will receive the proposed Action Plan and Budget in early December and will consider it for adoption at its meeting on December 14, 2018.

2019 Budget Overview

For 2019, Energy Trust proposes a total budget of \$201 million, which is a slight increase over last year. Figure 1 illustrates the budgeted expenses and anticipated revenues.

Figure 1: 2019 Budget Expenses vs. Revenues¹



These three categories are directly linked. The amount of incentives paid out impacts the expenses and the expenses drive how much revenue can be collected.

Savings and Generation Acquisition

Electric Savings

The cost of energy efficiency acquisition is increasing. As a result of the market's acceptance of LED technology aided by Energy Trust's support, a large component of the cost increase in electric savings is the discontinuation of low-cost savings from residential lighting. Other changes that impact the cost of energy efficiency acquisition are:

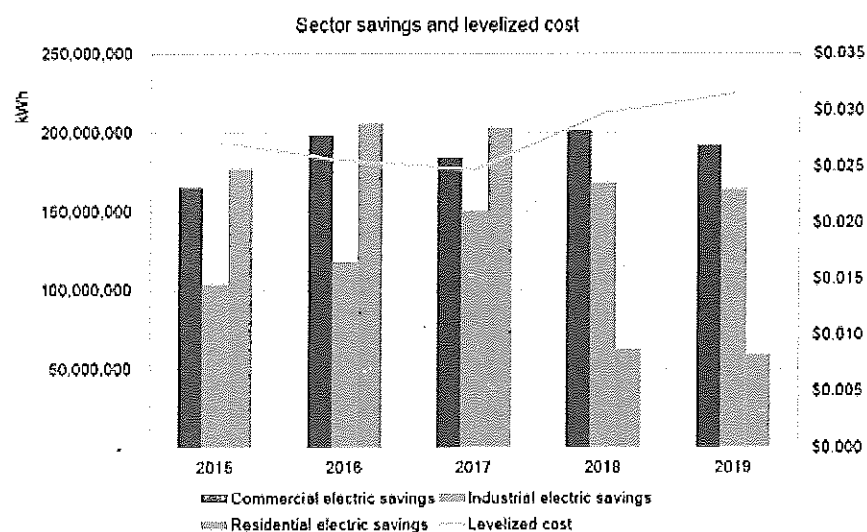
- A recent evaluation of water savings reduced the expected energy efficiency value: faucet aerators, showerheads, and some other measures that together contributed to a large portion of residential and multifamily savings.
- Expiration of certain savings attributed to code improvements.

¹ Note: This chart does not show carryover reserves which are used to smooth out operations from year to year and reduce rate impacts.

- A projected increase in volume of transactions with a lower average savings per project in commercial and industrial, especially in multifamily where projects tend to have fewer housing units.

The impact of declining savings and increasing costs are illustrated in Figure 2 below as seen by the rising levelized cost (cost smoothed out over time). The impact of the declining per-unit savings from LEDs already began to manifest in 2018. In 2017, Energy Trust saved 63.4 average megawatts (aMW). At a projected 55.9 aMW, the current forecast is 11.9 percent less than savings from 2017. Savings are expected to decline by an additional 2.8 average MW (5 percent) with more of a decline expected in 2020. In 2019 the levelized cost of energy efficiency acquisition is projected to increase by almost six percent and even more in 2020.

Figure 2: Electric savings by sector ²



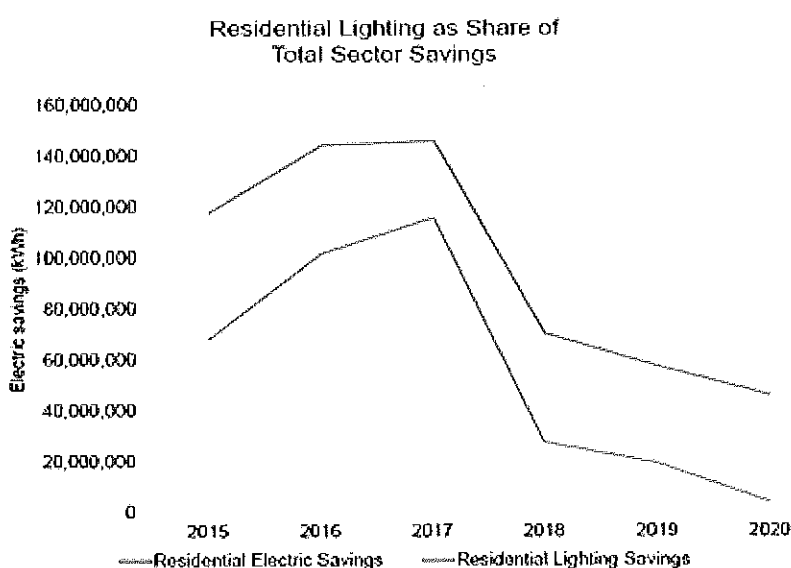
Net savings – does not include NEEA

As can also be seen in this figure, there is growing concern about the gap between the sectors paying for Energy Trust services and the sources of savings. The figure above somewhat overstates the case as lighting is expected to decline further in commercial, although not to the same extent as residential. The industrial sector has yet to see a decline but is expected to begin to drop off in 2020. It is crucial that Energy Trust continue to carefully monitor the impact of the lighting market across all sectors in 2019.

² Energy Trust's Draft 2019 Annual Budget and 2019-2020 Action Plan.

The next figure illustrates how much the lighting market affected annual savings in the residential sector. Lighting was a major driver in residential savings. As mentioned earlier, residential savings hit an all-time high in 2017 concurrent with the peak in LED savings.

Figure 3: Lighting as a share of residential program savings over time ³



Natural Gas Savings

Gas savings are also becoming more expensive to acquire, primarily due to reasons common to electric savings costs:

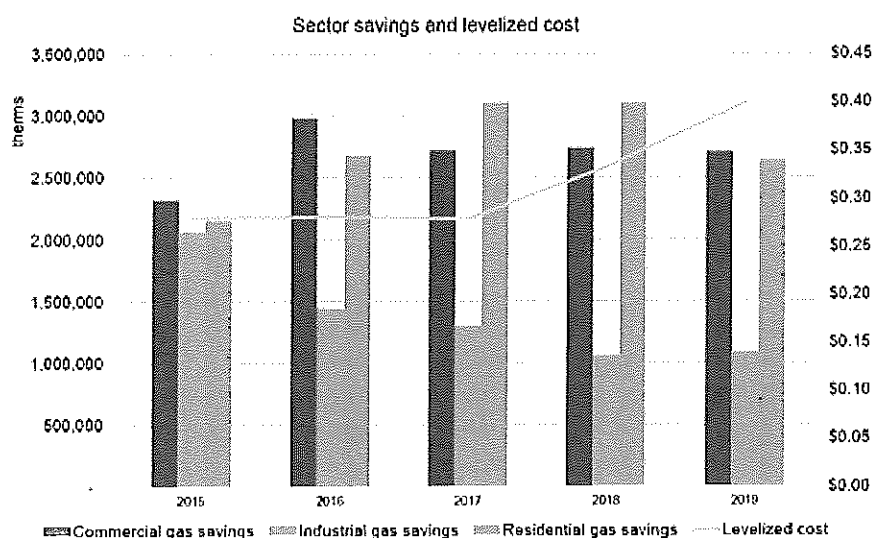
- A recent evaluation of water savings measures reduced the expected energy efficiency value, particularly faucet aerators and showerheads.
- Expiration of savings attributed to code improvements.
- Because electric avoided cost declined significantly, natural gas pays more of the cost for any dual fuel measures where a single energy efficiency measure can account for savings in both gas and electric.

As seen in the figure below, expected gas savings are not seeing the same level of decline as electric savings had in 2018. Still, therms savings will decline 7 percent in 2019 and are expected to level off. Unfortunately, levelized costs are increasing by 20 percent. This large jump in the overall cost of gas savings acquisition leads to rate

³ Energy Trust Presentation of Second Quarter Report, August 28, 2018.

impacts for NWN, CNG and Avista customers. This is the second year in a row that all gas customers will face double-digit increases in levelized cost.

Figure 4: Gas savings by sector ⁴



Staff is concerned about balancing the acquisition of “all cost-effective savings” with the growth in costs of natural gas savings and the implications for ratepayers. While savings will remain cost-effective, large shifts in price can be disruptive. Last year, Energy Trust took steps to smooth out the revenue requirements for utilities. Staff wishes to determine if there is more work that can be done here. Staff will be paying special attention to these costs and wishes to meet with Energy Trust to better understand the drivers of these costs.

Renewables Acquisition

The renewables program is divided into two programs: Standard Solar and Other Renewables.

	2018 Budget	2019 Budget	2020 Budget
Generation, Other Renewables (aMW)	0.0	0.1	1.1
Generation, Solar (aMW)	2.4	2.0	1.9

⁴Energy Trust's Draft 2019 Annual Budget and 2019-2020 Action Plan.

The Standard Solar program has delivered a sustained stream of new solar resources coming online even with the changing influence of tax credits. As Oregon's Residential Energy Tax Credit Program (RETC) came to a close, the program saw an increase in project completions in 2018. These were projects that had qualified for the RETC by the end of 2017 and completed in 2018. At the same time, new applications for residential projects are down by 42 percent in 2018, due mainly to the expiration of the RETC. The continued investment in solar projects post-RETC speaks to the strength of the solar industry and Energy Trust support.

The Other Renewables program supports non-solar projects with a focus on biogas through the anaerobic digestion of organic waste materials and conduit hydropower from the modernization of agricultural water delivery infrastructure. These projects are longer-term investments that require significantly longer lead times and more specialized technical support. As part of the draft budget, Energy Trust provided a short-term forecast of resources anticipated to reach commercial operation in the next two years. Given the longer project lead times, the work on Other Renewables projects are not fully reflected in short forecasts. It would be helpful to see a longer projection of anticipated results.

Revenues

Energy Trust's total revenue is projected to increase slightly in 2019 by \$6.1 million followed by a decrease of \$4.4 million in 2020. Energy Trust expects to receive less revenues mainly based on the expiration of lighting as a source of savings. Less incentive payments means less expenditures overall, and thus less revenue to collect for energy efficiency programs.

	2018 Budget	2019 Budget	2020 Budget
Revenues	\$187,002,918	\$193,102,371	\$188,742,404

It is important to note that the 2020 projection is a rough estimate under changes Energy Trust has not experienced before. The change in revenues may turn out to be higher or lower than currently forecasted. Staff will be monitoring this as the 2020 budget is developed.

Staff looked at the revenue broken out by utility. As mentioned earlier, the change in cost of natural gas savings has significant impacts on utility customers. All natural gas utilities are seeing double digit percentage increases in 2019. While part of the change in Avista's changing budget can be attributed to new market intelligence that Energy Trust incorporated this summer, Avista is also subject to the other sources of increased levelized cost.

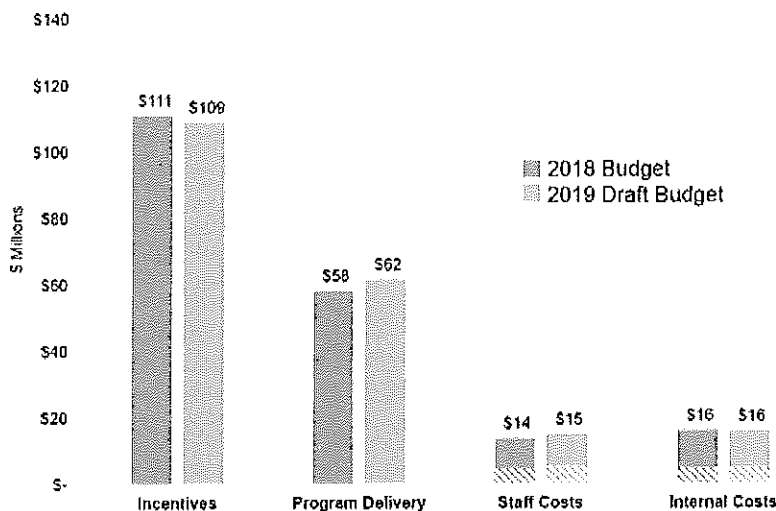
Public purpose and incremental funds Oregon only

	2018 Budget	2019 Budget	Change in Revenue
PGE	\$102,141,254	\$96,836,646	-5.2%
PacifiCorp	\$60,041,736	\$62,660,268	4.4%
NW Natural	\$18,279,834	\$21,558,144	17.9%
Cascade	\$2,167,052	\$3,167,052	46.1%
Avista	\$1,156,870	\$2,125,134	83.7% ⁵

Expenditures

The following graph illustrates the main components of expenditures for Energy Trust. These categories do not fully align with the PUC's breakout of costs, where administrative costs are broken out separately. Administrative costs will be discussed later in this document.

Figure 5: Comparison of 2018 and 2019 expenditures⁶



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

⁵ Energy Trust began working with Avista during 2017. Energy Trust is still learning about the potential in this service territory.

⁶ Energy Trust's Draft 2019 Annual Budget and 2019-2020 Action Plan.

Incentives

Incentives are projected to decline \$12.6 million in 2020. This significant drop in incentives results in reduced need for revenues for Energy Trust because less money is being spent in the form of incentives on generating savings.

	2018 Budget	2019 Budget	2020 Budget
Incentives Expenditures	\$111,824,233	\$108,966,260	\$96,365,911

Administrative Costs

In June 2018 the Secretary of State released its audit of Energy Trust's administrative costs.⁷ The report found that both Energy Trust and the OPUC, "...have adequate controls in place to ensure that Energy Trust administrative costs are reasonable."⁸ However, the Secretary of State did make three recommendations to increase transparency. They were:

- Define reasonable administrative costs.
- Revise the administrative cost metric to provide actual amounts spent.
- Clarify reporting methods to ease determination of administrative costs.

The final recommendation was based on the fact that Energy Trust's budget was organized in such a way that it was difficult for stakeholders to identify and calculate administrative costs. In response, Energy Trust modified the definition of avoided costs and changed its reporting to make it easier for stakeholders to see these costs.

Administrative costs fall under the following categories and they are much more easily identifiable in the 2019 budget:

- Employee Salaries & Fringe Benefits if not directly related to program delivery
- Agency Contractor Services if not billed to program delivery
- Planning and Evaluation Services if not billed to program delivery
- Advertising and Marketing Services if not billed to program delivery
- Other Professional Services if not billed to program delivery
- Travel, Meetings, Trainings & Conferences
- Dues, Licenses and Fees
- Software and Hardware
- Depreciation & Amortization
- Office Rent and Equipment
- Materials Postage and Telephone

⁷ See Oregon Secretary of State Office audit of Energy Trust, June 2018, Report No. 2018-20 at <https://sos.oregon.gov/audits/documents/2018-20.pdf>.

⁸ *Ibid*, pg. 1.

- Miscellaneous Expenses

One drawback to this new methodology is that it adds additional challenge to look historically at administrative costs. Energy Trust provided a memo in the budget document that looks retroactively back to 2015 to help stakeholders see the impact.

	2018 Budget	2019 Budget	2020 Budget
Administrative Costs	\$13,097,174	\$13,569,697	\$13,494,077

Based on this new methodology, administrative costs are increasing by 3.6 percent in 2019. While the increase is modest, Staff remain concerned about the impact of any increase in administrative costs given the other changes Energy Trust is facing.

Staffing Costs

Staff is particularly interested in Energy Trust's increasing staffing costs. While Energy Trust's proposed budget maintains the same staffing level of 108.5 FTE, absolute staffing costs are increasing significantly. Staff is concerned about the size of the increase both in terms of percent and in absolute dollars. More importantly, Staff is concerned that staffing costs are going up while revenues are expected to go down.

Year	Total Staffing Cost	Total Change in Dollars	Increase for Healthcare	Increases Other
2018	\$13,608,430			
2019	\$14,712,494	\$1,104,064	\$415,358	\$688,706
2020	\$15,705,863	\$993,369	\$415,358	\$578,011

For the 2019 budget, Energy Trust proposes increasing staffing costs by 8 percent. A little over a third of the increase is because of sustained, increasing healthcare costs that the organization will be facing in the next few years. Based on the analysis shared with Staff, a substantial increase of healthcare costs seems inevitable. That said, the remaining increase is both substantial, and within Energy Trust's control. This is also true in the 2020 forecast while at the same time revenues are projected to decline. Having staffing expenses increase while revenues decrease is not sustainable, especially without any justification as to why this provides the best value for ratepayers.

The PUC's staffing metric is a ceiling of 7.25 percent of total cost on a 3-year rolling average. This metric was established and agreed upon between Energy Trust and Staff last year. If revenues decline, how much 7.25 percent of revenue represents also declines. In 2019, staffing costs increase faster than revenues increase. In 2020,

revenues decrease while staffing costs continue to increase. Absent budgetary or operational adjustments, this results in Energy Trust projected to be out of compliance with the performance metric on a 3-year rolling basis. As mentioned, healthcare costs may be out of Energy Trust's control, but other factors remain within their ability to respond.

Today Energy Trust maintains a staffing level that was well equipped to handle energy efficiency market conditions experienced in the past few years. When revenues decline, Staff is concerned that Energy Trust will have difficulty reassessing staffing needs and adjusting to new budget requirements. If markets change rapidly enough and Energy Trust is not properly prepared for it, Energy Trust may be forced to reduce a host of expenses to achieve performance metrics, including the staffing metric, which would result in significant disruption to the heretofore well-oiled machine that reliably acquires energy efficiency and renewable energy for the ratepayer.

In order to avoid this outcome, it is crucial that Energy Trust takes steps to reassess staffing needs and increase its flexibility in staffing budget. Staff would like to see Energy Trust plan for such possibilities before a revenue decline might occur. The Energy Trust should begin exploring in early 2019 a range of potential staffing and operational adjustments that would provide pathways should staffing costs and revenues start to deviate.

Status of 2018 Action Items and Other 2018 Activities

As part of the review of each Energy Trust annual budget, the Commission makes suggested recommendations for Energy Trust to adopt over the course of the next year. The table below captures the Commission approved recommendations from last year's budget and Energy Trust's progress toward completing them.

	2018 OPUC Staff Recommendation	Status
1.	Continuation of recommendations not fully implemented in 2017	
a.	Develop a matrix of key triggering events and resulting, alternative budget scenarios by July 2018 for the 2019 budget.	Complete
b.	Identify steps that could be taken to stabilize operations by smoothing the acquisition of certain savings.	Complete and Ongoing
c.	Continue and report back on progress related to the organizational assessment and resulting efficiencies in staffing and contractor resources	Complete and Ongoing
d.	Continue work to improve forecasting methods and report on progress within a quarterly Commission update.	Complete

2.	Implement new staffing performance metric for the 2019 budget by removing agency contractors from Staffing Cost category and tracking separately, reducing staffing performance metric to 7.25 percent, and introducing a 10 percent cost increase cap.	Complete
3.	Update the existing administrative cost metric to include: year-over-year increases in administrative costs cannot exceed 10 percent of the current year's administrative costs	Complete
4.	As part of Energy Trust's Q2 report to the Commission	
a.	Report back on near-term results from Diversity, Equity, Inclusion (DEI) activities	Complete and In Progress
b.	Report back on status of LED lighting in all Sectors and how any changes may potentially impact 2019 savings and expenditures.	Complete
c.	Track and report in the 2018 annual report the number of solar systems that received Energy Trust incentives and also had a battery storage system, advanced interconnection and communication devices, or would be considered moderate-income.	Complete

Staff will note:

1a. Matrix of triggering events: This project was implemented and identified the impacts of LEDs as a triggering event. While the initial round was successful, Staff would like to see this matrix periodically reviewed for updates.

1c. Organization assessment: Energy Trust updated Staff and other stakeholders on the organizational assessment. The assessment is still underway and an action plan has not been developed yet. In light of the projected revenue changes in 2020, Staff recommends prioritizing any activities from this analysis that will demonstrably reduce costs or increase staffing flexibility and start executing them in 2019.

1d. Forecasting methodology: Energy Trust has made changes to their forecasting methodology such that Staff have seen these changes implemented in recently submitted IRPs. These changes appear to be positive steps to improved accuracy and appreciated by utilities.

4a. Diversity, Equity, and Inclusion: Energy Trust is performing good preliminary work in the realm of Diversity, Equity, and Inclusion research. Energy Trust tracked participation levels by census tract and used the census tract information as a proxy for income, racial diversity, and urbanization level. While what conclusions can be drawn

from this research are somewhat limited, the research suggests that Energy Trust has reached most populations in its service territory at a fairly consistent level of coverage through each program. There appeared to be some differences across the diversity indices, but variations in participation rates were small across these indices. Even though opportunities still exist to reach some populations, this result is a testament to Energy Trust's ongoing dedication to offering services to all ratepayers.

Energy Trust continues to strive towards reaching every customer. Staff would like to emphasize the importance of improving this preliminary study by identifying and incorporating more robust data sources to improve the assumptions and to better quantify the remaining savings potential in individual underserved markets.

4b. LED lighting impacts: In the Q2 report, Energy Trust clearly laid out the impact of the transformation of the residential LED lighting market on the 2019 budget, as well as some thoughts on how the commercial and industrial sectors will be impacted. This initial presentation is reflected in the 2019 budget in significant and unsurprising ways. Changes to the lighting market will be an ongoing concern, particularly in the commercial and industrial sectors. Staff feels it is important to continue to monitor the lighting market closely for additional impacts in the next budget cycle, particularly in the commercial and industrial sectors.

Draft Action Plan

Energy Trust produced an extensive and thorough action plan for the 2019 budget. Broken out by business unit, the action plan lists over two hundred action items. Given the number of items listed, it is difficult for stakeholders to tell the relative impact of each item. Staff suggests significantly reducing the number of action items by focusing on higher level activities and prioritizing the most impactful items to increase transparency in the proposed budget.

From the list of budget action items, several items stood out to Staff as opportunities to provide measurable value to ratepayers:

Opportunities that have the potential to dramatically reduce time or cost for staff, contractors, and customers:

- The ongoing conversion of >350 forms to electronically sign-able forms
- Complete the automation of W9 processing.
- Expand electronic payment incentives.
- Identify opportunities to incentivize measures "upstream"—at the retail or manufacturer level.

Opportunities to increase flexibility in adjusting programs:

- Improve ability to identify new energy efficiency technologies that are “nearly ready.”
- Develop a systematic method to determine which incentives and services should be discontinued.
- Expand training on how to use pilot and field test processes efficiently.

Address need for significant changes to some programs:

- Redesign multifamily program in response to changes in lighting market and water heating savings estimates.
- Focus the pursuit of emerging technologies in the residential sector.

Opportunity to potentially improve Diversity, Equity, Inclusion:

- Work with Legal to improve policies to prevent discrimination in contracts and agreements.

Additionally, Staff learned of a project reaching completion in 2019 that will automate portions of the measure approval process that will significantly reduce staffing time devoted to measure approvals and also remove many opportunities for data entry errors from the process.

While Energy Trust’s Action Plan had many valuable ideas, because of the sheer number of “action items”, it is unclear which activities will have the biggest financial impact or outcome and which items will be pursued as a priority. As a document that describes the actions that will be enacted in the 2019 budget, the document lacks clarity about what will be done by whom at what cost and to what result.

The lack of clarity makes it difficult for stakeholders to understand how public purpose funds are being spent. For many action items, the costs and benefits are unstated or are not designed to be quantifiable. In other cases, the costs are clear but the benefits are not.

Staff finds the current format makes it difficult to evaluate budget items for appropriateness and prudence as a cost to the ratepayer and would like Energy Trust to report action items to the Commission in a format that facilitates appropriate analysis.

Conclusion

Energy Trust faces significant new challenges in 2020 due to changes in the energy efficiency markets where cost-effective energy efficiency does not provide the same incredible level of value it once had. With these changes looming, Energy Trust needs to position itself to best be able to adapt to whatever the future reveals.

In a time when energy efficiency acquisition was exceptionally inexpensive such as experienced in the last few years, Staff may have found Energy Trust's approach and action plan to be acceptable. That temporary period is coming to an end and the price for acquiring cost-effective energy efficiency will reach a higher price level. Given that trend, Staff feels Energy Trust's budget and action plan do not go far enough to prepare for this new price level and the resulting decline in revenue. It is crucial to enact changes immediately to change the trajectory of costs and innovate for the rapidly approaching future.

Staff recommends the Commission support the budget and action plan subject to the following conditions:

Changes for the next budget cycle (2020 Budget)

1. Reduce action items when reporting to Staff to prioritize the most important activities pertaining to the budget. Action items reported to the Commission will state measurable outcomes, whether quantitative or qualitative. Action items will include budget impacts and will list the business unit(s) responsible for executing the action item in the budget year. This information will allow Staff to better evaluate proposed action items.
2. Provide a longer range forecast for the renewables pipeline to better represent the expected outcomes of investments made today that shows the expected operation date of projects currently under contract.

Increase effectiveness of program operations

3. Identify measures that have high delivery costs, especially in natural gas, so that they can be assessed for extension or discontinuation. Report analysis by July 2019.
4. Prioritize the future of the residential and multifamily sectors over the other sectors through activities such as pilot studies and program redesign. Update in quarterly reports on progress.
5. Focus on decreasing transaction costs for high-volume activities, such as expediting the rollout of electronic signatures and automated W9 processing. Update in quarterly reports on progress.
6. Continue to report on DEI initiative progress, particularly work to estimate energy efficiency potential in underserved markets. Update in quarterly reports on progress.

Reduce costs

7. Prepare for the possibility of reduced revenues in 2020 by developing scenarios, which include reduced staffing levels, in the next six months and report back to the Commission in the Q1 report.

8. Review with staff the services Energy Trust provides to the Commission and utilities so that these activities can be assessed for value. For example, Energy Trust has been extremely supportive of utilities running targeted demand-side management projects, which impacts their costs but does not result in significant near-term savings. Energy Trust should gain appropriate credit for their efforts. Staff will work with Energy Trust through 2019 to identify and assess these services.
9. Identify the organizational review recommendations that quantifiably either save costs or add flexibility and prioritize implementing these activities. The organizational review was undertaken under the assumption that it will increase flexibility and reduce costs and some of the recommendations can be implemented in 2019 to impact performance in 2020. Update in quarterly reports on progress.
10. Begin implementation of new budget software on time and on budget to enable improved reporting on how public purpose funds are spent and enhance capability to test different scenarios. Energy Trust's current system is not set up for scenario testing, and the ability to run multiple scenarios will be increasingly important. Energy Trust needs this capability to address the questions Staff have about their future plans. Update in quarterly reports on progress.
11. Present the impact of Energy Trust's role as a delivery contractor of the Community Solar Program on the overall budget, providing transparency and ensuring public purpose funds are not impacted. Report analysis by July 2019.
12. Q1 2019 Report: As was previously agreed upon, provide written report as normal, without the formal presentation at a Public Meeting.

PROPOSED COMMISSION MOTION:

Adopt Staff's comments as Commission comments on the Draft 2019 Budget and Draft 2019-2020 Action Plan for Energy Trust of Oregon.



Portland General Electric Company
1 SW Salmon Street • Portland, Oregon 97204

Portland General Electric

November 26, 2018

Michael Colgrove
Executive Director
Energy Trust of Oregon
421 SW Oak Street, Suite 300
Portland, OR 97204

RE: Comments on Energy Trust 2019 Annual Budget and 2019-2020 Action Plan

Dear Mike,

Thank you for the work that you and your staff at the Energy Trust of Oregon (ETO) put into developing the 2019 energy efficiency, market transformation and conservation budget for Portland General Electric (PGE). We appreciate the significant time and effort that went into forecasting the potential electricity savings for 2019 and succeeding years and would like to offer some high-level comments on the budget planning processes and associated programming:

- We found the information provided by your staff discussing potential savings in each market to be comprehensive in nature. In future budget processes, may be helpful to provide an “executive” summary, including savings potential, for each sector. To the extent that PGE can then compare our own forecasts to those of the ETO, we may be able to better identify gaps in potential savings opportunities.
- We recognize that energy efficiency forecasting is both science and art. ETO’s initial budget for PGE greatly reduced the incremental energy efficiency collections for 2019, but then slightly adjusted the figures based on continued market research. We appreciate the drive toward greater accuracy in the forecasting as this reduces volatility in customer prices.
- We are encouraged by the decision to apply a diversity, equity and inclusion lens in the development of the 2020-2024 strategic plan. PGE has also been making needed progress in this area and we hope to be able to engage with the ETO as you address issues of delivery of services to underserved communities and your launch of the Diversity Advisory Council.
- Plans to reach small rural business customers, continuation of the direct install program for small commercial customers, and efforts to support extended capacity heat pumps all find strong support from PGE and we await further development of these programs.

The next few years will likely bring continued changes to how PGE plans for and delivers electricity as we work to decarbonize our energy supply and develop programs like our Smart Grid Test Bed pilot. PGE is committed to reducing our greenhouse gas emissions by more than 80% by 2050 and a key strategy for that reduction will continue to be the energy efficiency savings provided by the ETO. The ETO has been a valuable partner with us and our customers for 16 years and we look forward to addressing Oregon's energy future together.

Sincerely,

A handwritten signature in black ink, appearing to read "Sania Radcliffe". The signature is fluid and cursive, with a large initial "S" and "R".

Sania Radcliffe
Director, Government Affairs and Environmental Policy
Portland General Electric

October 31, 2018

Michael Colgrove
Executive Director
Energy Trust of Oregon
421 SW Oak Street, Suite 300
Portland, OR 97204

RE: Comments on Energy Trust 2019 Annual Budget and 2019-2020 Action Plan

Dear Mike,

We appreciate the work Energy Trust of Oregon (ETO) has invested in developing and presenting your draft 2019 budget and 2019-2020 action plan to Pacific Power, other funding utilities, and interested stakeholders around the state. We would like to offer the following comments and have identified the following opportunities for the upcoming year:

- Pacific Power appreciates the improved alignment between the 2019 target and the amount of cost-effective energy efficiency identified in our 2017 Integrated Resource Plan (IRP). We do note however, that while the 2019 target is lower than projected savings for 2018, Energy Trust is forecasting an increase in expenditures. Not only have projected 2019 expenditures for Pacific Power increased slightly relative to 2018 levels, they have increased by over \$4 million relative to the 2019 forecast from the 2018-2019 action plan, while again, savings have decreased relative to that forecast.

While it's reasonable to expect that the general "cost of doing business" will trend up, we have concerns that increased costs are being driven by additional administrative work that may have little to no impact on the acquisition of cost-effective conservation. When discussing reasons for the budget increase, the draft budget and action plan consistently refers to growing resource demands on the organization and investments in key internal projects to enhance adaptability and operational efficiency, though these efforts are not described or cited in the draft 2019 budget and 2019-2020 action plan.

We are concerned that where these efforts do not further the goal of acquiring cost-effective conservation resources, the costs should not be borne by utility customers.

- Due to our unique service territory, Pacific Power appreciates Energy Trust's focus on delivering benefits to a wider group of customers including rural and low-moderate income households. We strongly encourage, and will help coordinate, working directly with our regional business managers (RBMs). Our RBMs live locally across the state and are positioned to support key customers and community activities, including energy efficiency and renewable energy.

- Pacific Power is concerned some of the funding that flows from Energy Trust to community-based organizations and internships may be comingled with initiatives that go beyond energy efficiency and renewable energy. While both Pacific Power and the Energy Trust play an important role in supporting communities in their energy planning efforts, funding or support provided by ETO should be explicitly focused on the acquisition of cost-effective energy efficiency resources and/or addressing the above-market costs of renewables.
- We appreciate and continue to encourage ETO's efforts in conducting targeted energy efficiency and renewable programs to maximize the potential grid benefits of these programs. Pacific Power believes that continued ETO focus on targeted energy efficiency and renewable projects could lead to additional opportunities to provide targeted system benefit for customers.

Pacific Power continues to value the resource acquisitions and customer benefits delivered by Energy Trust of Oregon on behalf of our customers. We are looking forward to continued good work in 2019.

Sincerely,

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

Cory Scott
Director, Customer Solutions

From: Braun, Holly <Holly.Braun@nwnatural.com>

Sent: Friday, November 2, 2018 5:24 PM

To: Steve Lacey <Steve.Lacey@energytrust.org>; Amber Cole <amber.cole@energytrust.org>

Cc: Edmonds, Bill <Bill.Edmonds@nwnatural.com>; Hodges, Rick <Rick.Hodges@nwnatural.com>

Subject: 2019 Budget comments

Hello Steve and Amber, our first round of comments were likely more detailed than you wanted so this round will balance that. We appreciate the increasingly positive working relationship with your staff in advancing our mutual interests and will support the budget you have set forth for 2019. That said, we have noted administrative costs going up year over year with a 13% increase in 2018 over 2017 and another 9% increase in 2019 over 2018. This was a point of attention for the PUC last year and we are interested to hear how you work with them to navigate issues of cost-containment going forward. This is especially critical in a time of decreasing savings and threats to cost-effectiveness.

As you know, our arrangement in Washington requires us to address costs more directly; to that end: 2019 Washington program costs are increasing 7% over 2018 while administrative costs allocated to WA are increasing 16%; we would like to better understand the additional value Washington ratepayers are receiving from the extra overhead beyond the 7% associated with program growth.

Thank you for your dedication to advancing energy savings in our region. We are excited to work with you all in executing the 2019 plans.

Holly Braun

NW Natural – Energy Efficiency and Innovation Manager
503.226.4211 x5717 | nwnatural.com

From: Spector, Alyn <Alyn.Spector@cngc.com>
Sent: Wednesday, October 31, 2018 12:50 PM
To: Amber Cole <amber.cole@energytrust.org>
Cc: Cowlshaw, Monica <Monica.Cowlshaw@cngc.com>
Subject: RE: friendly reminder: formal comment on Energy Trust budget due Oct 31.

Here are comments for inclusion to the board. Please let me know if you'd like this in letter form.

Cascade appreciates the coordination process between the Energy Trust and Company in support of the annual budget. The changes this year regarding frequency and detail of meetings has been helpful to providing educated feedback on current and anticipated outcomes.

Cascade supports the proposed adjustments to the PPC collection for the 2019 year. We encourage the Energy Trust to continue seeking ways to manage levelized costs. We also look forward to continuing to work with the Energy Trust to determine ways to overcome ongoing barriers including continued reduction of active contractors; and other externalities effecting cost-effectiveness and/or program participation.

Thanks,

Al Spector

206-310-1120 / 503-896-3260

Please note my new email address alyn.spector@cngc.com



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 31, 2018

Michael Colgrove
Executive Director
Energy Trust of Oregon
4321 SW Oak St, Ste. 300
Portland, OR 97204

RE: Avista Utilities Comments – Energy Trust of Oregon 2019 Budget and Action Plan

Dear Michael:

The following remarks of Avista Utilities are in response to the 2019 activity to develop a budget and action plan for its energy efficiency programs administered through the Energy Trust of Oregon.

Avista values Energy Trust's efforts in attaining all cost-effective natural gas savings within Avista's service territory in 2018. Though we encountered adjustments that needed to be made to the budget itself during the program year, we were able to work together and overcome this obstacle to help Energy Trust pursue these achievements. As we look forward to 2019, there are several factors to consider and collaborate with Avista to resolve:

This most recent process revealed that the therm savings acquisition for 2019 has been under estimated due to lack of historical knowledge, and your planning staff becoming familiar with Avista's service area. We are supportive of the budget as discussed with Energy Trust leadership last week. Notwithstanding, we ask for your continued mindfulness of any upward rate pressure for Avista customers, as we want to ensure a balanced approach to the budget and action plans.

Additionally, we would like to have further discussion related to low-income outreach to confirm that there is no overlap from existing or other planned programs. Energy Trust had committed in 2018 to:

Engage with Avista and utilities on this topic [low-income outreach]. Our intent is not to compete with existing low-income programs, but to work with existing low-income programs to identify gas and savings opportunities that Energy Trust can support. We appreciate any guidance Avista can provide regarding how to ensure coordination and avoid conflict with existing low-income programs.

Avista supports this sentiment, and believes all parties may benefit further from the low-income working group that has been convened by the Oregon Public Utilities Commission to identify such program gaps. Completed analysis from this working group, as well as collaborating with Avista further on this issue, would offer additional benefit to you before fully implementing any low-income plans.

We would also welcome more information about the strategies to be administered by Energy Trust to keep programs cost-effective despite declining savings. Another budget item of interest is the increase in staffing costs, presumed to be due to growing resource demands. Avista understands the continuous change of the energy efficiency landscape, and wants to validate that efforts made on our behalf are delivering energy savings at a reasonable cost.

Avista appreciates that your staff was amenable to answering our questions and addressing various issues throughout the budget process. We look forward to working together in the future to balance the needs of our communities while providing world-class energy efficiency.

If you have any questions regarding these comments, please contact me at (541) 858-4719, Ext. 6719, or by email at lisa.mcgarity@avistacorp.com.

Sincerely,

Lisa McGarity
Energy Efficiency Program Manager



From: Don Bain <donbain@teleport.com>
Sent: Thursday, November 8, 2018 11:20 PM
To: Energy Trust of Oregon Info
Subject: Action plan suggestions

I just read thru your draft budget and have the following comments:

1. Having spent years in rural Eastern WA & OR, much of it in Pacific Power territory and in contact with small businesses in town and farm/ranch businesses, I can say I have not found any that were aware of the Energy Trust or the conservation programs available to them. Outreach in these areas to these kinds of businesses needs great improvement.
2. There are significant market and institutional problems involved in selling renewable generation from a single large project to multiple NW commercial & industrial users. These issues effectively make utilities service territorial monopoly & monopsony middle men for firms who want choices beyond what the utility offers. There is no competition in this marketplace except for the very largest buyers. Many businesses cannot buy as much as project produces and they may not have an exploitable renewable resource directly available to them or at sufficient scale to be cost effective. This constrains the market for new renewables. The renewables industry needs a market of middle men, brokers and aggregators who can bridge the gap between larger projects and many smaller buyers. Law was passed in CA to enable Community Choice Aggregators, but there is no equivalent program in the Northwest. The Trust should have an action plan to facilitate the creation of these middle men by a combination of research into best forms of middle men & how to deal with the associated transmission issues, legislative action, business promotion, initial aggregation help.

Thanks,

Don Bain
Aeropower Services Inc.

From: Phillip Norman <pjnorman@gmail.com>

Sent: Wednesday, October 31, 2018 6:20 AM

To: Energy Trust of Oregon Info

Subject: Budget Comment

I believe that Oregon's Public Purpose Fund, a tolerable small carbon consumption tax, has been welcomed or tolerated for the hope Oregonians would lead the nation in delivering energy efficiency, equally to all. Leadership to ensure quality and affordability of this work, has surely that has been the principal mission we imagined of Energy Trust, as a Fund administrator. Funds managed by Energy Trust now totaling about 200 million dollars per year come about-equally from residential ratepayers, and commercial ratepayers. I imagine funds from residential ratepayers should always have been applied for quality of life, in all homes, a cumulative total now of over one billion dollars. Further, that expenditure should have been as loans only, then growing to that billion dollars and more, of retained value as a fund should. Yet further, let the accumulation have been in an Oregon State Bank, enabling loans of deposits times twelve. Where would we be if twelve billion dollars had been invested in loans upon the value of our homes in matters of durability, efficiency and safety, from our Public Purpose Fund?

I have always been unhappy with meanly-regressive action of Energy Trust, each year spending down all of the residential ratepayer contributions, and accomplishing very little home weatherization. The work done has been tilted consciously toward the more-affluent with means to pay for work up-front. Enticement in the form of rebates has been poor, where clearly, full up-front financing has been what is wanted even by the more-affluent. We have watched decline of achievement from a tiny high of 4000 homes served in 2009, to about 1000 homes served in 2018. The total number of homes served with comprehensive weatherization by Energy Trust is perhaps 50,000, practically negligible progress and an awful outcome of a billion dollars expended. Incomprehensible numbers of therms and kilowatt hours saved, seem unrelated to actual weatherization achieved.

There could never have been stated intent to widen the wealth gap through action of the Public Purpose Fund. Carbon taxes will be accepted only where they relieve poverty. Base costs of living, in staying healthy, educated, happy and productive, are the acceptable expenditures of carbon tax revenue. Let local carbon tax revenue be deposited locally in public banks, then to finance many actions for the common good. Actions shall include investment in home integrity and efficiency where judged as good loans, to be paid down at modest interest at next sale of the home. Good investments will include wiring and plumbing safety, shell integrity and energy efficiency.

Phillip Norman
Attic Access
Portland, Oregon

From: Jacob, Andria <Andria.Jacob@portlandoregon.gov>
Sent: Friday, October 26, 2018 4:54 PM
To: Energy Trust of Oregon Info
Subject: Energy Trust 2019 budget comments from the City of Portland

Greetings Energy Trust staff and board-

Thank you for the opportunity to comment on the proposed 2019 budget. I've only got one brief observation.

During the portion of the presentation that dealt with policy, codes, markets, etc. (Market Knowledge and Context), I noticed there was no mention of the City of Portland's Home Energy Score policy or Commercial Energy Reporting policy

While City and Energy Trust staff do collaborate to a limited degree on these programs, it's my observation that there's room to do more to move the market past benchmarking and scoring, to the energy efficiency upgrades that we know reduce carbon emissions. I'm aware there are some misalignments due to cost-effectiveness tests and program design limitations, but it remains true that these two policies are generating new data sets and new opportunities to achieve energy savings and carbon reductions. The City would appreciate the acknowledgement of these policies in your context-setting and program planning. To the extent that staff can be given stronger direction to work with City staff on integrating the data and collaborating on new program ideas, it would be most welcome.

Thank you for your consideration.

Andria Jacob
RAC member
Former CAC member

+++
Andria L. Jacob
(she/her)

Sr. Manager, Energy Programs and Policy
City of Portland | Bureau of Planning and Sustainability
1900 SW 4th Avenue | Suite 7100 | Portland, OR 97201
o. [503.823.7616](tel:503.823.7616) | e. andria.jacob@portlandoregon.gov | www.portlandoregon.gov/bps/energy

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From: Ryan Shanahan <rshanahan@earthadvantage.org>

Sent: Thursday, October 11, 2018 11:20 AM

To: Energy Trust of Oregon Info

Subject: Re: We want to hear from you! 2019 draft budget now available, send us your comments by October 31

Many of our builders and their subcontractors have requested the EPS Field Guides in Spanish.

Maybe this is something you can work into the budget for next year?

Curious,

Ryan Shanahan CPHC, PHIUS+ Rater
Senior Green Building Consultant

E rshanahan@earthadvantage.org
C 971.344.7227

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earthadvantage.org / [portland, or](http://portland.or)

Earth Advantage has **certified 16,000 homes** and counting!

From: Tyler Dotten <TylerD@Neilkelly.com>
Sent: Thursday, October 11, 2018 10:19 AM
To: Energy Trust of Oregon Info
Subject: Budget Comment

TWIMC,

I think we need to focus more incentives on residential solar. I know the purpose of the incentives is to help rate payers save energy, and solar most certainly does that. But it also creates a ton of jobs for Oregonians and most of that money goes back in to the local economy. The residential solar industry has taken an absolute nose dive with the expiration of the STC and we are not able to keep our crews busy full time. Making those solar jobs undesirable and leading to a weakened workforce. Renewables will be a huge part of this country's future and if we can't keep the workforces trained and experienced in solar installations, we will fall behind other states. Money for residential solar is absolutely crucial right now!

Also we need to see more incentive money in gas heated homes in attic insulation and air sealing. Windows save a fraction of the energy that air sealing and attic insulation save. A vast majority of your budget is for electrically heated homes and I understand that many of those homes experience greater dollar savings due to the high cost of electricity. But there are still many thousands of under insulated homes that are heated with gas. My experience has been that a little bit more incentive money makes a huge difference in people's decision making. Please give more money to weatherization incentives in general, especially in gas heated homes.

Thank you!



TYLER DOTTEN, CBA, LEED-AP, SBA
Solar and Home Performance Sales Manager

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Comments to the Energy Trust of Oregon 2019-2019 Draft Budget

After a review of the Energy Trust of Oregon 2019-2020 Draft Budget, it is my position that the \$1.1 million projected increase in the 2019 staffing budget and a 4% projected increase in administration and program costs (from \$13.6 million in 2018 to \$14.7 in 2019) should not be approved at this time. I am also of the opinion that an increase in the residential program budget should not be approved at this time. Energy Trust should be required to provide justification and more detailed descriptions of how these funds are to be used, especially in the areas of communications and outreach before the budget is approved.

Energy Trust enjoys access to a budget of approximately \$200 million, yet, it continues to operate under a discriminatory policy of unequal access to benefits generated from their receipt of the public purpose funds charges which it receives. While it is true that all ratepayers benefit from the reduction of utility costs through such mechanisms as the avoided costs of producing energy and by complying with major state and federal environmental rules, Energy Trust has continued a practice of targeting a very specific segment of the population. The importance of environmental justice and measurable diversity actions should not be overlooked during the pursuit of energy savings.

Energy Trust's revenues are projected to go up slightly in 2019. Yet, energy savings are projected to decrease by 6%. The factors attributed to this reduction in energy savings in the draft budget should be given consideration. However, there is a growing concern among community groups about Energy Trust's lack of progress toward diversity metrics for the organization. **Energy Trust's current diversity efforts are not working.** A top priority for the Energy Trust 2019-2020 budget should be allocation of budget to address the racial disparity of the organization.

Over the past few years, Energy Trust has relied on a series of diversity consultants to work with the organization on diversity strategies. However, most of the recommendations of these consultants have not been adopted by Energy Trust and consequently, there have been few measurable results. The latest variation of a diversity policy (Energy Trust Diversity Equity and Inclusion Operations Plan) is referenced several times in the 2019 draft budget. However, a closer scrutiny of the DEI actions listed under program categories reveals the use of several trendy terms such as "equity lens" and "focus on outreach to diverse communities". These terms sound good as part of a diversity strategy but have primarily been used by Energy Trust to merely check the boxes. Looking beyond these words, one would be hard-pressed to find any real accomplishments in Energy Trust DEI efforts.

2019-2020 Budget Ares of Concern

- Draft budget does not currently include resources for new positions while staffing budget projected to increase by \$1.1 million
- staffing budget should be revised to accommodate an executive level diversity officer of color
 - Energy Trust's current policy of looking within the organization to fill positions will perpetuate a lack of diversity
- Administration budget increase of \$500K

- Program delivery increase of \$3.5 million
 - Duplication of program management and program delivery tasks
 - Clarification of CLEAResult versus Energy Trust duties
 - Residential budget increase of \$700k should be reviewed
 - Program delivery budget of over \$60 million with no diverse spend
 - Energy Trust state a 15% diverse spend goal by 2020 in DEI Operations Plan
 - This is an unachievable goal under current procurement policies. Most procurement dollars are spent on program delivery contracting with roll over options.
 - Current Energy Trust contracting language does not set diverse firm contracting goals
- Communication and outreach
 - 5.49 million (2.7%) allocation for management and general and \$4.32 million (2.2%) allocation for communication and outreach
 - Communities of color, low income communities and community- based organizations have continued to voice dissatisfaction Energy Trust outreach in spite Energy Trust's assertion that the organization has a high customer satisfaction rating
 - With an outreach budget of over \$4 million, Energy Trust has not been able to demonstrate that they are reaching all customers
 - Energy Trust September 14, 2018 DEI Insights and Current Efforts report is based on community demographics which does not include information on race of participants
 - *It should be noted that information on race was not included because it would have cost more to include*

Spending levels at Energy Trust are extremely high and increasing while energy savings are decreasing. Few benefits flow to low income rate payers or low income rate payers. Energy Trust has stated that the organization has adopted an equity lens. However, there is no evidence of this in the 2019-2010 draft budget. Energy Trust should be required to provide additional detail regarding the budget items noted under budget items of concern.

Submitted by Linda Woodley
 October 31, 2018
 Principal
 Prisma Point

From: Rourke Brown <onearrow5046@yahoo.com>

Sent: Wednesday, October 24, 2018 4:13 PM

To: Energy Trust of Oregon Info

Subject: Comment on budget

I listened to the webinar on your budget for the coming year and future forecasting.

I am a 60, became a widow in Dec of 2016, took advantage of the MWVCC low interest loan to put a new roof and some much needed windows in my 1890 Jefferson, OR home. I qualified in July of this year for 75% of my husbands social security and that has helped tremendously. In January of this year I purchased a 2017 Toyota Prius Prime plug in hybrid. I average 126 mpg. which also helps tremendously.

I don't believe I qualify for much in financial assistance but would like to recommend some sort of program that would help people like me get access to the Solar Shingles that Elon Musk's company has begun using in California. I have a Charge Point charging station in my garage that qualified for a tax credit, (sunset in Dec. of 2017 which I got in on just that last month), and that helped me...you guessed it...tremendously. :)

My detached garage is definitely ready for a new roof but I am holding out, hoping to be one of the first in Oregon to use the Solar Shingles.

If you are looking at programs that might help folks like me gain access to this breakthrough technology I AM ALL IN.

Thanks for your time,
Debbie Brown

Energy Trust of Oregon
Income Statement
2018 to 2020, Final Proposed Budget

	Budget 2018	Forecast 2018	Budget 2019	Projection 2020
<u>OREGON PPC REVENUE</u>				
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	51,874,804	51,874,804
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	32,112,130	32,112,130
Public Purpose Funds-NW Natural	18,279,834	18,558,144	20,558,144	23,558,144
NW Natural - Industrial DSM	520,024	848,774	3,769,769	3,968,028
Public Purpose Funds-Cascade	2,167,052	2,167,052	2,915,331	2,915,331
Public Purpose Funds-Avista	1,156,870	1,325,134	2,091,870	2,091,870
NW Natural - Washington	2,466,148	2,428,171	2,194,160	2,542,487
Revenue from Investments	230,000	600,000	600,000	600,000
Total Other Sources of Revenue	2,696,148	3,028,171	2,794,160	3,142,487
TOTAL REVENUE	187,002,918	191,331,407	183,926,188	187,472,774
<u>EXPENSES</u>				
Incentives	111,030,753	103,770,760	109,121,220	96,793,877
Program Delivery Subcontracts	58,297,400	58,552,327	61,771,050	59,553,160
Employee Salaries & Fringe Benefits	13,608,430	13,375,998	14,505,380	15,527,713
Agency Contractor Services	1,536,000	1,417,420	1,888,663	1,301,971
Planning and Evaluation Services	4,028,074	3,147,643	3,702,872	3,193,872
Advertising and Marketing Services	2,832,975	2,746,975	3,195,450	2,946,500
Other Professional Services	4,596,049	3,142,084	4,754,149	4,997,149
Travel, Meetings, Trainings & Conferences	476,550	451,994	466,860	474,470
Dues, Licenses and Fees	220,091	230,632	253,683	238,183
Software and Hardware	515,379	455,280	526,989	581,291
Depreciation & Amortization	522,465	396,000	264,647	294,978
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
TOTAL EXPENSES	198,861,748	188,882,235	201,652,845	187,106,589
TOTAL REVENUE LESS EXPENSES	(11,858,831)	2,449,172	(17,726,657)	366,185

Energy Trust of Oregon
2019 Final Proposed Budget versus Draft

SAVINGS & GENERATION	Draft 2019	Final Proposed 2019	Change	Percent Change
PGE	33.45	33.48	0.03	0.1%
Pacific Power	19.64	19.72	0.08	0.4%
Total Electric Savings (aMW)	53.09	53.20	0.11	0.2%
NW Natural	5.59	5.54	(0.05)	-0.9%
Cascade Natural Gas	0.50	0.51	0.01	2.8%
Avista	0.36	0.36	(0.00)	-0.4%
Total Gas Savings (MM Therms)	6.45	6.41	(0.04)	-0.6%
PGE Generation	1.16	1.22	0.06	5.4%
Pacific Power Generation	0.90	1.03	0.13	14.2%
Total Generation (aMW)	2.06	2.25	0.19	9.3%
FINANCIALS				
REVENUE	193,102,371	183,926,188	(9,176,182)	-4.8%
Expenses by Function				
Electric Efficiency	146,645,378	146,934,123	288,745	0.2%
Gas Efficiency	32,197,823	31,480,821	(717,002)	-2.2%
Renewable Energy	12,324,856	13,430,705	1,105,849	9.0%
Management & General	5,494,071	5,566,314	72,243	1.3%
Communications and Outreach	4,323,117	4,240,881	(82,236)	-1.9%
TOTAL	200,985,245	201,652,844	667,599	0.3%
Expenses by Nature				
Efficiency Incentives	100,462,136	99,861,079	(601,057)	-0.6%
Renewable Incentives	8,504,124	9,260,140	756,016	8.9%
Program Delivery Subcontractors	61,622,098	61,771,050	148,952	0.2%
Employee Salaries and Fringe Benefits	14,712,494	14,505,380	(207,114)	-1.4%
All Other Expenses	15,684,393	16,255,195	570,802	3.6%
TOTAL	200,985,245	201,652,844	667,599	0.3%
Expenses by Utility, Fully Loaded				
Electric	154,175,085	154,444,370	269,285	0.2%
Gas	33,851,092	33,089,946	(761,146)	-2.2%
Renewables	12,959,068	14,118,528	1,159,460	8.9%
TOTAL	200,985,245	201,652,844	667,599	0.3%
Expenses by Sector				
Commercial	86,116,824	85,803,966	(312,858)	-0.4%
Industrial	41,445,191	41,682,575	237,384	0.6%
Residential	49,272,771	48,987,169	(285,602)	-0.6%
Washington	2,558,951	2,430,922	(128,029)	-5.0%
NEEA Combined	8,632,440	8,629,684	(2,756)	0.0%
Efficiency Total	188,026,177	187,534,316	(491,861)	-0.3%
Renewables total	12,959,068	14,118,528	1,159,460	8.9%
Grand total	200,985,245	201,652,844	667,599	0.3%

2019 Budget Recap Spending and Savings

Final Proposed

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	47.8	6.7	54.5	14.24	3.6	1,536,231	40.56
Business Energy Solutions – Multifamily	8.7	1.4	10.1	1.54	5.5	145,321	71.65
Business Energy Solutions – New Buildings	18.7	2.5	21.2	6.16	3.2	845,608	24.89
Mkt Transformation (Alliance)	3.2	0.4	3.6	2.41	2.6		
Total Commercial	78.4	11.0	89.4	24.35	3.6	2,527,160	39.10
Industrial							
Production Efficiency	38.7	3.0	41.7	18.79	2.2	1,102,463	23.32
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.07	3.3		
Total Industrial	38.9	3.0	41.8	18.86	2.2	1,102,463	23.67
Residential							
Home Energy Solutions – Residential	33.4	15.6	49.0	6.78	4.8	2,413,207	42.58
Mkt Transformation (Alliance)	3.8	1.1	4.9	3.21	1.4		
Total Residential	37.2	16.7	53.9	9.99	3.9	2,413,207	46.42
Washington							
Business Energy Solutions – Existing Buildings		1.0	1.0			147,481	47.85
Home Energy Solutions – Residential		1.4	1.4			221,714	50.45
Total Washington		2.4	2.4			369,196	49.23
Total Energy Efficiency	\$154.4	\$33.1	\$187.5	53.20	3.1	6,412,027	39.37

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	5.7		4.5	0.40	14.22	0.24	19.13
Solar Electric	10.5		9.6	1.78	5.88	2.02	4.77
Total Renewable Resources	\$16.2		\$14.1	2.18	7.42	2.25	6.27

TOTAL BUDGET - ALL

\$201.7

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2019 Final Proposed Budget

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	30,143,000	22,420,314	52,563,314		20,558,144	2,915,331	2,091,870	78,128,659		78,128,659
Incremental Funding	51,874,804	32,112,130	83,986,934	3,769,769				87,756,703	2,194,160	89,950,863
Revenue from Investments										
TOTAL PROGRAM REVENUE	82,017,804	54,532,444	136,550,248	3,769,769	20,558,144	2,915,331	2,091,870	165,885,362	2,194,160	168,079,522
EXPENSES										
Incentives	51,837,465	30,221,098	82,058,563	2,249,384	11,755,877	1,510,651	1,029,901	98,604,376	1,256,703	99,861,079
Program Delivery Subcontracts	30,950,326	20,027,034	50,977,359	1,053,768	7,328,194	874,235	581,339	60,814,895	618,140	61,433,035
Employee Salaries and Fringe Benefits	1,924,813	1,183,392	3,108,206	83,983	467,042	50,604	36,112	3,745,947	114,815	3,860,762
Agency Contractor Services	323,793	192,498	516,293	17,353	46,021	7,206	5,463	592,335	-	592,335
Planning and Evaluation Services	1,794,252	1,129,883	2,924,133	48,990	207,512	21,991	15,247	3,217,873	25,000	3,242,873
Advertising and Marketing Services	858,512	548,435	1,406,946	28,841	290,754	30,140	21,267	1,777,950	18,000	1,795,950
Other Professional Services	1,095,962	587,782	1,683,744	25,683	303,253	29,786	24,283	2,066,750	21,550	2,088,300
Travel, Meetings, Trainings and Conferences	56,087	35,909	91,996	2,109	17,775	1,823	1,297	115,000	5,250	120,250
Dues, Licenses and fees	32,925	19,862	52,788	1,722	4,535	1,136	877	61,057	36,423	97,480
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	3,866	2,475	6,341	290	244	76	49	7,000	-	7,000
Shared Office Space	249,721	153,835	403,556	11,211	59,135	6,396	4,546	484,844	16,543	501,387
Shared Information Technology	1,022,944	605,233	1,628,176	26,665	331,295	32,110	24,121	2,042,366	55,787	2,098,153
Customer Service Management	140,769	86,414	227,183	4,091	46,527	4,930	3,676	286,407	43,434	329,841
Trade Ally Management	110,966	78,098	189,064	510	70,145	5,612	4,126	269,459	-	269,459
Planning & Evaluation Management	1,047,989	611,785	1,659,775	30,963	273,599	29,286	22,414	2,016,036	101,005	2,117,041
TOTAL PROGRAM EXPENSES	91,450,390	55,483,733	146,934,123	3,585,563	21,201,908	2,605,982	1,774,718	176,102,295	2,312,650	178,414,945
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	2,653,014	1,609,612	4,262,626	104,026	615,063	75,597	51,484	5,108,795	67,128	5,175,923
Communications & Customer Svc (Notes 1 & 2)	2,021,287	1,226,337	3,247,623	79,256	468,606	57,597	39,225	3,892,306	51,143	3,943,449
Total Administrative Costs	4,674,301	2,835,949	7,510,249	183,282	1,083,669	133,194	90,709	9,001,101	118,271	9,119,372
TOTAL PROG & ADMIN EXPENSES	96,124,691	58,319,682	154,444,372	3,768,845	22,285,577	2,739,176	1,865,427	185,103,396	2,430,921	187,534,317
TOTAL REVENUE LESS EXPENSES	(14,106,887)	(3,787,238)	(17,894,124)	924	(1,727,433)	176,155	226,443	(19,218,034)	(236,761)	(19,454,795)
NET ASSETS - RESERVES										
Cumulative Carryover 12/31/18 R3 Forecast	17,352,728	4,537,104	21,889,835	199,190	3,189,165	153,045	16,016	25,447,249	436,903	25,884,152
Change in net assets this year	(14,106,887)	(3,787,238)	(17,894,124)	924	(1,727,433)	176,155	226,443	(19,218,034)	(236,761)	(19,454,795)
Interest Attributed										
Ending Net Assets - Reserves	3,245,841	749,866	3,995,711	200,114	1,461,732	329,200	242,459	6,229,215	200,142	6,429,357
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	3,245,841	749,866	3,995,711	200,114	1,461,732	329,200	242,459	6,229,215	200,142	6,429,357
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	3,245,841	749,866	3,995,711	200,114	1,461,732	329,200	242,459	6,229,215	200,142	6,429,357

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 Final Proposed Budget

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,818,842	6,427,824	15,246,666		93,375,325
Incremental Funding					89,950,863
Revenue from Investments				600,000	600,000
TOTAL PROGRAM REVENUE	8,818,842	6,427,824	15,246,666	600,000	183,926,188
EXPENSES					
Incentives	4,284,960	4,975,180	9,260,140		109,121,219
Program Delivery Subcontracts	187,289	150,727	338,016		61,771,051
Employee Salaries and Fringe Benefits	524,611	759,361	1,283,972		5,144,734
Agency Contractor Services	139,751	93,353	233,104		825,439
Planning and Evaluation Services	18,265	16,735	35,000		3,277,873
Advertising and Marketing Services	169,749	112,251	282,000		2,077,950
Other Professional Services	541,536	531,963	1,073,499		3,161,799
Travel, Meetings, Trainings and Conferences	29,624	22,876	52,500		172,750
Dues, Licenses and fees	16,077	11,723	27,800		125,280
Software and Hardware	104,356	67,044	171,400		171,400
Materials Postage and Telephone	350	350	700		7,700
Shared Office Space	78,165	111,447	189,611		690,998
Shared Information Technology	136,885	195,170	332,055		2,430,208
Customer Service Management	9,600	6,168	15,768		345,609
Trade Ally Management	19,073	12,310	31,383		300,842
Planning & Evaluation Management	51,149	52,608	103,757		2,220,798
TOTAL PROGRAM EXPENSES	6,311,440	7,119,266	13,430,705		191,845,650
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	183,435	206,955	390,391		5,566,314
Communications & Customer Svc (Notes 1 & 2)	139,757	157,676	297,432		4,240,881
Total Administrative Costs	323,192	364,631	687,823		9,807,195
TOTAL PROG & ADMIN EXPENSES	6,634,632	7,483,897	14,118,528		201,652,845
TOTAL REVENUE LESS EXPENSES	2,184,210	(1,056,073)	1,128,138	600,000	(17,726,657)
NET ASSETS - RESERVES					
Cumulative Carryover 12/31/18 R3 Forecast	8,606,383	5,811,252	14,417,635	10,241,309	50,543,096
Change in net assets this year	2,184,210	(1,056,073)	1,128,138	600,000	(17,726,657)
Interest Attributed					
Ending Net Assets - Reserves	10,790,593	4,755,179	15,545,773	10,841,309	32,816,439
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	10,790,593	4,755,179	15,545,773		
Loan Reserve				1,800,000	
Organization Contingency Pool				4,041,309	
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	10,790,593	4,755,179	15,545,773	10,841,309	32,816,439

Energy Trust of Oregon
Budget Detail Classified by OPUC Performance Measure
2019 Final Proposed Budget

	Total	Program	Administrative and Program Support
Incentives	\$109,121,220	\$109,121,220	
Program Delivery Subcontracts	61,771,050	61,771,050	
Employee Salaries & Fringe Benefits	14,505,380	7,284,138	7,221,242
Agency Contractor Services	1,888,663	825,439	1,063,224
Planning and Evaluation Services	3,702,872	3,628,035	74,837
Advertising and Marketing Services	3,195,450	2,083,450	1,112,000
Other Professional Services	4,754,149	3,386,799	1,367,350
Travel, Meetings, Trainings & Conferences	466,860		466,860
Dues, Licenses and Fees	253,683		253,683
Software and Hardware	526,989		526,989
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
TOTAL FUNCTIONAL EXPENSE	201,652,845	188,100,131	13,552,715

Program Support	3,745,521
Management & General	5,566,313
Communications and Outreach	4,240,882
TOTAL Expenses	13,552,715
divided by	
Total Revenue without Interest	183,326,188

OPUC Measure vs. 8% **7.39%**

**Energy Trust of Oregon
Summary by Service Territory and Program
2019 Final Proposed Budget**

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$29,720,116	\$18,045,183	\$47,765,299	\$1,664,558	\$3,239,387	\$1,050,153	\$793,249	\$6,747,346	\$54,512,645	\$988,124	\$55,500,769
Multifamily Bldgs	6,371,754	2,333,534	8,705,288		1,236,950	38,544	140,472	1,415,966	10,121,254		10,121,254
New Buildings	13,669,722	5,037,259	18,706,981	42,471	2,074,113	224,633	121,870	2,463,086	21,170,067		21,170,067
NEEA	1,853,877	1,383,188	3,237,065		345,047	38,339		383,385	3,620,450		3,620,450
Total Commercial	51,615,469	26,799,163	78,414,632	1,707,029	6,895,497	1,351,668	1,055,590	11,009,784	89,424,416	988,124	90,412,540
Industrial											
Production Efficiency	23,261,769	15,456,168	38,717,937	2,061,818	662,790	192,202	47,827	2,964,638	41,682,575		41,682,575
NEEA	77,305	57,677	134,982						134,982		134,982
Total Industrial	23,339,074	15,513,845	38,852,919	2,061,818	662,790	192,202	47,827	2,964,638	41,817,557		41,817,557
Residential											
Residential	18,984,171	14,375,698	33,359,869		13,775,721	1,089,570	762,009	15,627,300	48,987,169	1,442,798	50,429,967
NEEA	2,185,979	1,630,972	3,816,951		951,571	105,730		1,057,301	4,874,252		4,874,252
Total Residential	21,170,150	16,006,670	37,176,820		14,727,292	1,195,300	762,009	16,684,601	53,861,421	1,442,798	55,304,219
Energy Efficiency Program Costs	96,124,691	58,319,682	154,444,372	3,768,845	22,285,577	2,739,176	1,865,427	30,659,023	185,103,396	2,430,921	187,534,317
Renewables											
Solar Electric (Photovoltaic)	5,848,510	3,757,400	9,605,910						9,605,910		9,605,910
Other Renewable	786,121	3,726,497	4,512,618						4,512,618		4,512,618
Renewables Program Costs	6,634,632	7,483,897	14,118,528						14,118,528		14,118,528
Cost Grand Total	102,759,324	65,803,575	168,562,899	3,768,845	22,285,577	2,739,176	1,865,427	30,659,023	199,221,922	2,430,921	201,652,845

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	30,910,725	3,445,598	11,847,499	-	23,646,941	-	28,753,613	-	1,256,703	6,476,250	2,783,890	109,121,219
Program Delivery Subcontracts	17,226,095	4,728,274	6,384,956	3,418,174	12,272,980	115,978	12,058,770	4,609,669	618,140	338,016	-	61,771,052
Employee Salaries and Fringe Benefits	690,181	278,628	336,237	-	1,252,605	-	1,188,295	-	114,815	692,381	591,591	5,144,733
Agency Contractor Services	211,386	62,500	34,999	-	217,515	-	65,934	-	-	228,104	5,000	825,438
Planning and Evaluation Services	837,457	175,000	472,780	-	845,222	-	887,416	-	25,000	35,000	-	3,277,875
Advertising and Marketing Services	407,449	59,001	147,999	-	323,000	-	840,500	-	18,000	273,500	8,500	2,077,949
Other Professional Services	477,250	359,999	270,500	-	242,000	-	717,000	-	21,550	463,499	610,000	3,161,798
Travel, Meetings, Trainings and Conferences	23,000	6,000	7,000	-	27,999	-	51,001	-	5,250	31,000	21,500	172,750
Dues, Licenses and fees	53,556	2,501	-	-	1,500	-	3,500	-	36,423	20,000	7,800	125,280
Software and Hardware	-	-	-	-	-	-	-	-	-	171,400	-	171,400
Materials Postage and Telephone	3,000	-	-	-	4,000	-	-	-	-	-	700	7,700
Shared Office Space	84,025	36,350	41,974	-	172,351	-	150,144	-	16,543	103,841	85,771	690,999
Shared Information Technology	361,671	211,144	288,031	-	301,829	-	879,693	-	55,787	181,849	150,206	2,430,210
Customer Service Management	81,851	21,933	25,945	-	30,676	-	126,002	-	43,434	15,768	-	345,609
Trade Ally Management	10,248	17,895	1,964	-	3,849	-	235,501	-	-	31,303	80	300,840
Planning and Evaluation Management	484,280	224,146	280,882	26,298	312,706	12,443	647,619	27,662	101,005	76,095	27,662	2,220,798
TOTAL PROGRAM EXPENSES	51,862,174	9,628,969	20,140,766	3,444,472	39,655,173	128,421	46,604,988	4,637,331	2,312,650	9,138,006	4,292,700	191,845,650
ADMINISTRATIVE COSTS												
Management & General	1,504,340	279,411	584,204	99,881	1,150,699	3,724	1,352,066	134,471	67,128	265,570	124,820	5,566,314
General Communications and Outreach	1,146,131	212,880	445,095	76,097	876,700	2,837	1,030,117	102,451	51,143	202,334	95,099	4,240,884
Total Administrative Costs	2,650,471	492,291	1,029,299	175,978	2,027,399	6,561	2,382,183	236,922	118,271	467,904	219,919	9,807,198
Total Program & Admin Expenses	54,512,645	10,121,260	21,170,065	3,620,450	41,682,572	134,982	48,987,171	4,874,253	2,430,921	9,605,910	4,512,619	201,652,848
Energy Savings (kwh)	124,741,514	13,484,100	53,932,373	21,136,280	#####	613,703	59,378,086	28,131,542				466,047,935
Energy Savings (therms)	1,536,231	145,321	845,608	-	1,102,464	-	2,413,207	-	369,195			6,412,026
Energy Generation (kwh)										17,655,000	2,066,000	19,721,000

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	16,652,310	2,167,492	7,642,224		13,962,673		11,412,766		51,837,465
Program Delivery Subcontracts	9,555,635	2,974,373	4,124,643	1,748,705	6,098,014	66,421	4,318,651	2,063,884	30,950,326
Employee Salaries and Fringe Benefits	375,872	175,274	217,001		698,947		457,719		1,924,813
Agency Contractor Services	115,120	39,316	22,588		121,372		25,397		323,793
Planning and Evaluation Services	471,625	113,686	311,760		457,029		440,152		1,794,252
Advertising and Marketing Services	221,897	37,115	95,516		180,232		323,752		858,512
Other Professional Services	282,680	227,491	174,575		135,035		276,181		1,095,962
Travel, Meetings, Trainings and Conferences	12,526	3,774	4,518		15,624		19,645		56,087
Dues, Licenses and fees	29,167	1,573			837		1,348		32,925
Software and Hardware									-
Materials Postage and Telephone	1,634				2,232				3,866
Shared Office Space	45,760	22,867	27,089		96,171		57,834		249,721
Shared Information Technology	196,966	132,822	185,889		168,419		338,848		1,022,944
Customer Service Management	44,576	13,797	16,745		17,117		48,534		140,769
Trade Ally Management	5,581	11,257	1,268		2,148		90,712		110,966
Planning and Evaluation Management	263,739	141,001	181,275	15,061	174,489	7,126	249,456	15,842	1,047,989
TOTAL PROGRAM EXPENSES	28,275,088	6,061,838	13,005,091	1,763,766	22,130,339	73,547	18,060,995	2,079,726	91,450,390
ADMINISTRATIVE COSTS									
Management & General	820,161	175,901	377,226	51,145	642,170	2,133	523,971	60,307	2,653,014
General Communications and Outreach	624,867	134,016	287,402	38,966	489,259	1,625	399,205	45,947	2,021,287
Total Administrative Costs	1,445,028	309,917	664,628	90,111	1,131,429	3,758	923,176	106,254	4,674,301
Total Program & Admin Expenses	29,720,116	6,371,755	13,669,719	1,853,877	23,261,768	77,305	18,984,171	2,185,980	96,124,697
Energy Savings (kwh)	78,698,107	10,163,297	38,120,076	12,047,680	104,667,043	349,811	33,143,659	16,111,018	293,300,689

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	10,120,553	793,803	2,816,141		8,246,500		8,244,101		30,221,098
Program Delivery Subcontracts	5,807,501	1,089,308	1,519,921	1,304,719	5,062,691	49,557	3,653,461	1,539,876	20,027,034
Employee Salaries and Fringe Benefits	228,219	64,191	79,964		464,412		346,606		1,183,392
Agency Contractor Services	69,898	14,399	8,324		80,645		19,232		192,498
Planning and Evaluation Services	301,357	41,636	114,883		323,704		348,303		1,129,883
Advertising and Marketing Services	134,729	13,593	35,198		119,755		245,160		548,435
Other Professional Services	141,277	83,314	64,331		89,723		209,137		587,782
Travel, Meetings, Trainings and Conferences	7,605	1,382	1,665		10,381		14,876		35,909
Dues, Licenses and fees	17,709	576			556		1,021		19,862
Software and Hardware									-
Materials Postage and Telephone	992				1,483				2,475
Shared Office Space	27,784	8,374	9,982		63,901		43,794		153,835
Shared Information Technology	119,592	48,644	68,500		111,905		256,592		605,233
Customer Service Management	27,065	5,053	6,170		11,373		36,753		86,414
Trade Ally Management	3,389	4,123	467		1,427		68,692		78,098
Planning and Evaluation Management	160,134	51,639	66,800	11,237	115,938	5,317	188,900	11,820	611,785
TOTAL PROGRAM EXPENSES	17,167,804	2,220,035	4,792,346	1,315,956	14,704,394	54,874	13,676,628	1,551,696	55,483,733
ADMINISTRATIVE COSTS									
Management & General	497,978	64,420	139,007	38,159	426,687	1,591	396,775	44,995	1,609,612
General Communications and Outreach	379,401	49,081	105,907	29,073	325,086	1,212	302,296	34,281	1,226,337
Total Administrative Costs	877,379	113,501	244,914	67,232	751,773	2,803	699,071	79,276	2,835,949
Total Program & Admin Expenses	18,045,183	2,333,536	5,037,260	1,383,188	15,456,167	57,677	14,375,699	1,630,972	58,319,681
Energy Savings (kwh)	46,043,407	3,320,803	15,812,296	9,088,600	59,963,295	263,892	26,234,428	12,020,524	172,747,246

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	1,267,709		29,919		951,756				2,249,384
Program Delivery Subcontracts	215,972		6,800		830,996				1,053,768
Employee Salaries and Fringe Benefits	21,238		677		62,068				83,983
Agency Contractor Services	6,505		70		10,778				17,353
Planning and Evaluation Services	12,617		796		35,577				48,990
Advertising and Marketing Services	12,538		298		16,005				28,841
Other Professional Services	13,147		545		11,991				25,683
Travel, Meetings, Trainings and Conferences	708		14		1,387				2,109
Dues, Licenses and fees	1,648				74				1,722
Software and Hardware									-
Materials Postage and Telephone	92				198				290
Shared Office Space	2,586		85		8,540				11,211
Shared Information Technology	11,129		580		14,956				26,665
Customer Service Management	2,519		52		1,520				4,091
Trade Ally Management	315		4		191				510
Planning and Evaluation Management	14,902		566		15,495				30,963
TOTAL PROGRAM EXPENSES	1,583,625	-	40,406	-	1,961,532	-	-	-	3,585,563
ADMINISTRATIVE COSTS									
Management & General	45,935		1,172		56,919				104,026
General Communications and Outreach	34,997		893		43,366				79,256
Total Administrative Costs	80,932	-	2,065	-	100,285	-	-	-	183,282
Total Program & Admin Expenses	1,664,557	-	42,471	-	2,061,817	-	-	-	3,768,846
Energy Savings (therms)	498,158		18,289		787,018	-	-	-	1,303,465

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	1,826,147	423,074	1,164,648		358,158		7,983,850		11,755,877
Program Delivery Subcontracts	1,047,902	580,570	628,581	328,275	201,591		3,635,957	905,318	7,328,194
Employee Salaries and Fringe Benefits	41,332	34,212	33,070		19,952		338,476		467,042
Agency Contractor Services	12,659	7,674	3,442		3,465		18,781		46,021
Planning and Evaluation Services	37,886	17,190	38,850		24,770		88,816		207,512
Advertising and Marketing Services	24,400	7,244	14,556		5,145		239,409		290,754
Other Professional Services	25,586	42,975	26,605		3,855		204,232		303,253
Travel, Meetings, Trainings and Conferences	1,377	737	688		446		14,527		17,775
Dues, Licenses and fees	3,207	307			24		997		4,535
Software and Hardware									-
Materials Postage and Telephone	180				64				244
Shared Office Space	5,032	4,463	4,128		2,745		42,767		59,135
Shared Information Technology	21,659	25,926	28,329		4,808		250,573		331,295
Customer Service Management	4,902	2,693	2,552		489		35,891		46,527
Trade Ally Management	614	2,197	193		61		67,080		70,145
Planning and Evaluation Management	29,001	27,522	27,626		4,981		184,469		273,599
TOTAL PROGRAM EXPENSES	3,081,884	1,176,784	1,973,268	328,275	630,554	-	13,105,825	905,318	21,201,908
ADMINISTRATIVE COSTS									
Management & General	89,395	34,148	57,237	9,519	18,297		380,215	26,252	615,063
General Communications and Outreach	68,108	26,017	43,608	7,252	13,940		289,680	20,001	468,606
Total Administrative Costs	157,503	60,165	100,845	16,771	32,237	-	669,895	46,253	1,083,669
Total Program & Admin Expenses	3,239,387	1,236,949	2,074,113	345,046	662,791	-	13,775,720	951,571	22,285,579
Energy Savings (therms)	699,614	120,567	703,930	-	244,818	-	2,098,201	-	3,867,131

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	594,752	13,183	126,135		100,850		675,731		1,510,651
Program Delivery Subcontracts	341,288	18,091	68,077	36,475	65,338		244,375	100,591	874,235
Employee Salaries and Fringe Benefits	13,399	1,066	3,582		5,786		26,771		50,604
Agency Contractor Services	4,104	239	373		1,005		1,485		7,206
Planning and Evaluation Services	7,960	536	4,208		3,317		5,970		21,991
Advertising and Marketing Services	7,910	226	1,576		1,492		18,936		30,140
Other Professional Services	8,295	1,339	2,881		1,118		16,153		29,786
Travel, Meetings, Trainings and Conferences	447	23	75		129		1,149		1,823
Dues, Licenses and fees	1,040	10			7		79		1,136
Software and Hardware									-
Materials Postage and Telephone	58				18				76
Shared Office Space	1,631	139	447		796		3,383		6,396
Shared Information Technology	7,021	808	3,068		1,394		19,819		32,110
Customer Service Management	1,589	84	276		142		2,839		4,930
Trade Ally Management	199	68	21		18		5,306		5,612
Planning and Evaluation Management	9,402	858	2,992		1,444		14,590		29,286
TOTAL PROGRAM EXPENSES	999,095	36,670	213,711	36,475	182,854	-	1,036,586	100,591	2,605,982
ADMINISTRATIVE COSTS									
Management & General	28,980	1,064	6,199	1,058	5,306		30,073	2,917	75,597
General Communications and Outreach	22,080	811	4,723	806	4,043		22,912	2,222	57,597
Total Administrative Costs	51,060	1,875	10,922	1,864	9,349	-	52,985	5,139	133,194
Total Program & Admin Expenses	1,050,155	38,545	224,633	38,339	192,203	-	1,089,571	105,730	2,739,176
Energy Savings (therms)	216,463	5,125	76,135	-	51,991	-	161,839	-	511,553

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

ENERGY EFFICIENCY

Avista

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	449,254	48,046	68,432		27,004		437,165		1,029,901
Program Delivery Subcontracts	257,797	65,932	36,934		14,350		206,326		581,339
Employee Salaries and Fringe Benefits	10,121	3,885	1,943		1,440		18,723		36,112
Agency Contractor Services	3,100	872	202		250		1,039		5,463
Planning and Evaluation Services	6,012	1,952	2,283		825		4,175		15,247
Advertising and Marketing Services	5,975	823	855		371		13,243		21,267
Other Professional Services	6,265	4,880	1,563		278		11,297		24,283
Travel, Meetings, Trainings and Conferences	337	84	40		32		804		1,297
Dues, Licenses and fees	785	35			2		55		877
Software and Hardware									-
Materials Postage and Telephone	44				5				49
Shared Office Space	1,232	507	243		198		2,366		4,546
Shared Information Technology	5,304	2,944	1,665		347		13,861		24,121
Customer Service Management	1,200	306	150		35		1,985		3,676
Trade Ally Management	150	250	11		4		3,711		4,126
Planning and Evaluation Management	7,102	3,126	1,623		359		10,204		22,414
TOTAL PROGRAM EXPENSES	754,678	133,642	115,944	-	45,500	-	724,954	-	1,774,718
ADMINISTRATIVE COSTS									
Management & General	21,891	3,878	3,363		1,320		21,032		51,484
General Communications and Outreach	16,678	2,955	2,562		1,006		16,024		39,225
Total Administrative Costs	38,569	6,833	5,925	-	2,326	-	37,056	-	90,709
Total Program & Admin Expenses	793,247	140,475	121,869	-	47,826	-	762,010	-	1,865,429
Energy Savings (therms)	121,996	19,629	47,254	-	18,636	-	153,167	-	360,682

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Incentives	482,067		774,636		1,256,703
Program Delivery Subcontracts	270,876		347,264		618,140
Employee Salaries and Fringe Benefits	51,620		63,195		114,815
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	7,527		9,016		16,543
Shared Information Technology	26,590		29,197		55,787
Customer Service Management	22,075		21,359		43,434
Trade Ally Management					-
Planning and Evaluation Management	45,657		55,348		101,005
TOTAL PROGRAM EXPENSES	940,042	-	1,372,608	-	2,312,650
ADMINISTRATIVE COSTS					
Management & General	27,289		39,839		67,128
General Communications and Outreach	20,791		30,352		51,143
Total Administrative Costs	48,080	-	70,191	-	118,271
Total Program & Admin Expenses	988,122	-	1,442,799	-	2,430,919
Energy Savings (therms)	147,481	-	221,714		369,195

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	4,010,250	274,710	4,284,960
Program Delivery Subcontracts	187,289		187,289
Employee Salaries and Fringe Benefits	421,553	103,058	524,611
Agency Contractor Services	138,880	871	139,751
Planning and Evaluation Services	18,265		18,265
Advertising and Marketing Services	166,519	3,230	169,749
Other Professional Services	236,536	305,000	541,536
Travel, Meetings, Trainings and Conferences	18,874	10,750	29,624
Dues, Licenses and fees	12,177	3,900	16,077
Software and Hardware	104,356		104,356
Materials Postage and Telephone		350	350
Shared Office Space	63,223	14,942	78,165
Shared Information Technology	110,718	26,167	136,885
Customer Service Management	9,600		9,600
Trade Ally Management	19,059	14	19,073
Planning and Evaluation Management	46,330	4,819	51,149
TOTAL PROGRAM EXPENSES	5,563,629	747,811	6,311,440
ADMINISTRATIVE COSTS			
Management & General	161,691	21,744	183,435
General Communications and Outreach	123,190	16,567	139,757
Total Administrative Costs	284,881	38,311	323,192
Total Program & Admin Expenses	5,848,510	786,122	6,634,633
 Energy Generation (kwh)	 10,692,000	 -	 10,692,000

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2019 Final Proposed Budget**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	2,466,000	2,509,180	4,975,180
Program Delivery Subcontracts	150,727		150,727
Employee Salaries and Fringe Benefits	270,828	488,533	759,361
Agency Contractor Services	89,224	4,129	93,353
Planning and Evaluation Services	16,735		16,735
Advertising and Marketing Services	106,981	5,270	112,251
Other Professional Services	226,963	305,000	531,963
Travel, Meetings, Trainings and Conferences	12,126	10,750	22,876
Dues, Licenses and fees	7,823	3,900	11,723
Software and Hardware	67,044		67,044
Materials Postage and Telephone		350	350
Shared Office Space	40,618	70,829	111,447
Shared Information Technology	71,131	124,039	195,170
Customer Service Management	6,168		6,168
Trade Ally Management	12,244	66	12,310
Planning and Evaluation Management	29,765	22,843	52,608
TOTAL PROGRAM EXPENSES	3,574,377	3,544,889	7,119,266
ADMINISTRATIVE COSTS			
Management & General	103,879	103,076	206,955
General Communications and Outreach	79,144	78,532	157,676
Total Administrative Costs	183,023	181,608	364,631
Total Program & Admin Expenses	3,757,400	3,726,497	7,483,898
 Energy Generation (kwh)	 6,963,000	 2,066,000	 9,029,000



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			
TOTAL CAPITAL PURCHASES		420,176	36,000

Final Proposed 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 performance 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.

Final Proposed 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, streamlined performance tracking tool with a more effective user interface, reducing efforts 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.

Final Proposed 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 more 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.
- Leverage local city and county sustainability efforts to connect more customers to Energy Trust incentives and technical services.
- 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.

Final Proposed 2019-2020 Action Plans

Commercial Sector—Existing 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:

Small- and medium-sized businesses

- 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.
- Costs per unit of savings are expected to increase as the program penetrates deeper into markets; engages more rural, small business and underserved communities; and, reaches to smaller-sized opportunities.
- Effective partnerships with community-based organizations to reach small businesses will be a 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.

Final Proposed 2019-2020 Action Plans

Commercial Sector—Existing Buildings

- 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.
- 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	\$41.9	\$6.2	\$48.1	13.5	3.2	1,350,849	41.6
2019 Budget	\$47.8	\$6.7	\$54.5	14.2	3.6	1,536,231	40.6
2020 Projection	\$43.9	\$8.0	\$51.9	11.9	4.1	1,670,405	44.2

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$33,200,890	\$26,970,248	\$30,910,725	\$27,512,338
Program Delivery Subcontracts	15,777,802	15,707,802	17,226,095	17,739,878
ETO Expenses				
Employee Salaries & Fringe Benefits	679,237	652,503	690,181	739,936
Agency Contractor Services	205,000	205,000	211,385	226,010
Planning and Evaluation Services	963,036	797,048	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 & Conferences	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	17,968	10,248	10,607
Trade Allies Management	93,396	97,337	81,851	98,175
Planning & Evaluation Allocation	579,311	522,879	484,280	498,083
Shared Office Space	65,608	64,929	84,025	88,619
IT Services	358,919	323,163	361,671	370,671
Administrative Expenses	2,478,692	2,077,473	2,650,471	2,618,300
TOTAL EXPENSES	55,050,740	48,077,632	54,512,645	51,907,824

Final Proposed 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.

Final Proposed 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, technical services, 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, where the benefits of savings actions do not directly accrue to those paying to install a measure.
- Support targeted demand-side management efforts with utilities.

Final Proposed 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.
- Deliver energy-efficiency workshops for multifamily customers, presenting relevant information based on market segment and region and gathering feedback from customers on challenges and motivations to completing energy efficient upgrades.
- 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.
- Pursue the expansion of Savings Within Reach eligibility to include multifamily properties, increasing accessibility to program offerings for moderate- and low-income 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.

Final Proposed 2019-2020 Action Plans

Commercial Sector—Existing Multifamily

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 refine market penetration assessments with data analysis and methodology from the 2018 DEI Data & Baseline Project.
- Target high energy users within our efforts for diversity, equity and inclusion focus.
- 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 residents, including alternative approaches to determining value for services delivered to this population.
- Expand Savings Within Reach offerings to low- and moderate-income multifamily unit owners.
- 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.

Final Proposed 2019-2020 Action Plans

Commercial Sector—Existing Multifamily

- 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.

Year	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings	levelized cost	Savings	levelized cost
				aMW	(cents / KWh)	therms	(cents / therm)
2018 Reforecast	\$8.5	\$1.2	\$9.7	1.9	4.4	129,544	66.0
2019 Budget	\$8.7	\$1.4	\$10.1	1.5	5.5	145,321	71.7
2020 Projection	\$6.9	\$1.5	\$8.4	1.0	6.2	120,777	89.4

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$3,791,148	\$3,710,895	\$3,445,598	\$2,469,609
Program Delivery Subcontracts	4,655,000	4,612,500	4,728,273	4,008,616
ETO Expenses				
Employee Salaries & Fringe Benefits	263,180	246,336	278,628	298,399
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 & Conferences	9,000	9,000	6,000	9,000
Dues, Licenses and Fees	2,500		2,500	2,500
Customer Service Management	23,789	23,328	17,895	18,521
Trade Allies Management	23,265	24,246	21,932	26,306
Planning & Evaluation Allocation	233,229	210,510	224,145	230,534
Shared Office Space	24,673	24,406	36,350	38,338
IT Services	199,543	179,664	211,143	216,397
Administrative Expenses	447,926	418,666	492,289	423,790
TOTAL EXPENSES	9,948,253	9,688,911	10,121,253	8,398,010

Final Proposed 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, integrating solar and energy efficiency into the program delivery and support for customers. 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 the 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.** An expected third code change since 2010 necessitates that the program further adjust strategies and incentives for 2020. As code changes reduce prior options, the program will ramp up activities to 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 U.S. Department of Energy building procurement pilot to reach installation contractors through web-enabled platforms 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 tenant-improvement in the office and retail sectors.
- **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.

Final Proposed 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.
- 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.

Final Proposed 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 expected, revised code for 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

Final Proposed 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.

	Annual Expense			Electric		Gas	
				Savings	levelized cost	Savings	levelized cost
Year	Electric	Gas	Total	aMW	(cents / KWh)	therms	(cents / therm)
2018 Reforecast	\$18.1	\$2.3	\$20.4	6.5	2.9	921,802	21.0
2019 Budget	\$18.7	\$2.5	\$21.2	6.2	3.2	845,608	24.9
2020 Projection	\$17.6	\$2.5	\$20.1	5.3	3.5	738,784	29.5

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$12,573,969	\$11,378,980	\$11,847,499	\$11,060,365
Program Delivery Subcontracts	6,121,575	6,121,575	6,384,957	6,195,957
ETO Expenses				
Employee Salaries & Fringe Benefits	279,821	294,685	336,238	358,896
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	7,000	10,000
Dues, Licenses and Fees				5,000
Customer Service Management	2,612	7,661	1,965	2,033
Trade Allies Management	34,054	35,491	25,946	31,120
Planning & Evaluation Allocation	347,963	314,067	280,881	288,887
Shared Office Space	26,355	26,069	41,974	44,269
IT Services	268,216	241,495	288,030	295,198
Administrative Expenses	995,630	879,529	1,029,299	1,015,959
TOTAL EXPENSES	22,112,528	20,354,384	21,170,067	20,142,128

Final Proposed 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.
- Utilize utility and project tracking data and savings details to improve forecasting methodologies and anticipate savings and budget impacts over the next two to three years.
- 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.
- Perform market analysis to identify remaining market potential available to all tracks of the program.

Final Proposed 2019-2020 Action Plans

Commercial Sector—Southwest Washington

- 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 market-channel experts and trade ally coordinators to provide focused support to 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.

Final Proposed 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.
- 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.
- 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.

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (\$ / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast		\$0.9	\$0.9			156,105	38.9
2019 Budget		\$1.0	\$1.0			147,481	47.8
2020 Projection		\$1.0	\$1.0			152,847	47.9

Final Proposed 2019-2020 Action Plans

Commercial Sector—Southwest Washington

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$455,400	\$413,121	\$482,067	\$498,721
Program Delivery Subcontracts	258,286	258,286	270,876	278,237
ETO Expenses				
Employee Salaries & Fringe Benefits	22,181	35,618	51,620	55,101
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 & Conferences	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	20,732	22,075	26,478
Planning & Evaluation Allocation	50,784	45,837	45,657	46,958
Shared Office Space	2,131	2,108	7,527	7,939
IT Services	17,882	16,101	26,590	27,252
Administrative Expenses	40,956	37,209	48,081	51,703
TOTAL EXPENSES	909,612	861,111	988,123	1,024,308

Final Proposed 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.

Final Proposed 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, evolving offerings 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.
- Expand 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:

Final Proposed 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.
- 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.

Final Proposed 2019-2020 Action Plans

Industrial Sector—Production Efficiency

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$37.5	\$2.5	\$40.0	16.7	2.5	1,619,346	14.4
2019 Budget	\$38.7	\$3.0	\$41.7	18.8	2.2	1,102,463	23.3
2020 Projection	\$35.4	\$3.0	\$38.4	16.5	2.3	1,088,161	24.3

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$21,815,591	\$23,814,452	\$23,646,941	\$20,464,479
Program Delivery Subcontracts	10,589,262	11,214,875	12,272,980	12,357,355
ETO Expenses				
Employee Salaries & Fringe Benefits	1,252,111	1,168,572	1,252,605	1,340,722
Agency Contractor Services	240,000	200,000	217,515	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	244,500	242,000	342,000
Travel, Meetings, Trainings & Conferences	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	9,448	3,850	3,984
Trade Allies Management	33,211	34,613	30,676	36,794
Planning & Evaluation Allocation	315,988	285,207	312,707	321,620
Shared Office Space	131,216	129,795	172,352	181,776
IT Services	303,201	272,995	301,829	309,340
Administrative Expenses	1,711,727	1,727,986	2,027,398	1,939,322
TOTAL EXPENSES	38,016,759	39,989,664	41,682,575	38,432,009

Final Proposed 2019-2020 Action Plans

Residential Sector—Residential Program

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.
- Expand efforts in lagging markets, increase efforts in emerging markets and test new offerings to help replace some of the lost savings.
- Support expansion of residential offerings to multifamily settings, as appropriate.
- 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.

Final Proposed 2019-2020 Action Plans

Residential Sector—Residential Program

Improve program performance and viability

- Develop and implement pilots such as Pay for Performance and limited installations of extended capacity heat pumps.
- Apply incentives to more than one point in the supply chain to align midstream channels with the new construction market.
- 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 for the beginning of the 2020 program year. 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 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.
- Increase customer awareness of energy efficiency opportunities in homes through work with home energy assessors, alignment with city and county initiatives, 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 or gas furnaces in rental properties.
- Develop a data-driven customer engagement and marketing strategy.
- Work effectively across the supply chain to support more targeted approaches.

Final Proposed 2019-2020 Action Plans

Residential Sector—Residential Program

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:

- Continue to deliver enhanced incentives for insulation, gas and electric heating equipment, and heat pump water heaters to income-qualified households through trade allies participating in Savings Within Reach.
- 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 rental homes, affordable housing and manufactured homes.

Specific activities include:

- Evaluate enhanced customer analytics tools that provide insight into customer demographics.
- Expand strategies and partnerships with community-based organizations to improve awareness and accessibility of the following technologies for income-qualified 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.

Final Proposed 2019-2020 Action Plans

Residential Sector—Residential Program

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 for new home construction in response to expiration of OPUC cost-effectiveness exception on for one gas and two electric pathways at the end of 2019.

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$34.0	\$12.5	\$46.5	7.7	4.5	2,925,472	25.6
2019 Budget	\$33.4	\$15.6	\$49.0	6.8	4.8	2,413,207	42.6
2020 Projection	\$26.9	\$16.3	\$43.2	4.5	5.5	2,442,910	43.7

2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
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Incentives **\$29,376,979** **\$27,144,992** **\$28,753,613** **\$24,197,683**

Program Delivery Subcontracts **12,074,722** **12,074,722** **12,058,770** **10,935,023**

ETO Expenses

Employee Salaries & Fringe Benefits	1,156,349	1,137,615	1,188,295	1,277,066
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	717,000	622,000
Travel, Meetings, Trainings & Conferences	59,000	59,000	51,000	51,000
Dues, Licenses and Fees	3,500	3,500	3,500	3,500
Customer Service Management	313,072	264,130	235,501	243,738
Trade Allies Management	140,769	146,708	126,002	151,131
Planning & Evaluation Allocation	1,094,672	988,038	647,620	666,078
Shared Office Space	113,888	112,624	150,143	158,353
IT Services	859,201	773,605	879,693	901,583

Administrative Expenses 2,230,667 2,010,406 2,382,182 2,413,303

TOTAL EXPENSES **49,542,189** **46,525,535** **48,987,171** **43,182,768**

Final Proposed 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 across all customer segments, with a particular focus on lagging markets.
- 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 for the 2020 program year. 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 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.

Final Proposed 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		\$1.3	\$1.3			199,828	49.9
2019 Budget		\$1.4	\$1.4				50.5
2020 Projection		\$1.5	\$1.5			220,437	53.5

Final Proposed 2019-2020 Action Plans

Residential Sector—Southwest Washington

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Incentives	\$652,556	\$672,374	\$774,636	\$819,832
Program Delivery Subcontracts	301,585	301,585	347,264	358,970
ETO Expenses				
Employee Salaries & Fringe Benefits	51,587	51,510	63,195	67,481
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	-	137	-	-
Trade Allies Management	21,579	22,490	21,359	25,618
Planning & Evaluation Allocation	114,733	103,557	55,348	56,926
Shared Office Space	5,160	5,103	9,016	9,509
IT Services	24,881	22,402	29,197	29,923
Administrative Expenses	59,319	56,462	70,191	76,616
TOTAL EXPENSES	1,317,444	1,306,664	1,442,799	1,518,179

Final Proposed 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.

Final Proposed 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

Final Proposed 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.

	Annual Expense			Electric		Gas	
	Electric	Gas	Total	Savings aMW	levelized cost (cents / KWh)	Savings therms	levelized cost (cents / therm)
2018 Reforecast	\$7.2	\$1.2	\$8.3	7.5	5.5		
2019 Budget	\$7.2	\$1.4	\$8.6	5.7	7.3		
2020 Projection	\$6.5	\$1.3	\$7.8	3.9	9.2		

Final Proposed 2019-2020 Action Plans

Northwest Energy Efficiency Alliance

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
Program Delivery Subcontracts	8,132,667	7,874,482	8,143,820	7,341,108
Planning & Evaluation Allocation	110,972	100,162	66,404	68,297
Sub-Total before Admin Costs	8,243,639	7,974,644	8,210,224	7,409,405
Administrative Expenses	388,675	360,153	419,460	393,461
TOTAL EXPENSES	8,632,314	8,334,797	8,629,684	7,802,866

NEEA by Program

Commercial	2,682,976	3,088,070	3,620,450	3,274,016
Industrial	384,450	137,175	134,982	123,635
Residential	5,423,877	5,109,552	4,874,251	4,405,215
Washington	141,011	-	-	-
TOTAL EXPENSE	8,632,314	8,334,797	8,629,684	7,802,866

Final Proposed 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 standard residential and business incentives for conventional projects in response to market behavior, reducing and potentially simplifying incentives as costs decrease.

Final Proposed 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 higher incentives to support solar projects that benefit low- and moderate-income customers.
- Continue statewide marketing to educate consumers about solar, with a focus on customers and communities targeted through Energy Trust's diversity, equity and inclusion work.
- 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 by helping customers access appropriate information and 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.

Final Proposed 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 dockets 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	\$10.1	1.50	\$6.7	\$4.2	0.09	\$45.5
2019 Budget	\$5.7	0.40	\$14.2	\$4.5	0.24	\$19.1
2020 Projection	\$6.7	0.58	\$11.5	\$4.8	0.89	\$5.4

Final Proposed 2019-2020 Action Plans

Renewable Energy Sector—Solar

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
<u>EXPENSES</u>				
Incentives	\$6,815,500	\$6,824,500	\$6,476,250	\$6,765,750
Program Delivery Subcontracts	386,500	386,500	338,016	338,016
ETO Expenses				
Employee Salaries & Fringe Benefits	619,939	632,233	692,381	741,030
Agency Contractor Services	90,000	123,500	228,104	225,229
Planning and Evaluation Services	73,000	41,600	35,000	35,000
Advertising and Marketing Services	241,500	261,500	273,500	277,500
Other Professional Services	351,999	273,799	463,499	387,949
Travel, Meetings, Trainings & Conferences	23,000	25,000	31,000	31,000
Dues, Licenses and Fees	3,200	3,200	20,000	20,000
Software and Hardware	169,100	169,100	171,400	151,400
Customer Service Management	41,614	54,970	31,303	32,398
Trade Allies Management	20,230	21,084	15,768	18,913
Planning & Evaluation Allocation	109,091	98,464	76,095	78,264
Shared Office Space	71,665	70,888	103,840	109,518
IT Services	165,595	149,098	181,849	186,374
Administrative Expenses	432,914	412,577	467,904	500,154
TOTAL EXPENSES	9,614,847	9,548,013	9,605,909	9,898,495
Plus/minus Incentives committed for future yrs	(152,500)	(912,499)	855,751	(365,749)
TOTAL EXPENSE, Action Plan	9,462,347	8,635,514	10,461,660	9,532,746

Final Proposed 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.

Final Proposed 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.

Final Proposed 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	GOAL	COST	BUDGET	GOAL	COST
Year	(\$ millions)	aMW	(\$ mils / aMW)	(\$ millions)	aMW	(\$ mils / aMW)
2018 Reforecast	\$10.1	1.50	\$6.7	\$4.2	0.09	\$45.5
2019 Budget	\$5.7	0.40	\$14.2	\$4.5	0.24	\$19.1
2020 Projection	\$6.7	0.58	\$11.5	\$4.8	0.89	\$5.4

Final Proposed 2019-2020 Action Plans

Renewable Energy Sector—Other Renewables

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
<u>EXPENSES</u>				
Incentives	\$2,348,720	\$2,841,199	\$2,783,890	\$3,005,100
Program Delivery Subcontracts				
ETO Expenses				
Employee Salaries & Fringe Benefits	518,411	517,174	591,591	632,333
Agency Contractor Services	75,000	75,000	5,000	
Advertising and Marketing Services	10,000	3,000	8,500	7,000
Other Professional Services	348,000	345,000	610,000	610,000
Travel, Meetings, Trainings & Conferences	20,400	20,400	21,500	21,500
Dues, Licenses and Fees	3,000	3,000	7,800	7,800
Materials Postage and Telephone	700	700	700	700
Customer Service Management	106	825	80	82
Planning & Evaluation Allocation	41,379	37,349	27,662	28,451
Shared Office Space	55,571	54,969	85,771	90,461
IT Services	128,407	115,615	150,206	153,944
Administrative Expenses	167,363	181,292	219,918	242,629
TOTAL EXPENSES	3,717,057	4,195,523	4,512,618	4,800,000
Plus/minus Incentives committed for future yrs	6,031,280	5,877,006	1,176,211	1,854,998
TOTAL EXPENSE, Action Plan	9,748,337	10,072,529	5,688,829	6,654,998

Final Proposed 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.

Final Proposed 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.

Final Proposed 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:

Final Proposed 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 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
ETO Expenses				
Employee Salaries & Fringe Benefits	2,526,563	2,414,590	2,878,206	3,069,841
Agency Contractor Services	176,000	183,920	504,724	116,332
Planning and Evaluation Services	5,000			
Other Professional Services	1,204,750	752,625	1,206,350	1,218,850
Travel, Meetings, Trainings & Conferences	108,400	104,044	109,100	106,100
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	10,186	4,140	4,258
Shared Office Space	215,608	213,272	298,297	314,608
IT Services	498,206	448,574	522,390	535,389
TOTAL EXPENSES	4,796,322	4,174,383	5,566,312	5,408,483

Final Proposed 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.

Final Proposed 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.

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.

Final Proposed 2019-2020 Action Plans

General Communications and Outreach

- 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.
- 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.

Final Proposed 2019-2020 Action Plans

General Communications and Outreach

- 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.

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

Final Proposed 2019-2020 Action Plans

General Communications and Outreach

- We anticipate a brand refresh project will be needed as a general update and in support of the 2020-2024 strategic plan.

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
ETO Expenses				
Employee Salaries & Fringe Benefits	1,873,311	1,896,169	2,030,745	2,181,353
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	1,008,000	1,112,000	1,061,000
Other Professional Services	194,000	156,000	125,000	70,000
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	169,766	127,303	130,932
Shared Office Space	177,197	175,277	240,558	253,712
IT Services	409,449	368,659	421,275	431,758
TOTAL EXPENSES	4,157,545	3,987,371	4,240,881	4,266,755

Final Proposed 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.

Final Proposed 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.

Final Proposed 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.

Final Proposed 2019-2020 Action Plans

Customer Service and Trade Ally

	2018 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
ETO Expenses				
Employee Salaries & Fringe Benefits	386,639	378,065	364,509	392,798
Planning and Evaluation Services		25,000	15,000	15,000
Advertising and Marketing Services	26,000	1,000	5,500	5,500
Other Professional Services	205,500	218,500	225,000	266,550
Travel, Meetings, Trainings & Conferences	40,200	40,200	35,090	44,700
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	79,333		
TOTAL EXPENSES	786,332	781,167	646,449	725,898

Final Proposed 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.

Final Proposed 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.

Final Proposed 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.

Final Proposed 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 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
ETO Expenses				
Employee Salaries & Fringe Benefits	1,852,595	1,839,675	1,879,946	2,016,990
Planning and Evaluation Services	565,000	349,747	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	358,741		
TOTAL EXPENSES	3,197,497	2,886,023	2,352,244	2,419,288

Final Proposed 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.

Final Proposed 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.

Final Proposed 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.

Final Proposed 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 R2 Budget	2018 R3 Forecast	2019 R2 Budget	2020 Projection
ETO Expenses				
Employee Salaries & Fringe Benefits	2,126,503	2,111,252	2,207,240	2,355,768
Agency Contractor Services	500,000	380,000	518,500	424,000
Other Professional Services	180,000	52,000	36,000	26,000
Travel, Meetings, Trainings & Conferences	57,600	37,400	46,720	46,720
Dues, Licenses and Fees	1,200	1,200	1,200	1,200
Software and Hardware	330,779	270,680	337,089	340,561
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		
TOTAL EXPENSES	3,807,546	3,349,445	3,373,875	3,457,830

Final Proposed 2019-2020 Action Plans

Operations Analyst Team

Operations Analyst Group Description

The Operations Analyst Team provides business system leadership and support, analytic resources and reporting support for Energy Trust. The team is also a forum for shared knowledge, solutions and approaches. The team manages projects across all groups and programs to promote alignment of priorities, standardization, replicability and best practices.

2019 Strategic Focus

- Ensure analyst resources available across all groups to promote standardization and replicability when appropriate.
- Unify priorities and access to IT resources for business systems improvements and projects through a business systems prioritization process.
- Identify, lead and support projects with to improve business systems and processes.
- Lead efforts to improve the accuracy, timeliness and consistency of forecasting information in our data systems.
- Provide ownership of core data entities to provide transparent documentation, ongoing monitoring and quality control with the goal of creating shared and sanctioned data sets that can be used through all areas of reporting.
- Lead efforts to provide executive, managers and outreach staff access to on-demand and dynamic reporting tools and visualizations.
- Support the achievement and accurate tracking of progress to the goals in diversity, equity and inclusion operations plan.

2019 Activities—Ongoing and New

Manage organization effectively

Ongoing activities:

- Budget forecasting and development:
 - Lead quarterly forecasting of savings and incentives for all energy programs.
 - Support annual budget development, including quality control and testing of program workbooks and database to ensure accuracy.
- Business Systems Prioritization Team:
 - Lead the ongoing and transparent prioritization of requests for enhancements and upgrades to systems to unify priorities and access across groups to IT resources for business systems improvements.
 - Manage user acceptance testing and change management efforts related to enhancements and upgrades to the business systems.
 - Ensure that systems and processes support transactional workflows and provide ongoing market intelligence and opportunities.
 - Advise IT steering committee to balance priorities between large projects and enhancements.
 - Support systems training, change management and business systems implementation to ensure that continuous improvement across systems are accurately trained and embedded within the organization upon release.
 - Identify pain points and opportunities for improvement within our systems to eliminate administrative overhead and provide more accurate and readily accessible information to users.
- Standard organizational reporting and program analysis:

Final Proposed 2019-2020 Action Plans

Operations Analyst Team

- Lead data population, formatting and quality control of quarterly and annual public reports, utility reports and other data analysis as requested.
- Manage the preliminary annual report and annual updates to organizational results statistics.
- Lead analysis and ongoing tracking and monitoring of the proportion of SB 1149 incentive spending on projects with electric customers exempt from SB 838.
- Support data analysis and reporting efforts related to the upcoming biennial long legislative session.
- Provide ongoing analysis of program trends, market function, measure uptake and specialized analyses such as related to large customer thresholds.

Improve productivity and efficiency

Ongoing activities:

- Data analysis and cleanup:
 - Provide input and support to budget development tasks and aid in troubleshooting budget-related data and related reporting.
 - Lead the creation and utilization of integrated and third-party data sets to inform program strategy and decision making.
 - Lead efforts to analyze and segment eligible ratepayers to aid program decision-making and strategies to expand customer engagement and participation engagement.
 - Ensure the accuracy, timeliness and consistency of forecasting and pipeline information in data systems.
- Data ownership and stewardship:
 - Lead business data ownership and stewardship of data (used by Project Tracker, CRM, Data Warehouse, reporting) to standardize data definitions, content, quality and security throughout the organization. This includes creation and maintenance of data definitions, documentation and maintenance of business rules, development of standard calculations and metrics, ongoing monitoring data quality and research data issues, and leading data clean-up and standardization efforts across the organization.
- Operations and process improvement efforts:
 - Lead efforts to define, implement, share and enforce best practices to support consistency across the organization.
 - Identify, triage and prioritize areas for business and process improvement, and successfully implement related projects.
- Power BI and SSRS self-service reporting:
 - Lead efforts to develop and utilize self-service reporting tools, such as Power BI and SSRS, to increase productivity and expand abilities to analyze and use information in day-to-day decision-making.

New activities:

- Forecast scenarios and modeling: Support the integration of scenario drivers by market and economic figures, rather than solely at the project level, into core data or reporting systems.
- Forecasts and project opportunities in Project Tracker: Lead the enhancement of business systems to improve ability to report on project opportunities and forecasts, eliminate duplicative project data entry, and integrate underutilized project management and workflow.
- Upgrade and migration of CRM:
 - Support upgrade of current on-premise implementation of Microsoft Dynamics CRM through user acceptance testing and change management support.
 - Support research and decision-making related to migration of CRM application to the cloud-based version.

Final Proposed 2019-2020 Action Plans

Operations Analyst Team

- Merge and refactor of Great Plains vendors and CRM Accounts: Lead a cross-functional project team to refine data architecture to reconcile discrepancies between linked CRM accounts and Great Plains vendors. Create a scalable structure.
- New budget implementation—business plan process: Participate in new budget process implementation.
- New budget implementation—budgeting system: Support work to develop requirements, select and implement a new budget system.

Improve program performance and viability

Ongoing activities:

- Trade ally portal: Lead efforts to maintain and enhance the residential trade ally portal to ensure continued business value through use of the tool for trade allies.

New activities:

- Industrial scoping tool: Support efforts to implement features and enhancements, including integration with our core systems, to the existing custom track scoping tool through participation in detailed requirements gathering, testing and the development of reports.
- Lighting tool enhancements: Support efforts to optimize our current excel based tool through participation in detailed requirement gathering, QC, testing and troubleshooting.
- Non-residential site assessment tool: Support the development of performance tracking and scoping tools for commercial and industrial programs (Commercial, Production Efficiency and Existing Multifamily) to create a consistent mechanism to collect and store information on project opportunities while in the field.

Increase customer participation and awareness

Ongoing activities:

- Targeted marketing email support: Support development of strategy and implementation of email marketing platforms that provide programs with customer intelligence for targeted marketing activities.

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: Lead efforts to recommend updates to tracking systems to collect, track, analyze and report on demographic information related to program participation and trade allies.

2019 Key Assumptions, Risks and/or Challenges

- There will be a learning curve associated with the full adoption of new reporting and visualization tools.
- There will be a significant backlog of systems enhancement requests.
- There will be no significant changes to program structure or implementation contractors.
- There will be no significant changes to team structure.

Final Proposed 2019-2020 Action Plans

Operations Analyst Team

2020 Expected Changes

- Migration of resources and applications to the cloud-computing environment will shift how the team accesses and utilizes data for analysis and ad hoc reporting.
- Changes to program structure, program design or implementation contractors may drive new requirements for systems and reporting.

Expenses for this support team are budgeted in programs and are incorporated into program action plan expenditure tables.

Final Proposed 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.

Final Proposed 2019-2020 Action Plans

Diversity, Equity and Inclusion

Increase flexibility and adaptability

- 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
TOTAL	\$332,300	\$329,300

2018 Forecast Recap Spending and Savings
Final Proposed
ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	41.9	6.2	48.1	13.5	3.2	1,350,849	41.60
Business Energy Solutions – Multifamily	8.5	1.2	9.7	1.9	4.4	129,544	65.97
Business Energy Solutions – New Buildings	18.1	2.3	20.4	6.5	2.9	921,802	21.02
Mkt Transformation (Alliance)	3.0	0.1	3.1	2.4	2.3		
Total Commercial	71.4	9.8	81.2	24.3	3.2	2,402,195	36.03
Industrial							
Production Efficiency	37.5	2.5	40.0	16.7	2.5	1,619,346	14.39
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.1	2.2		
Total Industrial	37.6	2.5	40.1	16.8	2.6	1,619,346	14.59
Residential							
Home Energy Solutions – Residential	34.0	12.5	46.5	7.7	4.5	2,925,472	25.61
Mkt Transformation (Alliance)	4.1	1.0	5.1	4.9	1.0		
Total Residential	38.1	13.5	51.6	12.6	3.3	2,925,472	28.40
Washington							
Business Energy Solutions – Existing Buildings		0.9	0.9			156,105	38.94
Home Energy Solutions – Existing Homes		1.3	1.3			199,828	49.91
Total Washington		2.2	2.2			355,933	44.78
Total Energy Efficiency	147.1	28.0	175.1	53.7	3.0	7,302,946	27.58

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.7		4.8	0.58	11.47	0.09	-
Solar Electric	9.5		9.9	1.64	5.83	2.49	3.97
Total Renewable Resources	\$16.2		\$14.7	2.22	7.30	2.58	5.69

TOTAL BUDGET - ALL

1 some columns may not add due to rounding

\$189.8

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2018 Forecast

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
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	848,774				100,298,756	2,428,171	102,726,927
Revenue from Investments										
TOTAL PROGRAM REVENUE	95,989,048	54,595,065	150,584,113	848,774	18,558,144	2,167,052	1,325,134	173,483,217	2,428,171	175,911,388
EXPENSES										
Incentives	48,911,487	29,919,425	78,830,912	1,999,362	10,197,717	1,218,753	772,822	93,019,567	1,085,495	94,105,062
Program Delivery Subcontracts	30,160,330	19,142,815	49,303,145	909,894	6,187,903	775,624	429,389	57,605,956	559,871	58,165,827
Employee Salaries and Fringe Benefits	1,832,991	1,136,341	2,969,331	69,207	391,469	41,810	27,894	3,499,711	87,128	3,586,839
Agency Contractor Services	333,575	199,923	533,498	15,597	44,655	7,215	4,034	605,000	0	605,000
Planning and Evaluation Services	1,538,915	910,454	2,449,369	45,177	132,572	22,454	11,725	2,661,296	0	2,661,296
Advertising and Marketing Services	725,265	461,411	1,186,675	22,414	205,867	20,508	14,011	1,449,475	24,000	1,473,475
Other Professional Services	646,002	396,792	1,042,794	20,642	164,979	17,431	11,765	1,257,610	36,550	1,294,160
Travel, Meetings, Trainings and Conferences	56,485	35,157	91,642	1,437	17,228	1,545	1,146	113,000	5,250	118,250
Dues, Licenses and fees	24,132	16,863	40,995	1,341	3,871	869	482	47,557	37,343	84,900
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	3,777	2,580	6,357	244	291	74	33	7,000	0	7,000
Shared Office Space	187,550	117,171	304,722	7,354	38,814	4,173	2,759	357,823	7,211	365,034
Shared Information Technology	926,917	546,020	1,472,936	24,035	251,979	24,272	17,699	1,790,922	38,503	1,829,425
Customer Service Management	171,530	105,319	276,850	4,823	48,129	5,049	3,542	338,395	43,221	381,616
Trade Ally Management	149,135	95,099	244,233	1,026	67,920	5,161	4,197	322,535	137	322,672
Planning & Evaluation Management	1,253,227	752,930	2,006,155	31,669	326,759	32,783	23,497	2,420,863	149,394	2,570,257
TOTAL PROGRAM EXPENSES	86,921,318	53,838,300	140,759,614	3,154,222	18,080,153	2,177,721	1,324,995	165,496,710	2,074,103	167,570,813
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	2,007,758	1,243,588	3,251,346	72,857	417,626	50,303	30,606	3,822,737	47,909	3,870,646
Communications & Customer Svc (Notes 1 & 2)	1,917,810	1,187,874	3,105,685	69,594	398,916	48,050	29,234	3,651,477	45,762	3,697,239
Total Administrative Costs	3,925,568	2,431,462	6,357,031	142,451	816,542	98,353	59,840	7,474,214	93,671	7,567,885
TOTAL PROG & ADMIN EXPENSES	90,846,886	56,269,762	147,116,645	3,296,673	18,896,695	2,276,074	1,384,835	172,970,924	2,167,774	175,138,698
TOTAL REVENUE LESS EXPENSES	5,142,162	(1,674,697)	3,467,468	(2,447,899)	(338,551)	(109,022)	(59,701)	512,293	260,397	772,690
NET ASSETS - RESERVES										
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	5,142,162	(1,674,697)	3,467,468	(2,447,899)	(338,551)	(109,022)	(59,701)	512,293	260,397	772,690
Interest Attributed										
Ending Net Assets - Reserves	17,352,728	4,537,104	21,889,835	199,190	3,189,165	153,045	16,016	25,447,249	436,903	25,884,152
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	17,352,728	4,537,104	21,889,835	199,190	3,189,165	153,045	16,016	25,447,249	436,903	25,884,152
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	17,352,728	4,537,104	21,889,835	199,190	3,189,165	153,045	16,016	25,447,249	436,903	25,884,152

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 Forecast

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,458,345	6,361,674	14,820,019		88,004,480
Incremental Funding					102,726,927
Revenue from Investments				600,000	600,000
TOTAL PROGRAM REVENUE	8,458,345	6,361,674	14,820,019	600,000	191,331,407
EXPENSES					
Incentives	4,841,573	4,824,126	9,665,699		103,770,761
Program Delivery Subcontracts	220,840	165,660	386,500		58,552,327
Employee Salaries and Fringe Benefits	550,566	598,842	1,149,407		4,736,246
Agency Contractor Services	97,543	100,957	198,500		803,500
Planning and Evaluation Services	22,255	19,345	41,600		2,702,896
Advertising and Marketing Services	146,630	117,870	264,500		1,737,975
Other Professional Services	324,832	293,967	618,799		1,912,959
Travel, Meetings, Trainings and Conferences	24,109	21,291	45,400		163,650
Dues, Licenses and fees	3,280	2,920	6,200		91,100
Software and Hardware	94,081	75,019	169,100		169,100
Materials Postage and Telephone	350	350	700		7,700
Shared Office Space	60,571	65,285	125,857		490,891
Shared Information Technology	127,398	137,315	264,713		2,094,138
Customer Service Management	11,730	9,353	21,084		402,700
Trade Ally Management	30,900	24,895	55,795		378,467
Planning & Evaluation Management	69,140	66,673	135,813		2,706,070
TOTAL PROGRAM EXPENSES	6,625,798	6,523,868	13,149,667		180,720,480
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	153,047	150,692	303,738		4,174,384
Communications & Customer Svc (Notes 1 & 2)	146,190	143,941	290,131		3,987,370
Total Administrative Costs	299,237	294,633	593,869		8,161,754
TOTAL PROG & ADMIN EXPENSES	6,925,035	6,818,501	13,743,536		188,882,234
TOTAL REVENUE LESS EXPENSES	1,533,310	(456,827)	1,076,483	600,000	2,449,173
NET ASSETS - RESERVES					
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	1,533,310	(456,827)	1,076,483	600,000	2,449,173
Interest Attributed					
Ending Net Assets - Reserves	8,606,383	5,811,252	14,417,635	10,241,309	50,543,096
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	8,606,383	5,811,252	14,417,635		
Loan Reserve				1,800,000	
Organization Contingency Pool				3,441,309	
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	8,606,383	5,811,252	14,417,635	10,241,309	50,543,096

Energy Trust of Oregon
Budget Detail Classified by OPUC Performance Measure
2018 Forecast

	TOTAL	Total Programs	Supporting Centers
Incentives	\$103,770,760	\$103,770,760	
Program Delivery Subcontracts	58,552,327	58,552,327	
Employee Salaries & Fringe Benefits	13,375,998	6,839,278	6,536,720
Agency Contractor Services	1,417,420	803,500	613,920
Planning and Evaluation Services	3,147,643	3,055,835	91,808
Advertising and Marketing Services	2,746,975	1,738,975	1,008,000
Other Professional Services	3,142,084	2,178,341	963,743
Travel, Meetings, Trainings & Conferences	451,994		451,994
Dues, Licenses and Fees	230,632		230,632
Software and Hardware	455,280		455,280
Depreciation & Amortization	396,000		396,000
Office Rent and Equipment	1,054,433		1,054,433
Materials Postage and Telephone	135,976		135,976
Miscellaneous Expenses	4,712		4,712
TOTAL FUNCTIONAL EXPENSE	188,882,234	176,939,016	11,943,218

Program Support	3,781,463
Management & General	4,174,384
Communications and Outreach	3,987,371
TOTAL Expenses	11,943,218

divided by	
Total Revenue without Interest	190,731,407

OPUC Measure vs. 8% **6.26%**

Energy Trust of Oregon
Summary by Service Territory and Program
2018 Forecast

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$24,617,108	\$17,257,547	\$41,874,656	\$1,442,471	\$3,374,065	\$900,883	\$485,557	\$6,202,976	\$48,077,632	\$861,111	\$48,938,743
Multifamily Bldgs	6,351,347	2,174,878	8,526,225		1,024,998	32,342	105,345	1,162,685	9,688,910		9,688,910
New Buildings	13,138,132	4,948,129	18,086,261	319,517	1,597,061	236,412	115,134	2,268,124	20,354,385		20,354,385
NEEA	1,691,867	1,262,311	2,954,177		120,504	13,390		133,894	3,088,071		3,088,071
Total Commercial	45,798,454	25,642,866	71,441,320	1,761,988	6,116,628	1,183,027	706,035	9,767,678	81,208,998	861,111	82,070,109
Industrial											
Production Efficiency	22,412,426	15,040,325	37,452,752	1,534,685	786,125	184,486	31,617	2,536,913	39,989,665		39,989,665
NEEA	78,561	58,614	137,175						137,175		137,175
Total Industrial	22,490,987	15,098,940	37,589,927	1,534,685	786,125	184,486	31,617	2,536,913	40,126,840		40,126,840
Residential											
Residential	20,224,860	13,787,604	34,012,464		11,060,989	804,901	647,181	12,513,071	46,525,535	1,306,664	47,832,199
NEEA	2,332,583	1,740,354	4,072,937		932,953	103,661		1,036,614	5,109,551		5,109,551
Total Residential	22,557,443	15,527,958	38,085,401		11,993,942	908,562	647,181	13,549,685	51,635,086	1,306,664	52,941,750
Energy Efficiency Program Costs	90,846,886	56,269,762	147,116,645	3,296,673	18,896,695	2,276,074	1,384,835	25,854,277	172,970,924	2,167,774	175,138,698
Renewables											
Solar Electric (Photovoltaic)	5,312,183	4,235,830	9,548,013						9,548,013		9,548,013
Other Renewable	1,612,851	2,582,671	4,195,522						4,195,522		4,195,522
Renewables Program Costs	6,925,035	6,818,501	13,743,536						13,743,536		13,743,536
Cost Grand Total	97,771,918	63,088,265	160,860,182	3,296,673	18,896,695	2,276,074	1,384,835	25,854,277	186,714,459	2,167,774	188,882,234
Cost Grand Total	97,771,918	63,088,265	160,860,182	3,296,673	18,896,695	2,276,074	1,384,835	25,854,277	186,714,459	2,167,774	188,882,234

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	26,970,248	3,710,894	11,378,980	-	23,814,452	-	27,144,992	-	1,085,495	6,824,500	2,841,199	103,770,760
Program Delivery Subcontracts	15,707,801	4,612,500	6,121,575	2,915,587	11,214,875	110,876	12,074,722	4,848,019	559,871	386,500	-	58,552,326
Employee Salaries and Fringe Benefits	652,502	246,336	294,685	-	1,168,573	-	1,137,616	-	87,128	632,234	517,174	4,736,248
Agency Contractor Services	205,000	29,999	110,000	-	200,000	-	60,000	-	-	123,500	75,000	803,499
Planning and Evaluation Services	797,048	99,000	649,332	-	556,722	-	559,195	-	-	41,600	-	2,702,897
Advertising and Marketing Services	290,475	40,000	128,001	-	303,000	-	688,000	-	24,000	261,500	3,000	1,737,976
Other Professional Services	289,250	60,360	160,501	-	244,500	-	503,000	-	36,550	273,799	345,000	1,912,960
Travel, Meetings, Trainings and Conferences	15,999	9,000	7,000	-	22,000	-	58,999	-	5,250	25,000	20,400	163,648
Dues, Licenses and fees	42,557	-	-	-	1,501	-	3,500	-	37,343	3,200	3,000	91,101
Software and Hardware	-	-	-	-	-	-	-	-	-	169,100	-	169,100
Materials Postage and Telephone	2,999	-	-	-	4,000	-	-	-	-	-	700	7,699
Shared Office Space	64,928	24,406	26,069	-	129,794	-	112,624	-	7,211	70,888	54,968	490,888
Shared Information Technology	323,162	179,664	241,495	-	272,996	-	773,605	-	38,503	149,098	115,615	2,094,138
Customer Service Management	97,336	24,246	35,491	-	34,612	-	146,707	-	43,221	21,083	-	402,696
Trade Ally Management	17,968	23,329	7,663	-	9,448	-	264,130	-	137	54,970	825	378,470
Planning and Evaluation Management	522,881	210,510	314,067	39,046	285,207	20,372	988,038	40,744	149,394	98,464	37,349	2,706,072
TOTAL PROGRAM EXPENSES	46,000,154	9,270,244	19,474,859	2,954,633	38,261,680	131,248	44,515,128	4,888,763	2,074,103	9,135,436	4,014,230	180,720,478
ADMINISTRATIVE COSTS												
Management & General	1,062,537	214,130	449,842	68,248	883,790	3,031	1,028,236	112,924	47,909	211,016	92,723	4,174,386
General Communications and Outreach	1,014,936	204,536	429,690	65,191	844,196	2,895	982,170	107,864	45,762	201,562	88,569	3,987,371
Total Administrative Costs	2,077,473	418,666	879,532	133,439	1,727,986	5,926	2,010,406	220,788	93,671	412,578	181,292	8,161,757
Total Program & Admin Expenses	48,077,627	9,688,910	20,354,391	3,088,072	39,989,666	137,174	46,525,534	5,109,551	2,167,774	9,548,014	4,195,522	188,882,235
Energy Savings (kwh)	118,166,173	16,775,939	56,574,874	21,351,224	145,956,493	932,799	67,519,354	43,195,817				470,472,673
Energy Savings (therms)	1,350,849	129,544	921,802	-	1,619,346	-	2,925,472	-	355,933			7,302,946
Energy Generation (kwh)										12,863,000	9,768,000	22,631,000

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	13,636,271	2,429,414	7,282,270		13,802,239		11,761,293		48,911,487
Program Delivery Subcontracts	8,202,772	3,019,669	4,008,008	1,596,398	5,829,832	63,499	5,231,696	2,208,456	30,160,330
Employee Salaries and Fringe Benefits	333,867	161,269	190,112		654,887		492,856		1,832,991
Agency Contractor Services	104,893	19,640	70,965		112,083		25,994		333,575
Planning and Evaluation Services	422,337	72,754	425,357		312,430		306,037		1,538,915
Advertising and Marketing Services	148,628	26,187	82,578		169,806		298,066		725,265
Other Professional Services	148,001	39,516	103,545		137,022		217,918		646,002
Travel, Meetings, Trainings and Conferences	8,187	5,892	4,516		12,329		25,561		56,485
Dues, Licenses and fees	21,775				841		1,516		24,132
Software and Hardware									-
Materials Postage and Telephone	1,535				2,242				3,777
Shared Office Space	33,222	15,978	16,818		72,739		48,793		187,550
Shared Information Technology	165,353	117,621	155,798		152,991		335,154		926,917
Customer Service Management	49,804	15,873	22,897		19,397		63,559		171,530
Trade Ally Management	9,194	15,272	4,943		5,295		114,431		149,135
Planning and Evaluation Management	267,543	137,815	202,617	22,362	159,835	11,667	428,054	23,334	1,253,227
TOTAL PROGRAM EXPENSES	23,553,382	6,076,900	12,570,424	1,618,760	21,443,968	75,166	19,350,928	2,231,790	86,921,318
ADMINISTRATIVE COSTS									
Management & General	544,049	140,368	290,359	37,391	495,325	1,736	446,979	51,551	2,007,758
General Communications and Outreach	519,676	134,079	277,351	35,716	473,134	1,658	426,954	49,242	1,917,810
Total Administrative Costs	1,063,725	274,447	567,710	73,107	968,459	3,394	873,933	100,793	3,925,568
Total Program & Admin Expenses	24,617,107	6,351,347	13,138,134	1,691,867	22,412,427	78,560	20,224,861	2,332,583	90,846,892
Energy Savings (kwh)	71,910,542	12,817,057	41,186,703	12,227,910	93,235,094	534,217	38,084,668	24,738,375	294,734,566

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	9,557,257	831,899	2,742,674		8,772,284		8,015,311		29,919,425
Program Delivery Subcontracts	5,749,079	1,034,019	1,509,510	1,191,081	4,398,611	47,377	3,565,396	1,647,742	19,142,815
Employee Salaries and Fringe Benefits	234,054	55,223	71,601		439,475		335,988		1,136,341
Agency Contractor Services	73,534	6,725	26,727		75,216		17,721		199,923
Planning and Evaluation Services	299,755	24,913	160,199		213,277		212,310		910,454
Advertising and Marketing Services	104,194	8,967	31,101		113,952		203,197		461,411
Other Professional Services	103,755	13,531	38,997		91,951		148,558		396,792
Travel, Meetings, Trainings and Conferences	5,739	2,018	1,701		8,274		17,425		35,157
Dues, Licenses and fees	15,265				564		1,034		16,863
Software and Hardware									-
Materials Postage and Telephone	1,076				1,504				2,580
Shared Office Space	23,290	5,471	6,334		48,813		33,263		117,171
Shared Information Technology	115,919	40,277	58,677		102,668		228,479		546,020
Customer Service Management	34,915	5,435	8,623		13,017		43,329		105,319
Trade Ally Management	6,445	5,230	1,862		3,553		78,009		95,099
Planning and Evaluation Management	187,558	47,192	76,310	16,684	107,260	8,705	291,811	17,410	752,930
TOTAL PROGRAM EXPENSES	16,511,835	2,080,900	4,734,316	1,207,765	14,390,419	56,082	13,191,831	1,665,152	53,838,300
ADMINISTRATIVE COSTS									
Management & General	381,400	48,066	109,356	27,898	332,398	1,295	304,712	38,463	1,243,588
General Communications and Outreach	364,313	45,912	104,457	26,648	317,507	1,237	291,061	36,739	1,187,874
Total Administrative Costs	745,713	93,978	213,813	54,546	649,905	2,532	595,773	75,202	2,431,462
Total Program & Admin Expenses	17,257,548	2,174,878	4,948,129	1,262,311	15,040,324	58,614	13,787,604	1,740,354	56,269,761
Energy Savings (kwh)	46,255,631	3,958,881	15,388,171	9,123,314	52,721,399	398,582	29,434,686	18,457,442	175,738,106

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	1,125,476		268,978		604,908				1,999,362
Program Delivery Subcontracts	161,119		6,864		741,911				909,894
Employee Salaries and Fringe Benefits	19,669		4,645		44,893				69,207
Agency Contractor Services	6,180		1,734		7,683				15,597
Planning and Evaluation Services	17,431		8,984		18,762				45,177
Advertising and Marketing Services	8,756		2,018		11,640				22,414
Other Professional Services	8,719		2,530		9,393				20,642
Travel, Meetings, Trainings and Conferences	482		110		845				1,437
Dues, Licenses and fees	1,283				58				1,341
Software and Hardware									-
Materials Postage and Telephone	90				154				244
Shared Office Space	1,957		411		4,986				7,354
Shared Information Technology	9,741		3,806		10,488				24,035
Customer Service Management	2,934		559		1,330				4,823
Trade Ally Management	542		121		363				1,026
Planning and Evaluation Management	15,762		4,950		10,957				31,669
TOTAL PROGRAM EXPENSES	1,380,141	-	305,710	-	1,468,371	-	-	-	3,154,222
ADMINISTRATIVE COSTS									
Management & General	31,879		7,061		33,917				72,857
General Communications and Outreach	30,451		6,745		32,398				69,594
Total Administrative Costs	62,330	-	13,806	-	66,315	-	-	-	142,451
Total Program & Admin Expenses	1,442,471	-	319,516	-	1,534,686	-	-	-	3,296,674
Energy Savings (therms)	449,415		280,195		893,651	-	-	-	1,623,261

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	1,879,101	396,341	889,304		519,649		6,513,322		10,197,717
Program Delivery Subcontracts	1,130,356	492,637	489,454	115,297	170,243		2,897,277	892,639	6,187,903
Employee Salaries and Fringe Benefits	46,007	26,310	23,216		22,996		272,940		391,469
Agency Contractor Services	14,454	3,204	8,666		3,936		14,395		44,655
Planning and Evaluation Services	40,772	1,175	44,907		9,611		36,107		132,572
Advertising and Marketing Services	20,481	4,272	10,084		5,963		165,067		205,867
Other Professional Services	20,395	6,447	12,645		4,811		120,681		164,979
Travel, Meetings, Trainings and Conferences	1,128	961	551		433		14,155		17,228
Dues, Licenses and fees	3,001				30		840		3,871
Software and Hardware									-
Materials Postage and Telephone	212				79				291
Shared Office Space	4,578	2,607	2,054		2,554		27,021		38,814
Shared Information Technology	22,786	19,189	19,026		5,372		185,606		251,979
Customer Service Management	6,863	2,590	2,796		681		35,199		48,129
Trade Ally Management	1,267	2,492	604		186		63,371		67,920
Planning and Evaluation Management	36,868	22,483	24,743		5,612		237,053		326,759
TOTAL PROGRAM EXPENSES	3,228,269	980,708	1,528,050	115,297	752,156	-	10,583,034	892,639	18,080,153
ADMINISTRATIVE COSTS									
Management & General	74,568	22,653	35,296	2,663	17,374		244,453	20,619	417,626
General Communications and Outreach	71,228	21,638	33,715	2,544	16,595		233,501	19,695	398,916
Total Administrative Costs	145,796	44,291	69,011	5,207	33,969	-	477,954	40,314	816,542
Total Program & Admin Expenses	3,374,065	1,024,999	1,597,061	120,504	786,125	-	11,060,988	932,953	18,896,697
Energy Savings (therms)	661,002	106,902	513,765	-	686,454	-	2,479,356	-	4,447,479

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	501,724	12,506	131,643		98,910		473,970		1,218,753
Program Delivery Subcontracts	301,807	15,544	72,454	12,811	62,993		210,833	99,182	775,624
Employee Salaries and Fringe Benefits	12,284	830	3,437		5,397		19,862		41,810
Agency Contractor Services	3,859	101	1,283		924		1,048		7,215
Planning and Evaluation Services	10,886	37	6,648		2,255		2,628		22,454
Advertising and Marketing Services	5,469	135	1,493		1,399		12,012		20,508
Other Professional Services	5,445	203	1,872		1,129		8,782		17,431
Travel, Meetings, Trainings and Conferences	301	30	82		102		1,030		1,545
Dues, Licenses and fees	801				7		61		869
Software and Hardware									-
Materials Postage and Telephone	56				18				74
Shared Office Space	1,222	82	304		599		1,966		4,173
Shared Information Technology	6,084	605	2,816		1,261		13,506		24,272
Customer Service Management	1,832	82	414		160		2,561		5,049
Trade Ally Management	338	79	89		44		4,611		5,161
Planning and Evaluation Management	9,844	709	3,663		1,317		17,250		32,783
TOTAL PROGRAM EXPENSES	861,952	30,943	226,198	12,811	176,515	-	770,120	99,182	2,177,721
ADMINISTRATIVE COSTS									
Management & General	19,910	715	5,225	296	4,077		17,789	2,291	50,303
General Communications and Outreach	19,018	683	4,991	283	3,895		16,992	2,188	48,050
Total Administrative Costs	38,928	1,398	10,216	579	7,972	-	34,781	4,479	98,353
Total Program & Admin Expenses	900,880	32,341	236,414	13,390	184,487	-	804,901	103,661	2,276,074
Energy Savings (therms)	160,268	5,921	78,449	-	32,596	-	204,896	-	482,130

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

Avista

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	270,419	40,734	64,111		16,462		381,096		772,822
Program Delivery Subcontracts	162,668	50,631	35,285		11,285		169,520		429,389
Employee Salaries and Fringe Benefits	6,621	2,704	1,674		925		15,970		27,894
Agency Contractor Services	2,080	329	625		158		842		4,034
Planning and Evaluation Services	5,867	121	3,237		387		2,113		11,725
Advertising and Marketing Services	2,947	439	727		240		9,658		14,011
Other Professional Services	2,935	663	912		194		7,061		11,765
Travel, Meetings, Trainings and Conferences	162	99	40		17		828		1,146
Dues, Licenses and fees	432				1		49		482
Software and Hardware									-
Materials Postage and Telephone	30				3				33
Shared Office Space	659	268	148		103		1,581		2,759
Shared Information Technology	3,279	1,972	1,372		216		10,860		17,699
Customer Service Management	988	266	202		27		2,059		3,542
Trade Ally Management	182	256	44		7		3,708		4,197
Planning and Evaluation Management	5,306	2,311	1,784		226		13,870		23,497
TOTAL PROGRAM EXPENSES	464,575	100,793	110,161	-	30,251	-	619,215	-	1,324,995
ADMINISTRATIVE COSTS									
Management & General	10,731	2,328	2,545		699		14,303		30,606
General Communications and Outreach	10,250	2,224	2,431		667		13,662		29,234
Total Administrative Costs	20,981	4,552	4,976	-	1,366	-	27,965	-	59,840
Total Program & Admin Expenses	485,556	105,345	115,137	-	31,617	-	647,180	-	1,384,837
Energy Savings (therms)	80,164	16,721	49,393	-	6,645	-	241,220	-	394,143

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Incentives	413,121		672,374		1,085,495
Program Delivery Subcontracts	258,286		301,585		559,871
Employee Salaries and Fringe Benefits	35,618		51,510		87,128
Agency Contractor Services					-
Planning and Evaluation Services					-
Advertising and Marketing Services	14,000		10,000		24,000
Other Professional Services	1,000		35,550		36,550
Travel, Meetings, Trainings and Conferences	1,750		3,500		5,250
Dues, Licenses and fees	15,349		21,994		37,343
Software and Hardware					-
Materials Postage and Telephone					-
Shared Office Space	2,108		5,103		7,211
Shared Information Technology	16,101		22,402		38,503
Customer Service Management	20,732		22,489		43,221
Trade Ally Management			137		137
Planning and Evaluation Management	45,837		103,557		149,394
TOTAL PROGRAM EXPENSES	823,902	-	1,250,201	-	2,074,103
ADMINISTRATIVE COSTS					
Management & General	19,031		28,878		47,909
General Communications and Outreach	18,178		27,584		45,762
Total Administrative Costs	37,209	-	56,462	-	93,671
Total Program & Admin Expenses	861,111	-	1,306,663	-	2,167,772
Energy Savings (therms)	156,105	-	199,828		355,933

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	3,792,000	1,049,573	4,841,573
Program Delivery Subcontracts	220,840		220,840
Employee Salaries and Fringe Benefits	351,753	198,813	550,566
Agency Contractor Services	68,711	28,832	97,543
Planning and Evaluation Services	22,255		22,255
Advertising and Marketing Services	145,490	1,140	146,630
Other Professional Services	152,332	172,500	324,832
Travel, Meetings, Trainings and Conferences	13,909	10,200	24,109
Dues, Licenses and fees	1,780	1,500	3,280
Software and Hardware	94,081		94,081
Materials Postage and Telephone		350	350
Shared Office Space	39,440	21,131	60,571
Shared Information Technology	82,953	44,445	127,398
Customer Service Management	11,730		11,730
Trade Ally Management	30,583	317	30,900
Planning and Evaluation Management	54,782	14,358	69,140
TOTAL PROGRAM EXPENSES	5,082,639	1,543,159	6,625,798
ADMINISTRATIVE COSTS			
Management & General	117,402	35,645	153,047
General Communications and Outreach	112,142	34,048	146,190
Total Administrative Costs	229,544	69,693	299,237
Total Program & Admin Expenses	5,312,183	1,612,852	6,925,036
Energy Generation (kwh)	12,056,000	-	12,056,000

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2018 Forecast

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	3,032,500	1,791,626	4,824,126
Program Delivery Subcontracts	165,660		165,660
Employee Salaries and Fringe Benefits	280,481	318,361	598,842
Agency Contractor Services	54,789	46,168	100,957
Planning and Evaluation Services	19,345		19,345
Advertising and Marketing Services	116,010	1,860	117,870
Other Professional Services	121,467	172,500	293,967
Travel, Meetings, Trainings and Conferences	11,091	10,200	21,291
Dues, Licenses and fees	1,420	1,500	2,920
Software and Hardware	75,019		75,019
Materials Postage and Telephone		350	350
Shared Office Space	31,448	33,837	65,285
Shared Information Technology	66,145	71,170	137,315
Customer Service Management	9,353		9,353
Trade Ally Management	24,387	508	24,895
Planning and Evaluation Management	43,682	22,991	66,673
TOTAL PROGRAM EXPENSES	4,052,797	2,471,071	6,523,868
ADMINISTRATIVE COSTS			
Management & General	93,614	57,078	150,692
General Communications and Outreach	89,420	54,521	143,941
Total Administrative Costs	183,034	111,599	294,633
Total Program & Admin Expenses	4,235,831	2,582,670	6,818,502
Energy Generation (kwh)	807,000	9,768,000	10,575,000

2020 Projection Recap Spending and Savings

Final Proposed

ENERGY EFFICIENCY

	BUDGET (\$M)			ELECTRIC		GAS	
	ELECTRIC	GAS	TOTAL	ELECTRIC SAVINGS GOAL (aMW)	Levelized Cost per kWh (in cents)	Annual Therms	Levelized Cost per Therm (in cents)
Commercial							
Business Energy Solutions – Existing Buildings	43.9	8.0	51.9	11.87	4.1	1,670,405	44.17
Business Energy Solutions – Multifamily	6.9	1.5	8.4	0.99	6.2	120,777	89.37
Business Energy Solutions – New Buildings	17.6	2.5	20.1	5.30	3.5	738,784	29.46
Mkt Transformation (Alliance)	2.9	0.3	3.3	1.37	4.1		
Total Commercial	71.3	12.5	83.7	19.53	4.1	2,529,965	44.16
Industrial							
Production Efficiency	35.4	3.0	38.4	16.50	2.3	1,088,161	24.27
Mkt Transformation (Alliance)	0.1	0.0	0.1	0.06	3.5		
Total Industrial	35.5	3.0	38.6	16.56	2.3	1,088,161	24.63
Residential							
Home Energy Solutions – Residential	26.9	16.3	43.2	4.46	5.5	2,442,910	43.71
Mkt Transformation (Alliance)	3.5	1.0	4.4	2.50	1.6		
Total Residential	30.4	17.2	47.6	6.96	4.4	2,442,910	47.25
Washington							
Business Energy Solutions – Existing Buildings		1.0	1.0			152,847	47.86
Home Energy Solutions – Residential		1.5	1.5			220,437	53.50
Total Washington		2.5	2.5			373,284	50.94
Total Energy Efficiency	\$137.1	\$35.3	\$172.4	43.05	3.4	6,434,321	41.73

RENEWABLE RESOURCES

	ACTIVITY BASIS		ACCOUNTING BASIS	ACTIVITY BASIS		ACCOUNTING BASIS	
	BUDGET (\$M)		BUDGET (\$M)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)	ELECTRIC GENERATION GOAL (aMW)	(\$mils/ aMW)
Other Renewables	6.7		4.8	0.58	11.47	0.89	5.42
Solar Electric	9.5		9.9	1.64	5.83	1.95	5.09
Total Renewable Resources	\$16.2		\$14.7	2.22	7.30	2.83	5.19

TOTAL BUDGET - ALL

\$187.1

¹ some columns may not add due to rounding

ENERGY TRUST OF OREGON
Income Statement by Service Territory
2020 Final Proposed Projection

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	30,143,000	22,420,314	52,563,314		23,558,144	2,915,331	2,091,870	81,128,659		81,128,659
Incremental Funding	51,874,804	32,112,130	83,986,934	3,968,028				87,954,962	2,542,487	90,497,449
Revenue from Investments										
TOTAL PROGRAM REVENUE	82,017,804	54,532,444	136,550,248	3,968,028	23,558,144	2,915,331	2,091,870	169,083,621	2,542,487	171,626,108
EXPENSES										
Incentives	42,025,110	26,353,374	68,378,482	2,342,126	12,410,300	1,513,065	1,060,502	85,704,474	1,318,553	87,023,027
Program Delivery Subcontracts	28,964,204	19,256,772	48,220,973	1,102,232	7,718,400	906,188	630,143	58,577,937	637,207	59,215,144
Employee Salaries and Fringe Benefits	1,936,726	1,268,666	3,205,393	100,948	601,674	62,870	44,132	4,015,019	122,582	4,137,601
Agency Contractor Services	274,770	178,092	452,862	17,840	51,898	7,727	6,083	536,410	-	536,410
Planning and Evaluation Services	1,511,765	998,341	2,510,106	39,217	195,448	19,435	14,668	2,778,871	25,000	2,803,871
Advertising and Marketing Services	714,085	476,328	1,190,412	29,134	306,296	31,086	21,571	1,578,500	17,000	1,595,500
Other Professional Services	1,214,829	697,789	1,912,617	46,562	366,300	38,795	31,977	2,396,250	21,550	2,417,800
Travel, Meetings, Trainings and Conferences	56,101	36,698	92,799	2,378	22,091	2,188	1,545	121,000	5,250	126,250
Dues, Licenses and fees	23,536	14,313	37,849	1,254	4,875	855	725	45,557	36,423	81,980
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	3,632	2,581	6,213	328	318	82	59	7,000	-	7,000
Shared Office Space	247,364	162,642	410,005	13,268	74,818	7,814	5,450	511,355	17,448	528,803
Shared Information Technology	984,888	604,684	1,589,571	30,625	406,485	38,435	28,075	2,093,189	57,175	2,150,364
Customer Service Management	158,015	100,801	258,815	5,541	67,217	6,884	5,069	343,526	52,096	395,622
Trade Ally Management	105,695	74,501	180,196	597	86,129	7,157	4,803	278,883	-	278,883
Planning & Evaluation Management	1,016,970	620,217	1,637,187	35,783	339,686	34,561	26,283	2,073,499	103,884	2,177,383
TOTAL PROGRAM EXPENSES	79,237,690	50,845,799	130,083,480	3,767,833	22,651,935	2,677,142	1,881,085	161,061,470	2,414,168	163,475,638
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	2,402,360	1,547,138	3,949,499	111,910	718,513	83,312	58,301	4,921,535	71,731	4,993,266
Communications & Customer Svc (Notes 1 & 2)	1,895,223	1,220,537	3,115,760	88,285	566,835	65,725	45,994	3,882,601	56,589	3,939,190
Total Administrative Costs	4,297,583	2,767,675	7,065,259	200,195	1,285,348	149,037	104,295	8,804,136	128,320	8,932,456
TOTAL PROG & ADMIN EXPENSES	83,535,273	53,613,474	137,148,739	3,968,028	23,937,283	2,826,179	1,985,380	169,865,606	2,542,488	172,408,094
TOTAL REVENUE LESS EXPENSES	(1,517,469)	918,970	(598,491)	-	(379,139)	89,152	106,490	(781,985)	-	(781,986)
NET ASSETS - RESERVES										
Cumulative Carryover 12/31/19 R2 Budget	3,245,841	749,866	3,995,711	200,114	1,461,732	329,200	242,459	6,229,215	200,142	6,429,357
Change in net assets this year	(1,517,469)	918,970	(598,491)	-	(379,139)	89,152	106,490	(781,985)	-	(781,986)
Interest Attributed										
Ending Net Assets - Reserves	1,728,372	1,668,836	3,397,220	200,114	1,082,593	418,352	348,949	5,447,230	200,142	5,647,371
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	1,728,372	1,668,836	3,397,220	200,114	1,082,593	418,352	348,949	5,447,230	200,142	5,647,371
Loan Reserve										
Organization Contingency Pool										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	1,728,372	1,668,836	3,397,220	200,114	1,082,593	418,352	348,949	5,447,230	200,142	5,647,371

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 Final Proposed Projection

	RENEWABLE ENERGY				TOTAL
	PGE	PacifiCorp	Total	Other	All Programs
REVENUES					
Public Purpose Funding	8,818,842	6,427,824	15,246,666		96,375,325
Incremental Funding					90,497,449
Revenue from Investments				600,000	600,000
TOTAL PROGRAM REVENUE	8,818,842	6,427,824	15,246,666	600,000	187,472,774
EXPENSES					
Incentives	5,551,300	4,219,550	9,770,850		96,793,877
Program Delivery Subcontracts	187,289	150,727	338,016		59,553,160
Employee Salaries and Fringe Benefits	744,933	628,428	1,373,363		5,510,964
Agency Contractor Services	136,416	88,813	225,229		761,639
Planning and Evaluation Services	18,170	16,830	35,000		2,838,871
Advertising and Marketing Services	170,735	113,765	284,500		1,880,000
Other Professional Services	494,546	503,403	997,949		3,415,749
Travel, Meetings, Trainings and Conferences	29,526	22,974	52,500		178,750
Dues, Licenses and fees	16,014	11,786	27,800		109,780
Software and Hardware	91,699.00	59,701.00	151,400.00		151,400.00
Materials Postage and Telephone	350	350	700		7,700
Shared Office Space	108,694	91,286	199,979		728,782
Shared Information Technology	184,972	155,347	340,318		2,490,682
Customer Service Management	11,455	7,458	18,913		414,535
Trade Ally Management	19,661	12,819	32,480		311,363
Planning & Evaluation Management	60,726	45,989	106,715		2,284,098
TOTAL PROGRAM EXPENSES	7,826,486	6,129,226	13,955,712		177,431,350
ADMINISTRATIVE COSTS					
Management & General (Notes 1 & 2)	232,853	182,365	415,217		5,408,483
Communications & Customer Svc (Notes 1 & 2)	183,697	143,868	327,566		4,266,756
Total Administrative Costs	416,550	326,233	742,783		9,675,239
TOTAL PROG & ADMIN EXPENSES	8,243,036	6,455,459	14,698,495		187,106,589
TOTAL REVENUE LESS EXPENSES	575,806	(27,635)	548,171	600,000	366,185
NET ASSETS - RESERVES					
Cumulative Carryover 12/31/19 R2 Budget	10,790,593	4,755,179	15,545,773	10,841,309	32,816,439
Change in net assets this year	575,806	(27,635)	548,171	600,000	366,185
Interest Attributed					
Ending Net Assets - Reserves	11,366,399	4,727,544	16,093,944	11,441,309	33,182,624
Ending Reserve by Category					
Program Reserves (Efficiency and Renewables)	11,366,399	4,727,544	16,093,944		
Loan Reserve				1,800,000	
Organization Contingency Pool				4,641,309	
Emergency Contingency Pool				5,000,000	
TOTAL NET ASSETS CUMULATIVE	11,366,399	4,727,544	16,093,944	11,441,309	33,182,624

Energy Trust of Oregon
Budget Detail Classified by OPUC Performance Measure
2020 Final Proposed Projection

	TOTAL	Total Programs	Supporting Centers
Incentives	\$96,793,877	\$96,793,877	
Program Delivery Subcontracts	59,553,160	59,553,160	
Employee Salaries & Fringe Benefits	15,527,713	7,808,041	7,719,671
Agency Contractor Services	1,301,971	761,639	540,332
Planning and Evaluation Services	3,193,872	3,122,946	70,926
Advertising and Marketing Services	2,946,500	1,885,500	1,061,000
Other Professional Services	4,997,149	3,682,299	1,314,850
Travel, Meetings, Trainings & Conferences	474,470		474,470
Dues, Licenses and Fees	238,183		238,183
Software and Hardware	581,291		581,291
Depreciation & Amortization	294,978		294,978
Office Rent and Equipment	1,060,570		1,060,570
Materials Postage and Telephone	138,355		138,355
Miscellaneous Expenses	4,500		4,500
TOTAL FUNCTIONAL EXPENSE	187,106,589	173,607,462	13,499,126
Program Support			3,823,888
Management & General			5,408,483
General Communications and Outreach			4,266,755
TOTAL Expenses			13,499,126
divided by			
Total Revenue without Interest			186,872,775
OPUC Measure vs. 8%			7.22%

Energy Trust of Oregon
Summary by Service Territory and Program
2020 Final Proposed Projection

	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	ETO Total
Energy Efficiency											
Commercial											
Existing Buildings	\$26,516,709	\$17,342,275	\$43,858,984	\$1,813,878	\$4,242,353	\$1,070,938	\$921,670	\$8,048,839	\$51,907,823	\$1,024,308	\$52,932,131
Multifamily Bldgs	5,020,880	1,858,132	6,879,012		1,376,853	37,220	104,925	1,518,998	8,398,010		8,398,010
New Buildings	12,728,911	4,865,608	17,594,519	27,845	2,165,278	202,910	151,577	2,547,610	20,142,129		20,142,129
NEEA	1,677,274	1,251,424	2,928,698		310,785	34,531		345,317	3,274,015		3,274,015
Total Commercial	45,943,774	25,317,439	71,261,213	1,841,723	8,095,269	1,345,599	1,178,172	12,460,764	83,721,977	1,024,308	84,746,285
Industrial											
Production Efficiency	20,201,780	15,186,433	35,388,213	2,126,304	676,777	195,196	45,519	3,043,796	38,432,009		38,432,009
NEEA	70,807	52,829	123,636						123,636		123,636
Total Industrial	20,272,586	15,239,262	35,511,849	2,126,304	676,777	195,196	45,519	3,043,796	38,555,645		38,555,645
Residential											
Residential	15,341,426	11,581,356	26,922,782		14,308,151	1,190,152	761,685	16,259,988	43,182,770	1,518,179	44,700,949
NEEA	1,977,485	1,475,413	3,452,898		857,086	95,232		952,318	4,405,216		4,405,216
Total Residential	17,318,911	13,056,769	30,375,680		15,165,237	1,285,384	761,685	17,212,306	47,587,986	1,518,179	49,106,165
Energy Efficiency Program Costs	83,535,273	53,613,474	137,148,739	3,968,028	23,937,283	2,826,179	1,985,380	32,716,865	169,865,606	2,542,488	172,408,094
Renewables											
Solar Electric (Photovoltaic)	5,995,287	3,903,208	9,898,495						9,898,495		9,898,495
Other Renewable	2,247,750	2,552,250	4,800,000						4,800,000		4,800,000
Renewables Program Costs	8,243,036	6,455,459	14,698,495						14,698,495		14,698,495
Cost Grand Total	91,778,308	60,068,929	151,847,238	3,968,028	23,937,283	2,826,179	1,985,380	32,716,865	184,564,103	2,542,488	187,106,589
Cost Grand Total	91,778,308	60,068,929	151,847,238	3,968,028	23,937,283	2,826,179	1,985,380	32,716,865	184,564,103	2,542,488	187,106,589

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

COMBINED SERVICE TERRITORIES: Energy Efficiency & Renewables

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Washington	Solar Renewables	Custom Renewables	ETO Total
Incentives	27,512,340	2,469,609	11,060,365	-	20,464,479	-	24,197,684	-	1,318,553	6,765,750	3,005,100	96,793,880
Program Delivery Subcontracts	17,739,878	4,008,616	6,195,957	3,081,874	12,357,355	104,604	10,935,024	4,154,631	637,207	338,016	-	59,553,162
Employee Salaries and Fringe Benefits	739,935	298,399	358,895	-	1,340,720	-	1,277,067	-	122,582	741,030	632,333	5,510,961
Agency Contractor Services	226,010	45,000	30,001	-	177,340	-	58,059	-	-	225,229	-	761,639
Planning and Evaluation Services	767,900	110,001	511,445	-	624,778	-	764,750	-	25,000	35,000	-	2,838,874
Advertising and Marketing Services	351,001	56,000	133,000	-	298,999	-	739,500	-	17,000	277,500	7,000	1,880,000
Other Professional Services	827,250	445,001	160,000	-	342,000	-	622,001	-	21,550	387,949	610,000	3,415,751
Travel, Meetings, Trainings and Conferences	23,001	9,000	10,000	-	28,000	-	51,000	-	5,250	31,000	21,500	178,751
Dues, Licenses and fees	33,057	2,499	5,001	-	1,500	-	3,501	-	36,423	20,000	7,800	109,781
Software and Hardware	-	-	-	-	-	-	-	-	-	151,400	-	151,400
Materials Postage and Telephone	3,000	-	-	-	4,000	-	-	-	-	-	700	7,700
Shared Office Space	88,619	38,339	44,270	-	181,776	-	158,352	-	17,448	109,518	90,461	728,783
Shared Information Technology	370,671	216,398	295,198	-	309,341	-	901,584	-	57,175	186,374	153,944	2,490,685
Customer Service Management	98,175	26,306	31,121	-	36,794	-	151,131	-	52,096	18,913	-	414,536
Trade Ally Management	10,606	18,520	2,034	-	3,984	-	243,738	-	-	32,398	82	311,362
Planning and Evaluation Management	498,084	230,534	288,887	27,047	321,621	12,798	666,078	28,451	103,884	78,264	28,451	2,284,099
TOTAL PROGRAM EXPENSES	49,289,527	7,974,222	19,126,174	3,108,921	36,492,687	117,402	40,769,469	4,183,082	2,414,168	9,398,341	4,557,371	177,431,364
ADMINISTRATIVE COSTS												
Management & General	1,463,636	236,900	567,924	92,287	1,084,086	3,485	1,349,043	124,173	71,731	279,587	135,630	5,408,482
General Communications and Outreach	1,154,663	186,890	448,035	72,805	855,236	2,750	1,064,260	97,960	56,589	220,567	106,999	4,266,754
Total Administrative Costs	2,618,299	423,790	1,015,959	165,092	1,939,322	6,235	2,413,303	222,133	128,320	500,154	242,629	9,675,236
Total Program & Admin Expenses	51,907,826	8,398,012	20,142,133	3,274,013	38,432,009	123,637	43,182,772	4,405,215	2,542,488	9,898,495	4,800,000	187,106,600
Energy Savings (kwh)	103,960,485	8,700,837	46,401,537	11,982,516	144,556,455	529,680	39,099,471	21,887,154				377,118,136
Energy Savings (therms)	1,670,405	120,777	738,784	-	1,088,162	-	2,442,910	-	373,284			6,434,322
Energy Generation (kwh)										10,152,172	14,650,000	24,802,172

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

ENERGY EFFICIENCY

PGE

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	13,816,346	1,475,262	6,983,912		11,170,419		8,579,171		42,025,110
Program Delivery Subcontracts	9,259,184	2,394,614	3,914,131	1,577,207	6,093,482	59,907	3,804,203	1,861,476	28,964,204
Employee Salaries and Fringe Benefits	377,481	178,254	226,657		704,564		449,770		1,936,726
Agency Contractor Services	115,300	26,882	18,946		93,194		20,448		274,770
Planning and Evaluation Services	411,249	67,036	330,943		317,727		384,810		1,511,765
Advertising and Marketing Services	179,064	33,453	83,995		157,128		260,445		714,085
Other Professional Services	446,517	268,479	101,046		179,725		219,062		1,214,829
Travel, Meetings, Trainings and Conferences	11,734	5,376	6,315		14,714		17,962		56,101
Dues, Licenses and fees	16,864	1,493	3,158		788		1,233		23,536
Software and Hardware									-
Materials Postage and Telephone	1,530				2,102				3,632
Shared Office Space	45,209	22,902	27,958		95,525		55,770		247,364
Shared Information Technology	189,099	129,269	186,429		162,562		317,529		984,888
Customer Service Management	50,084	15,714	19,654		19,336		53,227		158,015
Trade Ally Management	5,411	11,064	1,284		2,094		85,842		105,695
Planning and Evaluation Management	254,099	137,713	182,444	15,490	169,015	7,329	234,586	16,294	1,016,970
TOTAL PROGRAM EXPENSES	25,179,171	4,767,511	12,086,872	1,592,697	19,182,375	67,236	14,484,058	1,877,770	79,237,690
ADMINISTRATIVE COSTS									
Management & General	747,687	141,634	358,902	47,279	569,850	1,996	479,271	55,741	2,402,360
General Communications and Outreach	589,851	111,735	283,138	37,298	449,555	1,575	378,097	43,974	1,895,223
Total Administrative Costs	1,337,538	253,369	642,040	84,577	1,019,405	3,571	857,368	99,715	4,297,583
Total Program & Admin Expenses	26,516,709	5,020,880	12,728,912	1,677,274	20,201,780	70,807	15,341,426	1,977,485	83,535,279
Energy Savings (kwh)	62,854,433	6,508,567	32,463,638	6,830,034	86,870,040	301,918	20,623,430	12,534,839	228,986,898

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection**

ENERGY EFFICIENCY

Pacific Power

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	9,046,670	545,967	2,669,590		7,861,207		6,229,940		26,353,374
Program Delivery Subcontracts	6,062,731	886,202	1,496,171	1,176,763	5,097,989	44,697	3,103,361	1,388,858	19,256,772
Employee Salaries and Fringe Benefits	246,877	65,968	86,639		529,647		339,535		1,268,666
Agency Contractor Services	75,408	9,948	7,242		70,058		15,436		178,092
Planning and Evaluation Services	283,962	24,809	126,503		257,571		305,496		998,341
Advertising and Marketing Services	117,110	12,380	32,107		118,119		196,612		476,328
Other Professional Services	259,327	99,359	38,625		135,106		165,372		697,789
Travel, Meetings, Trainings and Conferences	7,674	1,990	2,414		11,061		13,559		36,698
Dues, Licenses and fees	11,029	553	1,207		593		931		14,313
Software and Hardware									-
Materials Postage and Telephone	1,001				1,580				2,581
Shared Office Space	29,568	8,476	10,687		71,810		42,101		162,642
Shared Information Technology	123,673	47,840	71,262		122,204		239,705		604,684
Customer Service Management	32,756	5,816	7,513		14,535		40,181		100,801
Trade Ally Management	3,539	4,094	491		1,574		64,803		74,501
Planning and Evaluation Management	166,184	50,965	69,739	11,557	127,055	5,469	177,091	12,157	620,217
TOTAL PROGRAM EXPENSES	16,467,509	1,764,367	4,620,190	1,188,320	14,420,109	50,166	10,934,123	1,401,015	50,845,799
ADMINISTRATIVE COSTS									
Management & General	488,997	52,416	137,190	35,275	428,377	1,489	361,805	41,589	1,547,138
General Communications and Outreach	385,770	41,351	108,229	27,828	337,947	1,175	285,428	32,809	1,220,537
Total Administrative Costs	874,767	93,767	245,419	63,103	766,324	2,664	647,233	74,398	2,767,675
Total Program & Admin Expenses	17,342,276	1,858,134	4,865,609	1,251,423	15,186,433	52,830	11,581,356	1,475,413	53,613,473
Energy Savings (kwh)	41,106,052	2,192,271	13,937,900	5,152,481	57,686,415	227,762	18,476,041	9,352,316	148,131,238

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

ENERGY EFFICIENCY

NW Natural Industrial

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	1,373,230		17,164		951,732				2,342,126
Program Delivery Subcontracts	222,451		6,800		872,981				1,102,232
Employee Salaries and Fringe Benefits	26,046		498		74,404				100,948
Agency Contractor Services	7,956		42		9,842				17,840
Planning and Evaluation Services	13,376		590		25,251				39,217
Advertising and Marketing Services	12,356		185		16,593				29,134
Other Professional Services	27,360		222		18,980				46,562
Travel, Meetings, Trainings and Conferences	810		14		1,554				2,378
Dues, Licenses and fees	1,164		7		83				1,254
Software and Hardware									-
Materials Postage and Telephone	106				222				328
Shared Office Space	3,119		61		10,088				13,268
Shared Information Technology	13,048		410		17,167				30,625
Customer Service Management	3,456		43		2,042				5,541
Trade Ally Management	373		3		221				597
Planning and Evaluation Management	17,533		401		17,849				35,783
TOTAL PROGRAM EXPENSES	1,722,384	-	26,440	-	2,019,009	-	-	-	3,767,833
ADMINISTRATIVE COSTS									
Management & General	51,146		785		59,979				111,910
General Communications and Outreach	40,349		619		47,317				88,285
Total Administrative Costs	91,495	-	1,404	-	107,296	-	-	-	200,195
Total Program & Admin Expenses	1,813,879	-	27,844	-	2,126,305	-	-	-	3,968,029
Energy Savings (therms)	532,587		14,478		786,896	-	-	-	1,333,961

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection**

ENERGY EFFICIENCY

NW Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	2,226,548	406,421	1,194,192		358,158		8,224,981		12,410,300
Program Delivery Subcontracts	1,492,147	659,694	669,284	295,114	209,293		3,579,001	813,867	7,718,400
Employee Salaries and Fringe Benefits	60,918	49,107	38,756		23,682		429,211		601,674
Agency Contractor Services	18,607	7,406	3,240		3,132		19,513		51,898
Planning and Evaluation Services	44,618	16,457	45,895		21,370		67,108		195,448
Advertising and Marketing Services	28,898	9,216	14,362		5,281		248,539		306,296
Other Professional Services	63,990	69,942	17,278		6,041		209,049		366,300
Travel, Meetings, Trainings and Conferences	1,894	1,481	1,080		495		17,141		22,091
Dues, Licenses and fees	2,722	411	540		26		1,176		4,875
Software and Hardware									-
Materials Postage and Telephone	247				71				318
Shared Office Space	7,296	6,309	4,781		3,211		53,221		74,818
Shared Information Technology	30,517	35,612	31,878		5,464		303,014		406,485
Customer Service Management	8,083	4,329	3,361		650		50,794		67,217
Trade Ally Management	873	3,048	220		70		81,918		86,129
Planning and Evaluation Management	41,007	37,939	31,196		5,681		223,863		339,686
TOTAL PROGRAM EXPENSES	4,028,365	1,307,372	2,056,063	295,114	642,625	-	13,508,529	813,867	22,651,935
ADMINISTRATIVE COSTS									
Management & General	119,621	38,840	61,052	8,760	19,090		446,991	24,159	718,513
General Communications and Outreach	94,369	30,641	48,164	6,911	15,060		352,631	19,059	566,835
Total Administrative Costs	213,990	69,481	109,216	15,671	34,150	-	799,622	43,218	1,285,348
Total Program & Admin Expenses	4,242,355	1,376,853	2,165,279	310,785	676,775	-	14,308,151	857,085	23,937,285
Energy Savings (therms)	799,717	107,170	614,482	-	244,818	-	2,122,940	-	3,889,127

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

ENERGY EFFICIENCY

Cascade Natural Gas

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	Residential	NEEA Residential	Efficiency Total
Incentives	564,084	10,987	111,909		98,809		727,276		1,513,065
Program Delivery Subcontracts	378,027	17,833	62,719	32,790	68,701		255,688	90,430	906,188
Employee Salaries and Fringe Benefits	15,378	1,328	3,632		6,830		35,702		62,870
Agency Contractor Services	4,697	200	304		903		1,623		7,727
Planning and Evaluation Services	7,898	445	4,301		2,318		4,473		19,435
Advertising and Marketing Services	7,295	249	1,346		1,523		20,673		31,086
Other Professional Services	16,154	1,891	1,619		1,742		17,389		38,795
Travel, Meetings, Trainings and Conferences	478	40	101		143		1,426		2,188
Dues, Licenses and fees	687	11	51		8		98		855
Software and Hardware									-
Materials Postage and Telephone	62				20				82
Shared Office Space	1,842	171	448		926		4,427		7,814
Shared Information Technology	7,704	963	2,987		1,576		25,205		38,435
Customer Service Management	2,040	117	315		187		4,225		6,884
Trade Ally Management	220	82	21		20		6,814		7,157
Planning and Evaluation Management	10,352	1,026	2,923		1,639		18,621		34,561
TOTAL PROGRAM EXPENSES	1,016,918	35,343	192,676	32,790	185,345	-	1,123,640	90,430	2,677,142
ADMINISTRATIVE COSTS									
Management & General	30,197	1,050	5,721	973	5,506		37,181	2,684	83,312
General Communications and Outreach	23,822	828	4,513	768	4,344		29,332	2,118	65,725
Total Administrative Costs	54,019	1,878	10,234	1,741	9,850	-	66,513	4,802	149,037
Total Program & Admin Expenses	1,070,937	37,221	202,910	34,531	195,195	-	1,190,153	95,232	2,826,179
Energy Savings (therms)	208,684	3,426	57,267	-	50,131	-	168,759	-	488,268

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

ENERGY EFFICIENCY

Avista

EXPENSES	Existing Buildings	Multifamily Buildings	New Buildings	NEEA Commercial	Production Efficiency	NEEA Industrial	NEEA Residential	NEEA Residential	Efficiency Total
Incentives	485,462	30,972	83,598		24,154		436,316		1,060,502
Program Delivery Subcontracts	325,338	50,273	46,852		14,909		192,771		630,143
Employee Salaries and Fringe Benefits	13,235	3,742	2,713		1,593		22,849		44,132
Agency Contractor Services	4,042	564	227		211		1,039		6,083
Planning and Evaluation Services	6,797	1,254	3,213		541		2,863		14,668
Advertising and Marketing Services	6,278	702	1,005		355		13,231		21,571
Other Professional Services	13,902	5,330	1,210		406		11,129		31,977
Travel, Meetings, Trainings and Conferences	411	113	76		33		912		1,545
Dues, Licenses and fees	591	31	38		2		63		725
Software and Hardware									-
Materials Postage and Telephone	54				5				59
Shared Office Space	1,585	481	335		216		2,833		5,450
Shared Information Technology	6,630	2,714	2,232		368		16,131		28,075
Customer Service Management	1,756	330	235		44		2,704		5,069
Trade Ally Management	190	232	15		5		4,361		4,803
Planning and Evaluation Management	8,909	2,891	2,184		382		11,917		26,283
TOTAL PROGRAM EXPENSES	875,180	99,629	143,933	-	43,224	-	719,119	-	1,881,085
ADMINISTRATIVE COSTS									
Management & General	25,988	2,960	4,274		1,284		23,795		58,301
General Communications and Outreach	20,502	2,335	3,372		1,013		18,772		45,994
Total Administrative Costs	46,490	5,295	7,646	-	2,297	-	42,567	-	104,295
Total Program & Admin Expenses	921,670	104,924	151,579	-	45,521	-	761,686	-	1,985,382
Energy Savings (therms)	129,417	10,181	52,557	-	6,316	-	151,211	-	349,682

Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection

ENERGY EFFICIENCY

NW Natural Washington

EXPENSES	Existing Buildings	NEEA Commercial	Residential	NEEA Residential	Efficiency Total
Incentives	498,721		819,832		1,318,553
Program Delivery Subcontracts	278,237		358,970		637,207
Employee Salaries and Fringe Benefits	55,101		67,481		122,582
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	7,939		9,509		17,448
Shared Information Technology	27,252		29,923		57,175
Customer Service Management	26,478		25,618		52,096
Trade Ally Management					-
Planning and Evaluation Management	46,958		56,926		103,884
TOTAL PROGRAM EXPENSES	972,605	-	1,441,563	-	2,414,168
ADMINISTRATIVE COSTS					
Management & General	28,902		42,829		71,731
General Communications and Outreach	22,801		33,788		56,589
Total Administrative Costs	51,703	-	76,617	-	128,320
Total Program & Admin Expenses	1,024,308	-	1,518,180	-	2,542,486
Energy Savings (therms)	152,847	-	220,437		373,284

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection**

RENEWABLE PROGRAMS

PGE Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	4,163,750	1,387,550	5,551,300
Program Delivery Subcontracts	187,289		187,289
Employee Salaries and Fringe Benefits	448,824	296,109	744,933
Agency Contractor Services	136,416		136,416
Planning and Evaluation Services	18,170		18,170
Advertising and Marketing Services	168,075	2,660	170,735
Other Professional Services	189,546	305,000	494,546
Travel, Meetings, Trainings and Conferences	18,776	10,750	29,526
Dues, Licenses and fees	12,114	3,900	16,014
Software and Hardware	91,699		91,699
Materials Postage and Telephone		350	350
Shared Office Space	66,333	42,361	108,694
Shared Information Technology	112,883	72,089	184,972
Customer Service Management	11,455		11,455
Trade Ally Management	19,622	39	19,661
Planning and Evaluation Management	47,403	13,323	60,726
TOTAL PROGRAM EXPENSES	5,692,355	2,134,131	7,826,486
ADMINISTRATIVE COSTS			
Management & General	169,340	63,513	232,853
General Communications and Outreach	133,592	50,105	183,697
Total Administrative Costs	302,932	113,618	416,550
Total Program & Admin Expenses	5,995,287	2,247,749	8,243,037
 Energy Generation (kwh)	 9,999,000	 7,610,000	 17,609,000

**Energy Trust of Oregon, Inc
Detail by Service Territory and Program
2020 Final Proposed Projection**

RENEWABLE PROGRAMS

Pacific Power Renewables

EXPENSES	Standard Solar	Custom Projects	Renewable Total
Incentives	2,602,000	1,617,550	4,219,550
Program Delivery Subcontracts	150,727	-	150,727
Employee Salaries and Fringe Benefits	292,206	336,224	628,430
Agency Contractor Services	88,813	-	88,813
Planning and Evaluation Services	16,830	-	16,830
Advertising and Marketing Services	109,425	4,340	113,765
Other Professional Services	198,403	305,000	503,403
Travel, Meetings, Trainings and Conferences	12,224	10,750	22,974
Dues, Licenses and fees	7,886	3,900	11,786
Software and Hardware	59,701	-	59,701
Materials Postage and Telephone	0	350	350
Shared Office Space	43,185	48,100	91,285
Shared Information Technology	73,491	81,855	155,346
Customer Service Management	7,458	-	7,458
Trade Ally Management	12,776	43	12,819
Planning and Evaluation Management	30,861	15,128	45,989
TOTAL PROGRAM EXPENSES	3,705,986	2,423,240	6,129,226
ADMINISTRATIVE COSTS			
Management & General	110,247	72,117	182,364
General Communications and Outreach	86,975	56,894	143,869
Total Administrative Costs	197,222	129,011	326,233
Total Program & Admin Expenses	3,903,208	2,552,251	6,455,460
 Energy Generation (kwh)	 153,172	 7,040,000	 7,193,172

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