Energy Trust Board of Directors

December 14, 2018

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162nd Board Meeting

Friday, December 14, 2018
421 SW Oak Street, Suite 300, Portland, Oregon

	Agenda	Tab	Purpose
10:30 a.m.	**Board Meeting—Call to Order** (Roger Hamilton) • Approve agenda		
	General Public Comment *The president may defer specific public comment to the appropriate agenda topic.*		
	Consent Agenda (Roger Hamilton) *The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request of any member of the board.* • November 14, 2018 Board meeting minutes • Committee Assignments—R860 (replaces R852) • Consent Agenda Procedure 2.01.001-A—R864 • Diversity, Equity and Inclusion Policy 4.08.000-P—R862	**1**	Action Info
10:50 a.m.	**President's Report**		
11:00 a.m.	**Final Proposed 2019 Annual Budget and 2019-2020 Action Plan** (Michael Colgrove) • Adopt 2019 Budget and 2019-2020 Action Plan—R861	**Separate Binder**	Action
12:00 p.m.	**Working Lunch (Board members get lunch and reconvene)**		
12:15 p.m.	**Communications & Customer Service** • Contract Approval for Media Buyer—R865 (Shelly Carlton)	**2**	Action
12:45 p.m.	**Diversity, Equity and Inclusion Annual Operations Plan Report** (Debbie Menashe)		Info
1:40 p.m.	**Energy Trust E3 Sustainability Report** (Robert Wiley)	**3**	Info
2:00 p.m.	**Strategic Planning Future Unique Role of Value (**Mark Kendall and Staff Strategic Planning Team)		Info
3:30 p.m.	**Committee Reports**		
	• Audit Committee (Anne Root)	**4**	Info
	• Evaluation Committee (Eric Hayes)	**5**	
	• Finance Committee (Susan Brodahl)	**6**	
	• Policy Committee (Alan Meyer)		Info
	o Renewable Energy Certificate Policy 4.15.000-P—R863	**7**	Action
	• Strategic Planning Committee (Mark Kendall)	**8**	Info
	• Conservation Advisory Council (Alan Meyer)	**Online**	Info
	• Renewable Energy Advisory Council (Alan Meyer, Ernesto Fonseca)	**Online**	Info
4:00 p.m.	**Adjourn**		

The next meeting of the Energy Trust Board of Directors will be Wednesday, February 20, 2019, at 9:30 a.m. at Energy Trust of Oregon, 421 SW Oak, Suite 300, Portland, OR 97204

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Tab 1

Board Meeting Minutes—161st Meeting

November 14, 2018

Board members present: Susan Brodahl, Ernesto Fonseca, Roger Hamilton, Lindsey Hardy, Eric, Hayes, Elee Jen, Mark Kendall, Debbie Kitchin, Henry Lorenzen, Alan Meyer, Anne Root, Roland Riser, Steve Bloom (OPUC ex officio), Janine Benner (Oregon Department of Energy special advisor)

Board members absent: Melissa Cribbins

Staff attending: Mike Colgrove, Amber Cole, Debbie Menashe, Cheryle Easton, Hannah Cruz, Steve Lacey, Peter West, Fred Gordon, Betsy Kauffman, Thad Roth, Jed Jorgensen, Adam Bartini, Sarah Castor, Erika Kociolek, Lily Xu, Amanda Potter, Phil Degens, Dave Moldal, Zach Sippel, Allison Briden, Sue Fletcher, Julianne Thacher, Alex Novie, Dan Rubado, Andy Griguhn, Kenji Spielman, Kate Wellington, Ryan Crews, Golanz Moini, Oliver Kesting, Brigid Gormley, Mike Bailey

Others attending: Marc Thalacker (Three Sisters Irrigation District), Anna Kim (OPUC), Brendan McCarthy (PGE), Jason Eisdorfer (OPUC), Whitney Rideout (Evergreen Consulting Group), Miranda Bonifield (Cascade Policy Institute), Joe Marcotte (Lockheed Martin)

Business Meeting

Roger Hamilton called the meeting to order at 10:31 a.m. Reminder that consent agenda items can be changed to regular agenda items at any time.

Consent Agenda

The consent agenda may be approved by a single motion, second and vote of the board. Any item on the consent agenda will be moved to the regular agenda upon the request from any member of the board.

MOTION: Approve consent agenda

Consent agenda includes:

1. October 17, 2018, board meeting minutes

Moved by: Roland Risser		Seconded by: Anne Root
Vote:	In favor: 11	Abstained: 0
	Opposed: 0	

General Public Comments

There were no public comments.

Susan Brodahl and Janine Benner joined the meeting at 10:34 a.m.

President's Report

Roger and Michael Colgrove reminded the board that there will be a second orientation training for the full board, which will soon be scheduled. Roger said the diversity, equity and inclusion training attended by staff and the board yesterday was very helpful to him and a good opportunity to get to know the staff at Energy Trust. He said more opportunities for board members and staff to interact is needed.

Roger highlighted a Regulatory Assistance Project report titled "Beneficial electrification: Electrification in the Public Interest". The report focused on how to increase electrification without adversely impacting other efforts, like energy efficiency.

Roger described the RAP report comparison of an oil water heater to a heat pump water heater, with the latter technology saving more than $2,000 a year and emitting 1,200 pounds less carbon dioxide a year compared to the oil water heater. As solar and wind become less expensive, electric utilities will have a cleaner emissions profile, and heat pump water heaters can be used for grid management.

Roger noted efficiency still needs to be invested in first. Even renewables create emissions in the manufacturing and service process. Efficiency ensures only the needed energy is generated. And efficiency is needed across all fuel types, including gasoline. Similar to the water heater example, charging of electric vehicles ashould be aligned with when the grid is handling excess renewable energy generation.

Janine announced the Oregon Biennial Energy Report was completed recently and is available on the Oregon Department of Energy website. The report includes many of the topics Roger noted in his President's Report and from Oregon's perspective. Janine expressed appreciation for Energy Trust staff and board feedback during development of the report.

Staff Report

Draft 2019 Budget—Summary of Public Comments Received

Mike delivered a progress update on the development of Energy Trust's 2019 Budget and 2019-2020 Action Plan. Through the public comment process on the draft budget and action plan that closed October 31, Energy Trust received feedback from the OPUC, five funding utilities, City of Portland, Earth Advantage, Neil Kelly and other stakeholders and members of the public. Utility feedback was generally supportive of the budget and action plan. Utilities expressed concern with the decreasing savings and increasing levelized costs, staffing costs, and administrative and program support costs.

Comments from other stakeholders and members of the public were more specific. Examples include the City of Portland requesting the data coming from the Home Energy Score and Commercial Energy Benchmarking programs be used to drive project activity. There were requests for more support for residential solar, weatherization and Spanish-translated materials. Prisma Point expressed dissatisfaction with Energy Trust's progress on diversity, equity and inclusion.

The OPUC staff comments affirmed many activities Energy Trust is planning on completing. Mike noted he presented the draft budget to the commissioners last week, where they adopted OPUC staff recommendations on the budget. Mike displayed the recommendations. He thanked OPUC staff member and Energy Trust liaison Anna Kim for her review of the budget and thoughtful comments.

Mike highlighted next steps in the budget process. Adjustments to the draft budget are underway. Revenues have changed and reflect final utility funding agreements. Expenditures are expected to increase about $670,000. Some action plans have been adjusted in response to public comments. For instance, the City of Portland's comments led to changes in the residential and Existing Buildings action plans.

Staff will respond to all comments and include the responses in the final proposed budget materials available December 7. The board will vote on the final proposed budget at its December 14 meeting.

ACEEE 2018 State Scorecard Rankings Update

Mike noted Oregon's recent seventh-placed ranking by the American Council for an Energy-Efficient Economy. Last year, Oregon ranked fifth. A brief analysis by staff indicated other states' activities led to their rankings improving; specifically, Connecticut and New York, which were ranked fifth and sixth.

The board asked which states have a public purpose charge or a similar model? Mike said most states have government mandates or requirements to compel utilities to invest in efficiency.

Irrigation Modernization Update
Jed Jorgensen highlighted a significant achievement over the past month for irrigation modernization efforts. Tumalo Irrigation District and other districts in the Deschutes Basin were successful in getting about $75 million in federal funds through the Natural Resources Conservation Service (NRCS) under the U.S. Department of Agriculture. Of that, nearly $30 million is for Tumalo Irrigation District to help pipe open canals over the next 10 years. Energy Trust and Farmers Conservation Alliance were an important contributor to securing the funding.

Jed said NRCS so far has been the second biggest funder for irrigation modernization projects, after Energy Trust. Now with this federal funding, they are the largest funder. U.S. Sen. Merkley is a key supporter.

The board said the funding announcement is a win for Energy Trust, the districts and the state, and asked if non-energy benefits will be tracked. Jed noted non-energy benefits are quantified through the initial assessment process where they are catalogued and used to secure funding beyond Energy Trust funding for hydropower or energy efficiency.

Portland Clean Energy Initiative
Mike noted Portland residents passed the Portland Clean Energy Initiative during the elections last week. The program will collect about $30 million, according to initiative-backers, from certain retailers to invest in energy efficiency, renewable energy and other projects. The funds are specifically intended to support communities of color, low-income Portlanders and other disadvantaged communities. Energy Trust looks forward to working with the city and committee when it is formed. The efforts to be supported by the new fund are very complementary to Energy Trust's mission and programs.

Planning and Evaluation

End Use Load Research Project Annual Update
Sarah Castor and Erika Kociolek presented on the Northwest Energy Efficiency Alliance's End Use Load Research project. The study is a $12.5 million regional project that will meter residential and commercial electric end uses. The key outcome is determining load profiles for use in efficiency programs. The project is led by NEEA and there are 12 funders, including Energy Trust. When the board authorized funding for the study in July 2017, annual updates were requested. Erika and Sarah serve on the working group for the project, and Mike is the chair of the steering committee for the project.

Erika described load profiles, which indicate when energy is being used. Having accurate load profiles helps Energy Trust value energy savings differently based on time of day or time of year. However, currently, load profile information is not robust. Energy Trust and other utilities are still relying on older data or data from outside the Pacific Northwest; one issue with older data is that technologies and usage patterns have changed, and one issue with data from outside the Pacific Northwest is that technologies and usage patterns may differ from this region.

The residential component of the project will include metering approximately 400 homes that have one or more of the following six technologies: baseboard heat, electric furnaces, ductless heat pumps, ducted heat pumps, central air conditioning and heat pump water heaters. Other end uses will be metered when possible. These six technologies are end uses for which efficiency programs need improved load profiles. Metering equipment will be installed in at least 75 homes by the end of 2018.

The commercial component of the project will include metering 75-125 buildings. The lower number of sites is because it costs more to meter in commercial buildings compared to residential homes. Office and retail buildings with heat pumps, electric resistance heat and rooftop units will be targeted. Other end uses will be metered when possible. Offices and retail buildings are responsible for the most energy usage in the region and they are more homogenous (meaning that data will be more reliable

with a smaller error band). The RFP process to select a contractor for the commercial component of the study is expected to be complete by the end of 2018.

Overall, the project is expected to complete by 2024 and as data become available, updated load profiles will be sent to programs for use.

The board asked how commercial buildings will be selected, and if energy management systems will be utilized for data collection. Sarah said the sample will come from the Commercial Building Stock Assessment and staff expect to leverage energy management systems for data collection when possible.

The board asked what main questions will be answered with this study and how will the data be used. Sarah said the most critical thing the region is looking to learn is how these targeted end uses respond to fluctuating weather and temperature, and how much energy they really use throughout the day and year. This will help implementers understand how to reduce load through programs.

The board asked how thermal comfort will be measured. The contractors will be measuring relative humidity and indoor temperature and collecting demographic information about the occupants. NEEA will not be making assumptions about changes to occupant comfort; they are looking to understand how people operate their homes and buildings.

The board asked what age of buildings are being targeted. Sarah said there is not an explicit quota on home or equipment vintage. NEEA is looking for a varied sample of homes and commercial buildings.

The board noted residential energy use is very much linked to thermal comfort and financial capabilities. Some families will turn off or down the temperature based on income. If the study doesn't collect income data, it will be difficult to rely on kilowatt hours and dollars to understand energy use behaviors that are due to income constraints. On the residential portion of the study, having zip codes and income will be ideal. Sarah agreed. Sarah noted that NEEA will do annual surveys with occupants to see what, if anything, is changing regarding how they are operating their home or building, such as a change in the number of occupants.

Sarah said staff and Evaluation Committee will discuss frequency of committee updates as the study progresses.

Execute a Contract with Michaels Energy—R857

Erika Kociolek introduced the resolution. Energy Trust regularly performs impact evaluations to ensure savings estimates are sound. A key output of impact evaluations are realization rates, which are used in program planning, budgeting and true up. Earlier this year, Energy Trust solicited responses for an impact evaluation of the Production Efficiency program, covering the 2016 and 2017 program years. Michaels Energy was selected to complete this evaluation based on their experience evaluating industrial programs, their experience evaluating Strategic Energy Management and their proposed approach. Energy Trust contracted with them for an initial phase of work, which included putting together a work plan, list of sampled sites, site-specific evaluation plans and interview guides. The second phase of the scope of work will put the contract above the $500,000 contract signing threshold for the executive director and needs board approval. This second phase will entail conducting site visits and interviews, impact analysis and reporting. The cost for this evaluation is in-line with other evaluations of similar scope.

The board asked how often the evaluations are conducted, noting that costs are typically lower if longer periods of time are evaluated at once instead of incrementally. Erika said the timeframe depends on when prior evaluations were completed and when there is staff availability to support another evaluation. Staff strive to evaluate projects about a year after completion.

RESOLUTION 857
AUTHORIZING THE EXECUTIVE DIRECTOR
TO EXECUTE A CONTRACT WITH MICHAELS ENERGY

WHEREAS:

1. **Following a competitive solicitation process conducted in July 2018, Michaels Energy was awarded the contract to conduct an impact evaluation for Energy Trust's Production Efficiency program, covering program years 2016-2017.**
2. **The scope of the impact evaluation will cover work planning and sample design; reviewing project files and developing site- and project-specific evaluation plans; data collection; impact analysis; and reporting of savings results, observations and recommendations for program improvement.**
3. **The expected budget for the contract is $600,000, which exceeds the executive director's signature authority and requires board of directors' approval.**

It is therefore RESOLVED that the Board of Directors of Energy Trust of Oregon, Inc., hereby authorizes the executive director to sign an amended contract for evaluation services for the 2016-2017 Production Efficiency program impact evaluation with Michaels Energy with a budget of up to $600,000.

Moved by: Roland Risser		Seconded by: Debbie Kitchin
Vote:	In favor: 12	Abstained: 0
	Opposed: 0	

Energy Programs

Authorize Additional Incentives for a 300-kW Hydropower Project Funding Agreement—R858
Jed Jorgensen introduced the resolution. Jed manages the Irrigation Modernization initiative within the Other Renewables program. He introduced Marc Thalacker, manager of Three Sisters Irrigation District, and noted Lily Xu reviewed the project. The resolution requests an additional $225,000 incentive for the Three Sisters Irrigation District project, which came to the board about a year ago for the initial incentive approval. Since then, the project experienced some challenges that led to increased project costs, increased above-market costs and a request for a larger incentive.

The McKenzie project is the district's third small-scale hydropower project. It is a 300-kW system with $1.43 million in capital costs. The board authorized a $640,000 incentive last year. Since then, the project faced challenges on wheeling the power from the site to PGE. The district is in Central Electric Co-op territory and needs to deliver power to PGE or Pacific Power through Central Electric Co-op and BPA to receive an Energy Trust incentive. When the board approved the incentive last year, the district was still evaluating which utility to deliver power to and anticipated signing a power purchase agreement with PGE. However, because PGE's wheeling reconciliation policy is different than Pacific Power's, the revenue received for generation is less. During the time it took the district to investigate this issue and many related issues concerning wheeling and system balancing, and compare each utility, the avoided cost rates Pacific Power offers for these projects was reduced. These cascading factors are what caused the project costs to increase, revenues to decrease and above-market costs to increase.

Based on this change in the above-market cost, Energy Trust staff propose an increase in the incentive from a total of $640,000 to $865,000 that would be paid in five installments at commercial operation and generating milestones. The district has a strong track record, the project will bring significant renewable energy, energy efficiency, economic and water conservation benefits, and the changes are not due to the health of the project, but rather to variable market conditions all projects face.

The board asked if the increased incentive dollars are being re-allocated from another project. Jed said no, the funding is in the 2018 budget.

The board asked how this project compares with other, similar projects, and could Energy Trust acquire more generation from a different project. Jed said making project-to-project comparisons gets harder and harder each year. The first projects completed 10 years ago had different funding stacks, like a 50 percent state Business Energy Tax Credit, higher power prices and a different federal tax structure. Jed noted the Other Renewables program solicits for projects twice a year and currently, there are no other projects the program is saying no to right now.

The board asked why the payback period shifted from 15 years to 11 years. Jed said they use guiding principles when setting the payback period. In the past, staff pushed the payback period as long as possible, which was often 20 years, but that didn't leave a lot of room for the project. Staff now want to ensure the project is given enough room to succeed and to adjust if it faces unexpected issues like calibrating technology. Changing from 15 years to 11 years in terms of the incentive amount is not a lot.

Jed and Lily explained the utility rate schedule and that it increases over time.

Marc stated it is the availability of Energy Trust's incentive that is making this project go forward. The board noted this is a great project for its multiple benefits to rural economic development and sustainability.

The board noted the project also has a state Renewable Energy Development grant and that program is nearing its end. This project seems well situated to have a lower above-market cost than projects in the future. Jed noted the RED grant expiring illustrates the importance of other funding sources, like the federal funding announced earlier in the meeting.

The board said this is a good project. Projects like these are hard to put together.

Janine noted Energy Trust is doing its best to support the project, and the funding circumstances underscore that the state needs to support these projects, too.

RESOLUTION 858
AUTHORIZING ADDITIONAL INCENTIVES FOR THE MCKENZIE HYDRO FACILITY

WHEREAS:

1. **In November 2017 Energy Trust's board approved Resolution 820, authorizing $640,000 in incentives for the proposed 300-kW McKenzie hydroelectric facility, developed by Three Sisters Irrigation District (District). After the board approved Resolution 820, the District encountered challenges in attempting to deliver power to PGE and the above-market costs of the project increased. The District asked Energy Trust to re-evaluate the project's above-market costs and consider additional incentives to enable power delivery to Pacific Power.**
2. **Staff re-evaluated the project and found above-market costs are now $900,491 (net-present value).**
3. **Staff proposes an additional incentive of $225,000 to be added to the original incentive of $640,000, for a total of $865,000. The first payment would be $465,000, payable on commercial operation, followed by four additional payments of $100,000 if the project meets annual generation milestones. With the proposed incentives, the project would pay back in 11 years.**

4. **Staff proposes to include milestones in the funding agreement with the District to allow Energy Trust to withdraw funding if the project is unable to move forward.**

It is RESOLVED that the Executive Director is authorized to negotiate a funding agreement for up to $865,000 ($640,000 from Resolution 820 plus $225,000 from Resolution 858) in incentives to offset the above-market cost of the 300-kW McKenzie hydroelectric facility of the Three Sisters Irrigation District, consistent with the terms outlined above and in Resolution 820.

Moved by: Mark Kendall		Seconded by: Susan Brodahl
Vote:	In favor: 12	Abstained: 0
	Opposed: 0	

Ernesto Fonseca and Commissioner Bloom left. The board moved into executive session from 12:35 – 1:45 p.m., pursuant to bylaws 3.19.1 to discuss internal personnel matters. The executive session was not open to the public.

Staff Committee Reports

Diversity Equity and Inclusion Data, Baseline and Participation Analysis Presentation

Mike introduced the presentation. Energy Trust's Diversity, Equity and Inclusion operations plan includes 10 goals to help the organization expand participation to underserved customers and better serve all customers. One goal is the "data baseline, benchmarking and analysis goal". Planning & Evaluation Group staff members Dan Rubado and Andy Griguhn led a participation analysis, with Alex Novie providing the program implementation perspective and Debbie Menashe and Fred Gordon as the sponsors. Staff looked at multiple sources of data and shared the methodological approach with community-based organizations and other entities to help guide and direct the analysis. The project was initiated after adoption of the DEI operations plan and was undertaken to help Energy Trust understand the extent to which diverse communities have been served and where opportunity remains.

Dan reviewed the data source selection. Ideally, staff would have had demographic information on each customer that could be compared with the demographics of the state to understand how well Energy Trust has served different groups. However, Energy Trust does not collect demographic information on participants. Instead, staff selected a geographic analysis approach using Census data, which is considered the "gold standard" for demographic data, is reliable and shows information for multiple year time periods. Although Census data has documented limitations, including undercounting certain populations, staff felt that it was useful for creating broad demographic indicators to compare different areas of the state. Dan noted third-party household-level data sets can also have major limitations, for instance, they only provide a snapshot in time, often lack historical data for comparison purposes and don't reflect changes in ownership or occupancy. Third-party data on race and ethnicity are also largely unverified, and largely based from credit-reporting information. Not all customers have applied for credit, especially low-income customers.

After selecting the primary data source, three diversity indicators were created: income, race/ethnicity and urban/rural. These broad indicators are used to classify areas of the state and analyze service to the communities. To assess service by geographic area, the analysis used Census tracts, which are small geographic areas in urban areas but larger geographic areas in rural areas. Census tracts are good proxies for communities because there are roughly the same number of households in each tract. There are 800 tracts in Energy Trust service territory. Staff pulled program participation rates for each eligible site within each tract over a five-year period starting in 2013. Then, indexes for each indicator were created and participation rates compared across the index and across indicators.

For the analysis, staff took participation and site data available in Energy Trust systems to compute participation rates for residential, which includes multifamily, and also commercial, industrial and solar. Participation rates by sector were compared against the indicator scores in each Census tract. Dan

noted that demographic data does not directly connect to participation at the site level. He also noted that the participation rate in residential excludes products sold at retail through buy-downs, because there is no site information collected when products are sold. This is a significant amount of savings for the Residential program that is excluded.

Dan reviewed the analysis results by indicator for each sector. Residential results by income indicate that in the least affluent communities, 24 percent of households participated, compared to the average of 26 percent, and 30 percent of households in the most affluent communities participated.

Residential results by race/ethnicity indicate the most racially diverse areas participated at 27 percent, slightly higher than the average of 26 percent, and higher than the least racially diverse areas which participated at 22 percent. This is counter to what staff expected. Further analysis showed that communities with large Asian populations participated at higher than average rates, while communities with large Hispanic/Latino and Native American populations participated at lower rates. This demonstrates that different racial/ethnic groups may participate at different levels, which may mask differences when looking at participation for all people of color.

Residential results by urban/rural indicate the most rural communities participated at 14 percent, much lower than the average of 26 percent, and the most urban areas participated at 29 percent. Rural areas are also saving far less energy when they participate compared to their urban counterparts. This could be due to service territory and some areas being gas-only territory with a limited number of measures.

Opportunities in residential are to engage Native American, Hispanic/Latino, low income and rural customers. There are also opportunities to learn from organizations serving African Americans and other communities of color as this analysis doesn't allow staff to analyze participation levels by those groups.

Commercial results by urban/rural indicate average participation of 28 percent for large commercial businesses and 13 percent for large rural commercial businesses. In addition, participation rates were 7 percent on average for small commercial businesses and 3 percent for small rural commercial businesses. For industrial results by urban/rural, the average participation for large industrial businesses is 79 percent and 89 percent for large rural industrial businesses. In addition, participation rates were 13 percent on average for small industrial businesses and 4 percent for small rural industrial businesses. Opportunities exist to engage small and medium commercial and industrial businesses across the territory, and especially in rural areas. Energy Trust also needs to determine how it will measure diversity for businesses beyond urban/rural.

The metric for solar participation was the share of solar projects completed in a year distributed across each index. The analysis included five years of data but used 2017 as the baseline year given the many changes in this market. The results indicate 22 percent of customers are located in the least affluent tracts and these customers completed the fewest installations. Also, 22 percent of customers are located in the most racially diverse areas and they completed more solar installations than their share of households. Rural areas completed projects roughly in proportion to their share of households. Opportunities to serve customers with solar are in low-income areas and there are opportunities to learn from organizations concerned with serving communities of color.

Next steps are for staff to finalize the results of the analysis and present the findings to a group of community-based organizations on November 28 and to the Evaluation Committee on December 6. The DEI operations plan and goals will be presented to the board at its December 14 meeting.

Mike asked if Oregon's COBID certification (Certification Office for Business Inclusion and Diversity) or other information like annual revenue could be used as a metric to determine firmographic data and how race/ethnicity tie to the business sector participation rates. Dan said they are open to suggestions. It depends on what data they can access. Firmographic data is complex. And while COBID-certified

businesses could be a start, not all minority- and women-owned businesses apply for the state certification.

The board asked why retailer data was not used for the residential sector. Dan said retail data is not tied to a participant site. There are assumptions that the products purchases are installed in homes within a certain distance of each store, but the data can't be directly tied to a site or Census tract, as a store might serve multiple tracts.

The board suggested overlaying female household on the residential data next time.

The board asked what are the next steps with using the data. For instance, will staff dig into why certain categories have higher participation. Dan said program staff are digging into the data to learn what the composition is of those communities, where are they and how will programs target them in the future. Mike commented that as staff present to external groups on the findings, the organization is seeking feedback on where we can go next with the data and what is the next phase of analysis. Dan noted that the data here are broad indicators that can be used to show progress against program DEI goals.

The board noted that even at the level of Census tracts, Energy Trust still does not know who is being served. Will Energy Trust collect demographic data going forward? Dan said Evaluation is collecting some demographic data in Fast Feedback surveys that could be helpful. Mike said any decision to collect demographic data on program application forms would have to be done carefully and with trusted community organizations, so people don't perceive the questions as screening tools. Surveys conducted post-participation might be more attractive but also have limitations.

The board commented the data presented is still at too aggregated of a level to get enough of an indication of underserved areas. Energy Trust might receive criticism from the communities that this is only showing high-level participation averages by Census tract, especially rural areas and communities of color. Dan reminded the board the Census-level data and indexes are broad indicators of participation and will be used ongoing as a baseline to track progress against other DEI goals. Mike noted this is a first-level analysis that indicates directional patterns of participation that are important to know.

The board asked if there was consideration to overlay this information with data from organizations serving similar populations, like Oregon Housing and Community Services. Dan said this was an analysis that strictly used Energy Trust program data as the goal was to see how well Energy Trust is serving those communities and not how well they are served overall. The board said it would be interesting to talk about that decision with the community-based organizations and to ensure they know this is how Energy Trust is serving their constituents but there are other programs serving them.

The board noted that this is good information, useful to have for diversity, equity and inclusion work and thanked staff for their hard work and good analysis. They recommended staff bring something else in addition to the meeting with the community-based organizations that tells them how Energy Trust is serving their customers now or will in the very near future.

Janine Benner left the meeting at 3:15 p.m.

Board Committee Reports

Audit Committee (Anne Root)

Anne Root announced that the 2017 990 tax return is complete and will be filed tomorrow. Pati Presnail will email copies to board members for their information.

Executive Director Review Committee (Debbie Kitchin)

The committee reviewed Mike's annual performance, using feedback from staff and stakeholders. Based on that review, the committee recommends a merit increase of 4 percent and a market adjustment of 2 percent. The committee reviewed the process and review with the full board in executive session earlier in the day, and the full board agreed with the committee's recommendation. Mike will work with the board president and the Executive Director Review Committee to prepare a work plan for the coming year.

RESOLUTION 856

WHEREAS:

1. **Energy Trust's Executive Director Review Committee completed its evaluation of Michael Colgrove's performance in 2018.**

2. **An evaluation of Michael's performance compared to his 2017/2018 work plan goals demonstrated he is performing at a high level.**

3. **The Executive Director Review Committee also considered the following in proposing a merit increase from the review:**

    a. **Energy Trust's existing salary structure and Michael's current salary position on that range.**

    b. **Periodic survey and market analysis of comparable position salaries.**

It is therefore RESOLVED:

The Board of Directors authorizes a merit award increasing Michael's salary by 6.0% effective August 12, 2018.

Moved by: Debbie Kitchin		Seconded by: Roland Risser
Vote:	In favor: 11	Abstained: 0
	Opposed: 0	

Finance Committee (Susan Brodahl)

The committee reviewed the September year-to-date financials. Actual revenues are 4 percent over budget. Investment income is doing well. Reserves are trending well, and it looks like the organization will hit the forecast. Susan noted reserves include future committed incentives for projects like renewables projects that take multiple years from commitment to commercial operation. The reserves are set at the right level, they are not too high but large enough in case a program needs additional funding due to high activity. On incentive spending, the New Buildings program is doing well, the Residential program is running light and staff expect a high activity level for Quarter 4, and the Existing Buildings program incentive spending is low, which is due to project completion delays. The committee reviewed at a very detailed level the staffing and healthcare expenses. There will be pressure to meet the 2020 OPUC performance measure on staffing costs if the trend of increasing costs for these categories continues.

Susan said the continency reserve is an account to watch as it is not allocated to a utility and grows from invest income. Mike noted anything that accrues above $3 million in this account goes into the utility reserves.

Policy Committee (Alan Meyer)
The committee met on October 4 and discussed the biopower policy; the Renewable Energy Certificate (REC) policy, which may come to the board in December with potential revisions; the WES biopower project that was subsequently approved at the October board meeting; the Michaels Energy contract approved today; a proposal to amend the bylaws to remove instances of "CFO" since the organization does not have a Chief Financial Officer; and a new CAC member, Tim Hendricks, to represent the Building Owners and Managers Association. The Community Solar contract with Energy Solutions will be brought forward when there is an update to report.

Alan noted the REC policy review will consider the implications of the policy requirement that Energy Trust take ownership of a portion of a renewable energy project's RECs. A complicating issue is that the state's Community Solar Program requires that program to take title to 100 percent of a project's RECs, effectively barring Energy Trust's ability to support the project.

The board then discussed the possibility of forming an Executive Committee. The board considered the pros and cons, as well as membership for such a committee and how the authority granted to it would compare to the full board's authority. The Policy Committee reported that OPUC staff indicate that they are open to such a committee while strongly encouraging full board discussion on the possibility. Board members relayed their experiences being on other boards with executive committees and offered suggestions for how it could work for Energy Trust. An Executive Committee could support the organization when time sensitive decisions or consultation is needed, like signing a contract. It would allow the board to move to less frequent meetings. The board acknowledged that transparency is an important Energy Trust value. If the board were to form an Executive Committee, the board will need to consider public access to the information provided to an Executive Committee, reporting on the discussion and any decisions made in Executive Committee, and how committee information would be communicated back to the full board. The board discussed whether public notice would or could be provided for Executive Committee meetings and whether the full board should meet instead of a small group of members. It was noted the bylaws allow formation of an Executive Committee and membership was discussed as the four board officers. The committee will take this feedback and consider it at the next Policy Committee meeting.

Strategic Planning Committee (Mark Kendall)
The committee met earlier this week. It is in the midst of the first phase of developing the plan, which includes creating buildings blocks for the 2020-2024 Strategic Plan. The second phase is drafting the plan, and the third phase is plan review and approval. Mark reminded the board it started work around strategic planning with the board learning topics, which explored areas of the marketplace that do or could impact the organization's work. At the meeting this week, the committee and staff developed a scenario to base planning strategies around for the 2020-2024 time period. Development of the scenario will include input from all staff and members of CAC and RAC. The full board will spend time diving into the scenario at the December meeting and will think through what is Energy Trust's unique role of value today and what it looks like operating in that future scenario.

Conservation Advisory Council (Lindsey Hardy)
The council reviewed the draft 2019 action plans for the Planning and Evaluation group and for NEEA. They received a presentation on results from the first targeted load management pilot, and discussed scenario drivers to inform development of the 2020-2024 Strategic Plan.

Renewable Energy Advisory Council (Alan Meyer)
The council heard brief updates on the state's Community Solar Program and the organization's low- to moderate-income solar efforts, which are using Energy Trust funding and grant funding to serve these

communities. They also discussed scenario drivers to inform development of the 2020-2024 Strategic Plan.

Adjourn

The meeting adjourned at 3:45 p.m.

The next regular meeting of the Energy Trust Board of Directors will be held Friday, December 14, 2018, at 10:30 a.m. at Energy Trust of Oregon, Inc., 421 SW Oak Street, Suite 300, Portland, Oregon.

_____ ____/____/____

Signed: Mark Kendall, Secretary Date

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Resolution 860
Board Committee Assignments

December 14, 2018

RESOLUTION 860
BOARD COMMITTEE APPOINTMENTS
(*REPLACES RESOLUTION 852)*

WHEREAS:

1. **Energy Trust of Oregon, Inc. Board of Directors are authorized to appoint by resolution committees to carry out the Board's business.**

2. **The Board President has nominated new directors to serve on the following committees.**

It is therefore RESOLVED:

1. **This resolution replaces Resolution 852, adopted by the board at its October 17, 2018, meeting.**

2. **That the Board of Directors hereby appoints the following directors to the following committees for terms that will continue until a subsequent resolution changing committee appointments is adopted:**

Audit Committee
Anne Root, Chair
Melissa Cribbins
Mark Kendall
Karen Ward, outside expert
Roger Hamilton *(*ex officio*)*
Pati Presnail, staff liaison
Board Nominating Committee
Debbie Kitchin, Chair
Alan Meyer
Anne Root
Melissa Cribbins
Steve Bloom, OPUC *(*ex officio)
Roger Hamilton *(*ex officio*)*
Greg Stokes, staff liaison
Compensation Committee *(formerly 401(k) Committee)*
Melissa Cribbins, Chair
Mark Kendall
Roland Risser
Roger Hamilton *(*ex officio*)*
Debbie Goldberg Menashe, staff liaison

Executive Director Review Committee
Melissa Cribbins, Chair
Debbie Kitchin
Elee Jen
Roger Hamilton (ex officio)
Amanda Sales, staff liaison
Finance Committee
Susan Brodahl, Chair
Ernesto Fonseca
Debbie Kitchin
Anne Root
Roger Hamilton *(*ex officio*)*
Pati Presnail, staff liaison
Policy Committee
Alan Meyer, Chair
Eric Hayes
Ernesto Fonseca
Henry Lorenzen
Anne Root
Elaine Prause *(*ex officio*)*
Roger Hamilton (ex officio)
Debbie Goldberg Menashe, staff liaison
Program Evaluation Committee
Lindsey Hardy, Chair
Susan Brodahl
Eric Hayes
Alan Meyer
Jennifer Light, expert outside reviewer
Dulane Moran, expert outside reviewer
Jamie Woods, expert outside reviewer
Warren Cook, ODOE *(*ex officio*)*
Roger Hamilton *(*ex officio*)*
Sarah Castor, staff liaison
Strategic Planning Committee
Mark Kendall, Chair
Susan Brodahl
Lindsey Hardy
Roland Risser
Janine Benner, ODOE *(*ex officio)
Elaine Prause, OPUC *(*ex officio*)*
Roger Hamilton *(*ex officio*)*
Debbie Goldberg Menashe, staff liaison

3. **The executive director, chief legal officer or director of finance are authorized to sign routine 401(k) administrative documents on behalf of the board, or other documents if authorized by the Compensation Committee.**

The board also acknowledges that the following board members have committed to attend advisory council meetings:

a. **Conservation Advisory Council: Lindsey Hardy, Alan Meyer and Elee Jen**

b. **Renewable Energy Advisory Council: Ernesto Fonseca and Henry Lorenzen**

Moved by:		Seconded by:
Vote:	In favor:	Abstained:
	Opposed:	

PINK PAPER

Resolution 864
Amend Consent Agenda Procedure

December 14, 2018

Discussion and Recommendation

First approved and adopted by the Energy Trust board in 2003, the Consent Agenda Procedure was adopted to provide a streamline process for routine and non-controversial board resolutions. The process has worked well and is flexible. Staff presented some editorial clarifications to the Policy Committee on November 15, 2018, and the Policy Committee recommended approval by the full board.

RESOLUTION 864
AMEND CONSENT AGENDA PROCEDURE

WHEREAS:

1. **In 2003, the board established a policy directing staff to identify non-controversial and routine items for inclusion in a consent agenda.**
2. **Staff was directed to err on the side of caution in that determination and has continued to recommend use of the consent agenda judiciously.**
3. **This policy, up for its regular three-year review, was reviewed by the Policy Committee and is recommended for approval by the full Energy Trust board through the consent agenda at its next full board meeting.**

It is therefore RESOLVED that the Board of Directors hereby amends the Energy Trust Consent Agenda Procedure as shown below.

Moved by: Seconded by:
Vote: In favor: Abstained:
Opposed:

Marked Version
2.01.001-A Consent Agenda Procedure

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	November 5, 2003	Approved (R221)	11/2006
Policy Committee	October 19, 2006	Reviewed-no changes	11/2009
Policy Committee	October 23, 2012	Reviewed-no changes	10/2015
Board Decision	November 4, 2015	Approved (R756)	11/2018

POLICY

~~**That Energy Trust of Oregon, Inc., Board of Directors hereby approves the option of placing b**~~**B**oard action items **may be placed** on a consent agenda~~**,**~~ according to the following guidelines:**

- **Written decision documents on consent agenda items will follow the same format and contain the same information as provided for regular agenda items.**
- **Where appropriate, consent agenda items will meet the following criteria:**
  - **Involve routine and non-controversial matters**
  - **Conform with a previously adopted board policy or implement a project previously approved by the board in a formal resolution**
  - **If an energy efficiency matter, involve~~s~~ a cost-effective action as documented by pertinent financial information, energy savings/production, or other outcomes**
  - **If a renewable energy matter, involve items that will follow the process approved by the board specifically for that program, if any**
  - **Can be accomplished within the board-approved budget with clearly specified budget authority**
  - **No board or public comment is anticipated regarding the proposed action.**
- **If the consent agenda item authorizes an increase in expenditures under a previously existing contract, the resolution must include but not be limited to:**
  - **The original amount of the contract**
  - **The number and amount of prior increases**
  - **The amount of the current proposed increase**
  - **The reason for the increase, and**
  - **The resulting total contract amount.**
- **The existing conflict of interest rules apply to votes of all items on the consent agenda.**
- **Any item on the consent agenda will be moved to the regular agenda upon request from any board member.**

Clean Version
2.01.001-A Consent Agenda Procedure

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	November 5, 2003	Approved (R221)	11/2006
Policy Committee	October 19, 2006	Reviewed-no changes	11/2009
Policy Committee	October 23, 2012	Reviewed-no changes	10/2015
Board Decision	November 4, 2015	Approved (R756)	11/2018

POLICY

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- **Written decision documents on consent agenda items will follow the same format and contain the same information as provided for regular agenda items.**
- **Where appropriate, consent agenda items will meet the following criteria:**
  - **Involve routine and non-controversial matters**
  - **Conform with a previously adopted board policy or implement a project previously approved by the board in a formal resolution**
  - **If an energy efficiency matter, involve a cost-effective action as documented by pertinent financial information, energy savings/production, or other outcomes**

- **If a renewable energy matter, involve items that will follow the process approved by the board specifically for that program, if any**
- **Can be accomplished within the board-approved budget with clearly specified budget authority**
- **No board or public comment is anticipated regarding the proposed action.**

- **If the consent agenda item authorizes an increase in expenditures under a previously existing contract, the resolution must include but not be limited to:**
  - **The original amount of the contract**
  - **The number and amount of prior increases**
  - **The amount of the current proposed increase**
  - **The reason for the increase, and**
  - **The resulting total contract amount.**
- **The existing conflict of interest rules apply to votes of all items on the consent agenda.**
- **Any item on the consent agenda will be moved to the regular agenda upon request from any board member.**

PINK PAPER

Resolution 862
4.08.000-P Diversity, Equity and Inclusion Policy

December 14, 2018

Summary
Authorize revision to the board's Diversity, Equity and Inclusion Policy.

Background
- The Energy Trust board of directors approved revisions to its existing Equity Policy to create a Diversity, Equity and Inclusion Policy in December 2017.
- The board-approved Diversity, Equity and Inclusion Policy articulates board-level support of the organization's diversity, equity and inclusion efforts to expand participation in Energy Trust programs to communities who have been underserved by its programs, including rural customers, communities of color and low-income communities in Energy Trust service territories.

Discussion
- In approving the Diversity, Equity and Inclusion Policy in December 2017, the board required that the policy be reviewed annually by the Policy Committee for the three years following its approval.
- The Policy Committee reviewed the Diversity, Equity and Inclusion Policy at its meeting on November 15, 2018, and discussed whether its language should be revised.
- Policy Committee members discussed how the policy is serving its purpose to guide the organization's diversity, equity and inclusion efforts and does not recommend any substantive changes at this time.
- The committee recommends slight revisions to the policy language for clarity and to reflect current status of the diversity, equity and inclusion work underway.

Recommendation
Authorize the modest revisions to the Diversity, Equity, and Inclusion Policy as shown below.

RESOLUTION 862
DIVERSITY, EQUITY AND INCLUSION POLICY

WHEREAS:

1. **Energy Trust's board of directors adopted its Diversity, Equity and Inclusion Policy in 2017 following an extensive revision of its existing Equity Policy.**

2. **Acknowledging the breadth of revisions to the board's Equity Policy that the Diversity, Equity and Inclusion Policy represents, the board directed the Policy Committee to review the policy on an annual cycle for the first three years of the policy to permit the Policy Committee and the board to more frequently monitor the application and impact of the policy, and to take in and consider stakeholder and community comment on a more frequent basis.**

3. **Energy Trust's board Policy Committee has reviewed the policy revision at its**

committee meeting on November 15, 2018, and recommends slight revisions to the policy language to clarify and reflect the current status of the diversity, equity and inclusion work underway.

It is therefore RESOLVED that the Energy Trust Diversity, Equity and Inclusion Policy is revised as shown below.

Moved by: Seconded by:
Vote: In favor: Abstained:
Opposed:

Marked Version
4.08.000-P Diversity, Equity, and Inclusion Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 22, 2002	Approved (R104)	May 2005
Policy Committee	March 5, 2005	Postpone review	11/05
Board Decision	September 7, 2005	Revised (R352)	September 2008
Policy Committee	December 2, 2008	Replaced references to numerical electric and gas goals	September 2011
Board Decision	October 5, 2011	Revised (R595)	October 2014
Board Decision	October 1. 2014	Revised (R714)	October 2017
Board Decision	December 15, 2017	Revised (R828) Name updated from Equity Policy to Diversity, Equity and Inclusion Policy	October 2018

Introduction

Energy Trust envisions a high quality of life, a vibrant economy and a healthy environment and climate for generations to come, built with renewable energy, efficient energy use and conservation. Energy Trust recognizes that to achieve this vision, all utility customers must benefit from our programs, but certain customers are underserved by our programs such as communities of color, rural communities, and low income customers.

Energy Trust commits to enhancing diversity, equity and inclusion in our programs and in internal operations in order to work to serve all communities and reach critical Energy Trust goals. We will advance diversity, equity and inclusion in our programs and internal operations through meaningful collaboration with our utility funders, trade allies, program allies, and customers and with geographic and culturally specific communities, organizations and businesses.

Policy

- Energy Trust will make programs available to all eligible electricity and gas customer classes by implementing programs in the residential, commercial, and industrial sectors.

- Energy Trust will monitor participation rates for all programs and adjust them as needed to ensure that all investor-owned utility electricity and gas customer classes in Energy Trust territory are being served.

- In addition to providing programs to reach all customer groups, Energy Trust will design and implement program strategies specifically to reach customers who have been underserved by Energy Trust programs, ~~such as~~including rural customers, communities of color, and low-income communities in Energy Trust service territory.

- Energy Trust will use a diversity, equity and inclusion lens through which to:
    a. strategize and plan for Energy Trust program delivery
    b. deliver programs and services
    c. partner and collaborate
    d. allocate resources
    e. communicate and market
    f. build our workforce
    g. evaluate our work

- Energy Trust will ~~develop~~ maintain a diversity, equity and inclusion operations plan that:
    - includes goals, objectives and activities
    - assesses and measures progress
    - learns from mistakes and successes
    - shares progress publicly on no less than an annual basis

- Energy Trust will establish a Diversity Advisory Council to provide advice and resources to the board of directors to support Energy Trust's diversity, equity and inclusion operations plan and to advise the board of directors on assessing and measuring progress toward goals of such plan.

- Energy Trust will enhance diversity, equity and inclusion on the board of directors. In order to enhance diversity, equity and inclusion on the board of directors, the board of directors shall appoint an ad hoc committee to identify goals and objectives for achieving this objective.

- For the first three years after adoption of these 2017 changes, the Energy Trust Policy Committee will review this policy annually to take account of new information and experience.

Clean Version
4.08.000-P Diversity, Equity, and Inclusion Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	May 22, 2002	Approved (R104)	May 2005
Policy Committee	March 5, 2005	Postpone review	11/05
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Board Decision	October 1. 2014	Revised (R714)	October 2017
Board Decision	December 15, 2017	Revised (R828) Name updated from Equity Policy to Diversity, Equity and Inclusion Policy	October 2018

Introduction

Energy Trust envisions a high quality of life, a vibrant economy and a healthy environment and climate for generations to come, built with renewable energy, efficient energy use and conservation. Energy Trust recognizes that to achieve this vision, all utility customers must benefit from our programs, but certain customers are underserved by our programs such as communities of color, rural communities, and low income customers.

Energy Trust commits to enhancing diversity, equity and inclusion in our programs and in internal operations in order to work to serve all communities and reach critical Energy Trust goals. We will advance diversity, equity and inclusion in our programs and internal operations through meaningful collaboration with our utility funders, trade allies, program allies, and customers and with geographic and culturally specific communities, organizations and businesses.

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    h. strategize and plan for Energy Trust program delivery
    i. deliver programs and services
    j. partner and collaborate
    k. allocate resources
    l. communicate and market
    m. build our workforce
    n. evaluate our work

- Energy Trust will maintain a diversity, equity and inclusion operations plan that:
    - includes goals, objectives and activities
    - assesses and measures progress
    - learns from mistakes and successes
    - shares progress publicly on no less than an annual basis

- Energy Trust will establish a Diversity Advisory Council to provide advice and resources to the board of directors to support Energy Trust's diversity, equity and inclusion operations plan and to advise the board of directors on assessing and measuring progress toward goals of such plan.

- Energy Trust will enhance diversity, equity and inclusion on the board of directors. In order to enhance diversity, equity and inclusion on the board of directors, the board of directors shall appoint an ad hoc committee to identify goals and objectives for achieving this objective.

- For the first three years after adoption of these 2017 changes, the Energy Trust Policy Committee will review this policy annually to take account of new information and experience.

Tab 2

Board Decision R865
Authorizing the Executive Director to approve a contract exceeding $500,000 for purchase of advertising

December 14, 2018

Summary

The proposed resolution authorizes the executive director to a sign a contract with Coates Kokes, a certified woman-owned business, to purchase advertising on behalf of Energy Trust in 2019. The amount of the combined advertising contracts that Coates Kokes will purchase on our behalf will exceed $500,000, the maximum amount authorized for signature by the executive director without board approval. The resolution authorizes the executive director to sign a contract for up to $1.2 million, consistent with the final proposed 2019 budget.

Coates Kokes was selected through an RFQ process by a committee of Energy Trust staff in marketing, programs and finance, based on the company's ability to reach deeper into Oregon communities, its local media knowledge, its reporting capabilities, and its cost compared to eleven other companies of its kind. Contracting with Coates Kokes to do this work will result in a decrease of close to 500 hours of internal work by Energy Trust staff which will be redirected to other 2019 business plan priorities, including other priority marketing activities and managing diversity, equity and inclusion initiative efforts. These are high-value activities expected to help us accomplish savings and generation from customer who have not yet participated.

Background

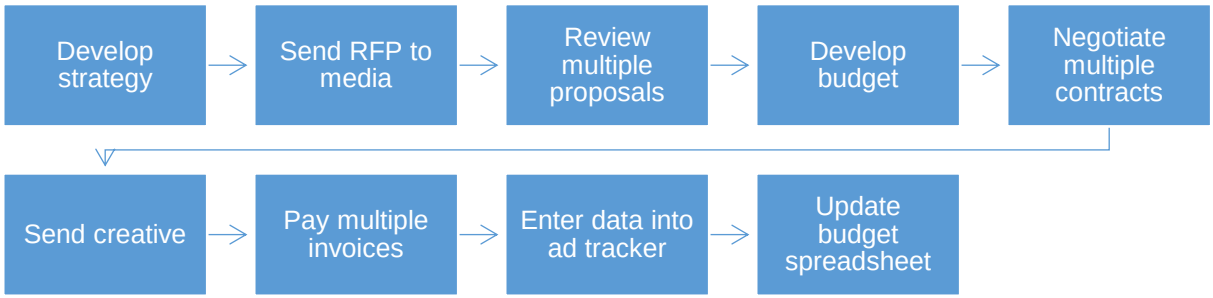
Many participating customers first hear of Energy Trust via advertising. The 2017 Customer Insights survey revealed that 25 percent of participants learned about Energy Trust through advertising, as did 20 percent of non-participants. Advertising is primarily used to raise awareness of Energy Trust offerings and motivate customers to act. Energy Trust advertising reaches customers in all service territories.

Energy Trust's media buy covers general awareness as well as commercial, residential, industrial, agricultural and solar program awareness. Measure- and offer-specific advertising is purchased by Program Management Contractors.

In recent years, Energy Trust's advertising budget has been between one and two percent of the annual budget, which is low in comparison to standard business practice. The budget allocated for advertising each year is determined through the annual budget process. The budget ranges between $300,000 and $500,000 each, for general awareness, business, and residential advertising.

The mix of advertising purchased has changed over time to take advantage of new media channels and ensure we are reaching all customers, achieving goals and maintaining visibility in all parts of the service territory. For example, based on information from national studies of media use, Energy Trust has increased TV and digital advertising for all campaigns. While increased digital advertising has allowed us to track more immediate ad response, our web analytics show that all traffic, including search and direct (where a web address is typed directly into the browser), increases during a campaign.

Currently, most Energy Trust advertising in Oregon print, outdoor and online publications is purchased by internal Energy Trust staff executing contracts with individual media companies. This is a time-consuming process of purchasing all media for the year at one time, which takes up a large portion of the fourth quarter. In addition, time is spent by Communications and Customer Service and Finance staff each month processing invoices. In 2018, over 500 hours were estimated for time spent on negotiating, purchasing, contracting and trafficking advertising by CCS staff, and roughly 80 hours outside of CCS for invoice and contract processing. Below is a diagram of the current work involved in purchasing advertising in-house at Energy Trust.



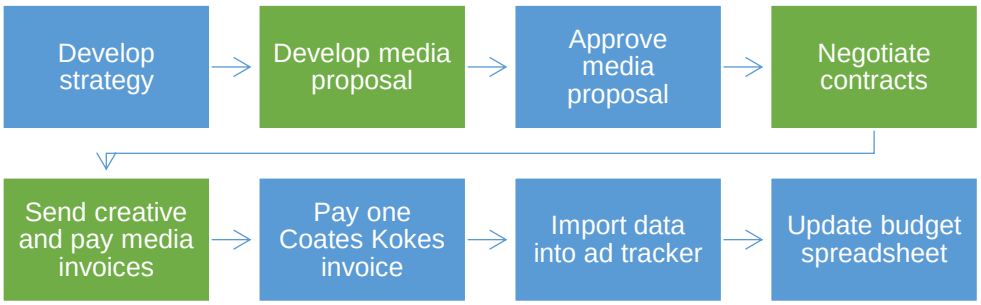
In addition to the steps outlined above, there is work required when a program changes its tactics based on midyear savings reports.

Over the past several years, staff have explored methods to manage advertising planning and procurement using both staff and contracted resources. In 2016, as a trial, staff contracted with an external resource to purchase a portion of Energy Trust advertising at a budget level of $250,000. This company offered a unique model and did not charge Energy Trust for the work but took commission from media companies instead.

Based on some experience and efficiencies gained during this trial, in 2017 and 2018, Energy Trust allocated more budget to buying through this external resource. One key insight from this approach, however, is that Energy Trust would benefit from a higher level of service and reporting than was available through that purchasing approach.

Contract Approach and Benefits

Using a more traditional media buying agency approach will allow Energy Trust to take advantage of both expertise and reporting capabilities. A contract with Coates Kokes will reduce the number of steps in the media-buying process, as described in the graph below. Each advertising purchase proposed by Coates Kokes will be reviewed and approved by internal staff before any purchase is made. The proposed process below is standard practice for contracts of this type, and the steps that will be executed by the media buyer are in green.



Coates Kokes will provide Energy Trust additional expertise and use databases and software, such as Nielsen ratings and Strata, to help develop a media plan that executes the advertising strategy with precision and accountability. Their time will be spent working with media companies to plan, purchase, deliver and invoice for advertising that is defined by a strategy that Energy Trust will develop for each campaign. Coates Kokes' experience with negotiating media contracts and the combined buying power of its client base will provide Energy Trust with additional value within media contracts.

Coates Kokes will also be able to purchase media at the start of each campaign, which often yields better pricing. As part of their work with other clients, Coates Kokes has built strong relationships with very small radio and print publications in rural regions. These relationships will help Energy Trust reach populations identified in our DEI initiative.

The estimated number of hours saved by this contract is close to 500. Some hours will be devoted to more detailed advertising strategy and key performance indicators, and continually refining advertising after each campaign, based on reporting that staff will receive from Coates Kokes to improve results. Additionally, staff will spend time on customer research, social media strategy and project management of new and expanding program and organizational initiatives requiring staffing resources in the Communications & Customer Service Group, such as management of four Diversity, Equity and Inclusion initiative focus areas.

Discussion

- Staff proposes to contract with Coates Kokes in 2019 to purchase TV, radio, print, outdoor and non-programmatic online media at a budget of up to $1.2 million, which would be comprised of up to $157,500 payable to Coates Kokes for advertising purchasing services and the remainder payable through Coates Kokes to advertising providers. The proposed contract amount in 2019 is consistent with the advertising budget amount proposed for approval through the 2019 budget process.
- A Request for Qualifications was executed for this service and staff received twelve responses. Energy Trust reviewed responses to the RFQ based on the ability to reach deep into Oregon communities, reporting ability, DEI efforts, as well as cost. Coates Kokes scored high on these attributes. They are a certified woman-owned business with experience reaching culturally-specific groups and those in rural areas. Their client reference list is comprised of well-known organizations with a similar level of accountability to funders.
- This contract will allow Energy Trust to leverage Coates Kokes' experience building rapport with local media and securing added-value such as local event sponsorship and additional media placement on behalf of its client base. Coates Kokes partners with and works closely with culturally-diverse creative and media firms to purchase advertising in diverse media outlets, such as Spanish and Russian radio.
- The hourly rate that Coates Kokes will charge for this work is a blended rate of $140 per hour, up to $157,500 for the year. This rate is in the lower-middle range of the rates proposed by other media-buying companies. Coates Kokes generally does not receive a commission from media companies, and if a commission is ever received, it will be passed through to Energy Trust in the form of added value.
- Coates Kokes will purchase media in the appropriate markets and targeted to the audiences specified by Energy Trust staff and ensure that all advertisements are delivered to the appropriate media outlets. Particular focus will be placed on reaching underserved customers in 2019, including communities of color, rural and low- and moderate-income customers. For this, Coates Kokes will partner with media strategy firms and media outlets that are within those communities.

- Staff recognizes that shifting this function to an external contractor will require careful reporting and will include standards and approval processes in the contract language to ensure that advertising is spent when, and how, it is required by strategies developed by internal staff. Each media purchase will be reviewed and approved by internal staff, and reports will be provided at least monthly, which detail the cost and reach of each media buy. Coates Kokes will provide reporting on media reach and cost, using Nielsen ratings and Strata Software, which are key resources for media buyers.
- Deliverables for this contract will include media market analysis, media placement plans, media buy detail, affidavits of placement from media outlets, and post-analysis and follow-up including media bonus reports.

Recommendation

Authorize the executive director to sign a contract for up to $1.2 million, for purchase of broadcast radio, TV, print, outdoor and non-programmatic online media in 2019.

RESOLUTION 865
AUTHORIZING A CONTRACT WITH COATES KOKES FOR ADVERTISING PURCHASES AND PURCHASING SERVICES

WHEREAS:

1. **Media buying at Energy Trust allows programs to advertise in print, radio, TV, outdoor and online, creating program awareness, and promoting services, programs, and products.**
2. **Advertising is the most common answer to how participating customers first hear of us, and there is a clear connection between advertising and customer awareness and engagement, leading to savings and generation.**
3. **Increased advertising reach, using a professional media buyer with constant media contact and significant media data, would allow Energy Trust to expand customer participation by increasing the number of times people see our message.**
4. **Media planning and buying is currently done on an annual basis, requiring staff time in Communications & Customer Service and Finance over several months to plan and process invoices for roughly 75 contracts. Most of this time can now be reallocated to other priority activities in the 2019 business plan.**
5. **Following a review of proposals received through a request for qualification competitive bidding process for advertising purchasing services, staff proposes to execute a contract with Coates Kokes to purchase up to $1.2 million in advertising on behalf of Energy Trust through multiple media contracts, consistent with the 2019 board approved budget, for the purchase of broadcast radio, TV, print and non-programmatic online media in 2019.**
6. **Based on scoring of proposals, staff believe Coates Kokes is uniquely suited to do this work and has demonstrated skill, expertise, and competitive pricing.**

It is therefore RESOLVED, that the board of directors of Energy Trust of Oregon, Inc. authorizes the executive director to:

- **Sign a contract with Coates Kokes for advertising purchasing services with terms and conditions that include, but are not limited to, the following:**
    - **Authorizing payments of up to a total of $1.2 million for the purchase and reporting of broadcast radio, TV, print and non-programmatic online media on behalf of Energy Trust, with up to $157,500 of the total authorized contract amount payable to Coates Kokes for advertising purchasing services and up to $1,042,500 for advertising purchases made on behalf of Energy Trust and payable to Coates Kokes under contract terms and conditions;**
    - **providing for a contract term to cover advertising and advertising purchasing services through 2019;**
    - **providing for monthly reporting on purchased media reach and copy; and**

- **other terms and conditions to ensure Coates Kokes services and media purchases are designed and executed to further Energy Trust's advertising strategy.**

Moved by: Seconded by:

Vote: In favor: Abstained:

Opposed: [list name(s) and, if requested, reason for "no" vote]

Tab 3

About E3

The E3 team is a group of Energy Trust staff members who volunteer their time to improve the organization's internal environmental, economic and social sustainability practices. The cross-organizational team draws on skills in commercial, residential and industrial energy-efficiency and renewable energy program management, finance, legal, planning, IT, communications and marketing.

E3's goal is to ensure that Energy Trust remains a leader in sustainability performance by using the tenets of continuous improvement to review our internal operating practices, weigh their impact on the environment and act in innovative, cost-conscious ways to reduce that impact.

E3 Objectives

The E3 team aims to create a sustainable workplace by:

- Creating an organization-wide focus on our social, environmental and economic impact
- Conducting regular reviews of our current business practices, analyzing their environmental impact and improving our performance
- Engaging employees through environmental and social efforts that will enhance their experience with the organization through participation in E3 initiatives
- Regularly providing updates to staff
- Establishing baseline resource use, setting reduction goals and reviewing performance annually
- Educating employees on how they can incorporate sustainability practices at work and at home

Meet the E3 team members:

> "I work on the E3 team for the same reason I joined Energy Trust. I get to work and interact with a great group of people, and change the way people think about energy efficiency."

> "E3 helps me connect with folks across the organization in a fun and creative way."

> "I joined the E3 team to engage with my peers and help keep myself and our organization accountable to the sustainability goals we set."

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

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Energy Trust of Oregon's 2016-2017 Employee Sustainability and Engagement Report

PROVIDED BY ENERGY TRUST'S ENERGY, ENVIRONMENT AND ENGAGEMENT TEAM, E3

EnergyTrust of Oregon

A Note From Our Executive Director

We at Energy Trust of Oregon focus a lot on achieving our savings and generation goals for 1.6 million utility customers in Oregon and Southwest Washington. We share those results in various reports to the Oregon Public Utility Commission and make them available on our website. We're proud to talk about the myriad ways we help customers save money and energy. However, we infrequently talk about the work Energy Trust does as a workplace to reduce our own environmental impact. We seek creative, impactful ways to minimize our own energy consumption and materials waste, and leave a positive mark on our community.

This third edition of the Employee Sustainability and Engagement Report is a culmination of our staff's efforts to be better stewards of the energy we use at work, at home and on our commute. The report is created biennially by the Energy, Environment and Engagement team (E3) at Energy Trust, a group of volunteers who lead our internal sustainability efforts.

This year, Energy Trust has achieved many new accomplishments across nearly every aspect of our operation—from IT to transportation to how we engage employees in creating a cleaner, more efficient and vibrant workplace. I appreciate our staff's ongoing commitment to live our vision and am proud of the accomplishments this report highlights.

Sincerely,

Michael Colgrove

About Energy Trust of Oregon

Energy Trust is an independent nonprofit organization dedicated to helping utility customers benefit from saving energy and generating renewable power. Our services, cash incentives and solutions have helped participating customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista save $3.2 billion on their energy bills.

We help homeowners, renters, multifamily property owners, farmers, ranchers, businesses of all sizes and types, school districts, cities and counties use less energy, generate renewable power and protect the environment. By working together with customers, we are helping to keep energy costs as low as possible and building a sustainable energy future.

Our Purpose

To provide comprehensive, sustainable energy efficiency and renewable energy solutions to those we serve.

Our Vision

A high quality of life, a vibrant economy and a healthy environment and climate for generations to come, built with renewable energy, efficient energy use and conservation.

Our Values

Introduction

Building on our national reputation for innovation and success, Energy Trust is committed to demonstrating environmental leadership in our office space and beyond. Energy Trust's Energy, Environment and Engagement team, E3, is a group of Energy Trust staff members who volunteer their time to improve the organization's internal environmental, economic and social sustainability practices. E3 seeks to influence work habits, build community involvement and encourage employees to seize energy-efficiency, sustainability and community engagement opportunities—all while keeping Energy Trust values in focus.

Our Employee Sustainability and Engagement Report helps to track progress toward internal employee sustainability goals, and acknowledges widespread employee efforts. This report covers activities and efforts supported by E3 in 2016 and 2017.

Measuring and Tracking our Environmental Profile

We measure our environmental profile across six different categories: Office Indoor Environmental Quality, Energy, Water, Waste Reduction and Recycling, Purchasing and Travel. The E3 team tracks and evaluates the success of our internal goals in these categories to improve sustainability and reduce costs for the organization. The E3 team is also committed to creating a workplace that fosters employee engagement and outreach. Here is a summary of our efforts and results in each category.

Office Indoor Environmental Quality

In 2011, Energy Trust moved its office to the 120-year-old Lincoln Building in Portland. When tenant renovations for the Class B office space were in planning stages, staff saw an opportunity to include energy-efficiency and sustainability improvements. The goal was to create a productive and engaging space for staff and visitors, while keeping operating costs low and demonstrating how cost-effective energy-efficiency improvements can be integrated into a renovated space with a modest budget. Energy Trust and its property management company incorporated a wide range of sustainable features.

Indoor Air Quality

- Outdoor air intake is well above American Society of Heating, Refrigerating and Air-Conditioning Engineers standards
- More than 70 percent of cleaning products used in the office meet sustainability criteria that support indoor air quality

Materials

- Flooring is sustainably sourced
  - Cork floors have adhesives with low volatile organic compounds, VOC
  - Linoleum flooring has 47 percent recycled content and 23 percent rapidly renewable materials, such as linseed oil and jute
  - Carpet has 44 percent recycled content and is 100 percent recyclable at the end of its life
- Vinyl wall coverings and paint on walls are low VOC
- Decorative wood in the reception area is 100 percent reclaimed wood—a recycled byproduct of fast-growing poplar used in furniture and pulp manufacturing
- Herman Miller workstations have 54 percent recycled content; at the end of their useful life, 69 percent of materials can be recycled
- Kitchens include compost receptacles and built-in bins for separating recyclable materials—there are no garbage disposals to further encourage staff to compost food waste

Energy Trust's office space features energy-efficient lighting and sustainable materials

Like many tenants who lease only one floor of a building, a complete picture of the organization's energy use is difficult to create. Meters on the floor we occupy track some of our electricity use while single utility meters capture the electric and natural gas usage for the building as a whole, including building systems shared with other tenants. Still, we were able to implement the following key energy-saving strategies.

Lighting and Appliances

Energy Trust worked with architects, electrical engineers, lighting designers and product specialists to select the most efficient and cost-effective lighting for our office space within the Lincoln Building. The new lighting system includes LEDs, occupancy controls and daylighting technologies that are 35 percent more efficient than Leadership in Energy and Environmental Design, LEED, baseline. As a result, our floor earned LEED Gold certification.

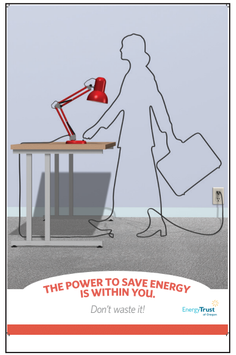
Energy Trust has implemented additional energy-saving improvements, many of which were suggested by employees:

New information on hard drive functionality at high temperatures has opened the door to less stringent climate controls in the Energy Trust server room. Since the new requirements allow the servers to operate at higher temperatures than before, we can save energy on server room cooling. A specialized HVAC system now uses the central building atrium for air exchange and leverages natural temperature changes throughout the day.

During regular business hours, **server room exhaust** is expelled through the building's exhaust system. After business hours, the exhaust chimney closes and the server room exhaust is released into the building's atrium. Because the atrium is the coolest and also the least trafficked area of the building overnight, it serves as an ideal heat sink. During the day, the atrium temperature is gauged by a sensor that relays information to displays in the server room. If the temperature in the atrium is still lower than the outside temperature, air is brought in utilizing the HVAC fan, but the air exchange can be controlled manually at any time if the server room needs further cooling. The HVAC compressor only comes online when the intake air temperature exceeds approximately 84 degrees Fahrenheit.

Workstation Energy Usage

Staff are encouraged to turn off computer monitors when stepping away from their desks for extended periods and to turn off computers at night. Energy Trust also provides staff with energy-saving tools for their workstations. Monitors and task lamps may be powered through a motion sensor activated power strip, called a Watt Stopper, so that they turn off when employees leave their desks and turn back on when they return.



Additionally, non-user assigned workstations such as conference and training room systems have strict power-saving settings for sleep/hibernate modes and hard drive/monitor shutoff idle timers. Flyers are posted throughout the office to remind staff to turn off equipment when not in use.

Renewable Energy Certificates

To ensure that our day-to-day operations match our organization's commitment to a cleaner future, all of our energy purchases are offset through Renewable Energy Certificates, RECs, through the Bonneville Environmental Foundation. Energy Trust purchases RECs based on the previous year's annual consumption. The purchase of RECs helps replace fossil-fuel based electricity generation with renewable generation.

Water

Energy Trust minimizes water use in the office by using the following water-saving technologies:

- Low-flow faucet aerators in the kitchens (2.2 gallons per minute, GPM) and bathrooms (0.5 GPM)
- Automated water flow time for bathroom faucets reduced from 20 seconds to eight seconds
- Bathrooms are equipped with dual-flush toilets that use up to 40 percent less water compared to standard models, and waterless urinals save up to 40,000 gallons of water per year
- ENERGY STAR® high-efficiency dishwashers in the kitchens

Water Restoration Certificates

Our remaining water usage is offset with the purchase of Water Restoration Certificates through the Bonneville Environmental Foundation. These credits are certified by the National Fish and Wildlife Foundation and support in-stream water restoration to account for our office water usage. Each year, Energy Trust purchases 588 certificates, based on the square footage of the office floor. Each certificate represents 1,000 gallons of water that directly contributes to restoring the economic, recreational, and ecological vitality of national freshwater resources.

Waste Reduction and Recycling

Strategies to reduce waste and promote sustainable behavior include:

- Paperless invoicing since 2015
- Dyson hand dryers in bathrooms produce up to 80 percent less carbon dioxide, CO2, than other hand dryers and up to 76 percent less CO2 than recycled paper towels
- Cloth towels available in kitchens reduce paper towel and napkin use
- Built-in water filters installed in kitchens discourage plastic water bottle use
- Composting available for coffee grounds and food scraps
- Recycling options available for glass, plastic, aluminum and paper products
- Reusable silverware, dishes and to-go mugs available for employee use instead of disposable dishes or cups
- Reusable GO Box containers are provided at no cost for employees to use for takeout lunches
- Toner and plastic ink cartridges in small printers and wax ink in large printers are recycled
- Shared trash cans in work stations reduce plastic bag disposal and encourage proper disposal of compostable and recyclable materials
- Print settings on all printers default to double-sided, black and white printing
- Single-sided printed paper is upcycled and bound into notebooks for staff use

Waste Audit

In March 2016, a waste audit conducted by volunteer E3 members found that 12 percent of garbage in the Energy Trust office could have been avoided, down from 38 percent in the 2015 waste audit. The most frequently found avoidable items were plastic and paper coffee cups, tea bags and plastic clam shell to-go containers. The E3 team shared these results with staff and provided guidance on what can be recycled, composted or avoided. The E3 team performs a waste audit at least once every two years.

Recycling Board Installations

To help staff and visitors sort waste materials in the office, E3 posted guides for recycling, compost and waste next to the kitchen receptacles. Standard waste items are pinned to bulletin boards to guide staff and visitors where an item should go, including recycling, compost, trash and Styrofoam recycling—which is recycled separately from standard recycling.

Waste Reduction and Recycling

Electronic Waste Management and Recycling

Consumer batteries (AA, AAA, 9-Volt) used in Energy Trust equipment are rechargeable, limiting unnecessary waste. Hazardous electronic components that have failed or have become obsolete are sent back to their manufacturers (using programs such as Dell Business Recycling) or recycled through certified electronic recyclers. These items include hard drives, power supplies, memory modules and expansion cards that contain hazardous materials such as lead, cadmium, mercury, beryllium, hexavalent chromium, antimony, brominated flame-retardants, PVCs and PCBs.

Staff can also bring dead batteries into the office for recycling. Batteries are recycled through GreenCycle Electronics to ensure that no hazardous materials are sent to the landfill.

Donations to Free Geek

When computer systems and equipment reach the end of their lifecycle, they are donated to Free Geek. The nonprofit organization accepts these electronics to use in job training and educational programs, donate as grants to individuals or organizations or resell to fund community computer classes. Free Geek recycles electronics that cannot be refurbished or otherwise reused.

TerraCycle

Beginning in 2018, the E3 team has offered rotating options for recycling non-curbside recyclable materials such as bottle caps, plastic bags, snack wrappers and more through TerraCycle. These TerraCycle boxes are located in the main kitchen at Energy Trust's office and through this effort, E3 is helping to divert even more items from the waste stream and will look for additional ways to enhance recycling services in the office.

Purchasing

In June 2007, Energy Trust adopted a sustainable procurement policy encouraging products and services to be purchased in the most efficient, cost-effective and environmentally responsible manner whenever possible. In addition to our standard practice of obtaining multiple product and service bids and selecting the lowest-cost option that meets our needs, Energy Trust's procurement policy allows for spending of up to 10 percent more for products that are made locally and contain recycled and/or organic content. The following are some of our purchasing decisions made within these cost parameters.

Equipment

When replacing copy machines that had reached the end of their useful life in 2015, Energy Trust selected new copy machines that reduce electricity consumption and paper use. In addition to cost-effectively serving Energy Trust's operational needs, the new copiers achieve the following efficiency gains:

- Power-save mode during downtime reduces electricity use by 18 percent
- Reduction of 7.5 hours of run-time per week with a shorter warmup period
- Expected reduction in re-printing based on improved notifications for low ink and paper jams

Purchasing

Paper

For our in-house printing, we select recycled paper that contains 50 percent post-consumer waste, up from 30 percent in our previous purchasing through 2015. For professional printing needs, we choose to work with print houses that use sustainable practices and print with vegetable-based inks.

Food and Catering

We purchase coffee that is fair-trade and delivered by a local vendor that received an Innovation in Sustainability Award from the Portland Business Journal in 2014.

Food provided for meetings and office events contains minimal packaging. Catered meals are generally purchased buffet-style to use non-disposable dishes, utensils and glasses. Local and organic ingredients are selected when they incur 10 percent or less in additional costs.

Travel

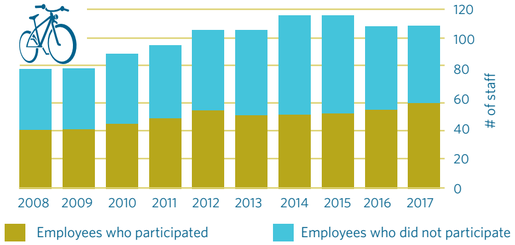
When employees need to travel outside of the office, Energy Trust supports a variety of efficient and sustainable options:

- A bicycle, helmet and lock are available to employees for local travel
- All full-time employees receive TriMet passes for travel on bus, streetcar and light rail, purchased by Energy Trust at a discounted rate
- Zipcar memberships are available for employees to use when work-related travel by car is needed; use of hybrid vehicles is encouraged
- Carpooling is encouraged and used for travel to conferences and events
- Long-distance travel to conferences is kept to a minimum, and state or regional conference attendance is prioritized over out-of-state conferences

Bicycling

Many staff are passionate bike commuters, and Energy Trust supports this sustainable commuting option. Each year, E3 provides resources and support for staff during the Street Trust (formerly Bicycle Transportation Alliance) annual Bike More Challenge.

Since 2006, Energy Trust has entered the challenge and finished in the top 10 every year, motivated by carbon reduction and team-building opportunities. Staff participation rate is consistently more than 40 percent each year.



In 2017, 53 percent of employees participated in the Bike More Challenge, with nearly half of participating employees biking for 100 percent of their commutes to the office. Energy Trust came in fifth place in the Large Businesses and Non-Profits category with about a 53 percent commute rate (percentage of commutes by bike) and 8,034 total miles logged.

Informal competition has become tradition between staff, with employees teaming up to see who can ride the most miles and take the most trips throughout the month. At the end of the challenge, employees are invited to meet and review the results. Riders with the highest mileage, riders who biked the most often and the team with the highest percentage of participation are recognized.

Employee Engagement and Outreach

Employee Engagement

Every year since 2005, Energy Trust has conducted an employee engagement survey to gauge employee satisfaction and identify opportunities for improvement. Year after year, staff have reported that they understand Energy Trust's mission and values. Energy Trust strives to increase response rates and engagement by providing follow-up plans to staff that identify improvement areas. In 2017, Energy Trust was ranked sixth out of 33 large nonprofits for the 100 Best Nonprofits to Work for in Oregon by Oregon Business magazine.

Energy Trust supports many employee-supported engagement activities, including three committees in addition to E3:

Diversity Committee

Since 2015, Energy Trust has been increasing our capacity to incorporate diversity, equity and inclusion into organizational practices. Energy Trust developed a Diversity, Equity and Inclusion (DEI) Committee to help drive and support operational and organizational goals, including the following staff-targeted efforts:

- Staff developed a diversity, equity and inclusion operations plan to better understand if and where gaps exist, and to achieve energy efficiency and renewable energy program participation outcomes across a broad range of customer characteristics, including communities of color, rural communities, and people with low and moderate incomes in all areas of our programs and operations.
- To develop this diversity, equity and inclusion operations plan, Energy Trust staff members engaged in a six-month planning process in which staff and Management Team discussed concepts. Board members, Oregon Public Utility Commission staff, community leaders, and DEI professionals were also engaged to help craft and revise the plan and goals.
- Energy Trust regularly conducts intercultural effectiveness and demographic surveys. These surveys were developed to establish a baseline of staff demographics and views prior to rolling out targeted efforts with DEI. The surveys are sent out every two years to identify changes in recruitment, retention and DEI awareness. Goals related to results have been identified in a DEI operations plan, which ties to the organizational strategic goals and provides a good metric for progress.
- Energy Trust began offering "working across differences" training in 2016 and made training mandatory in 2017. The training is a means to increase DEI awareness and development among staff. The trainer uses engaging and interactive approaches to encourage critical thinking and discussion.
- Energy Trust conducted its first Diversity Day in 2017, where local leaders were brought in to talk about their experiences with diversity and provide perspectives that would get staff thinking in new ways about how their work impacts various communities in our service territory. Representatives from government agencies, as well as Oregon Tradeswomen, the Beaverton Diversity Advisory Board, Business Diversity Institute, Constructing Hope, Partners in Diversity and NW Natural interacted with staff about their experience.
- Diversity, Equity and Inclusion Book Club began in early 2017 to encourage education and staff discussion on topics related to diversity, equity and inclusion. The group alternates between current articles and books with a rotation of discussion leaders. Facilitated discussion provides a structured, yet inclusive and robust conversation that inspires new ideas and connection among staff.

Employee Engagement

Safety Committee

The volunteer Energy Trust Safety Committee provides leadership in matters of safety through four objectives:

- Involve employees in achieving a safe, healthful workplace
- Promptly review all safety-related incidents
- Present inspection reports at organizational staff meetings
- Annually evaluate Energy Trust's workplace safety and health program and make recommendations for improvement to management team

Wellness Committee

Energy Trust created the volunteer Wellness Committee in 2015 to facilitate employee health and well-being by increasing awareness of health and wellness among staff, supporting an active culture, and developing and sustaining programs designed to improve employee wellness.

The committee has successfully accomplished its mission over the past several years through the following efforts:

- Operating the Snack Kiosk, selling healthy snacks to staff
- Hosting annual biometric screenings and flu vaccination clinics
- Offering quarterly Wellness Seminars on topics ranging from nutrition and stress management to personal care products and elder care
- Bringing a massage therapist onsite for 15 minute employee-paid chair massages
- Purchasing equipment for weekly yoga classes and employee-led Fit n' Fun sessions
- Sponsoring the Energy Trust softball team
- Collaborating with E3 on the Bike More Challenge and the Employee Engagement Passport
- Raising awareness of wellness topics and Wellness Committee offerings by contributing to Pit Stop three times a year

Like the E3 team, the Wellness Committee consists of volunteer staff members who support a productive and effective workplace.

Health Activities Managed By Volunteer Staff

Staff volunteer their time to initiate and maintain engaging, healthy group activities and amenities such as a weekly yoga class, a workout group called "Fit 'n Fun," and a co-ed softball league.

Pit Stop Newsletter

The internal newsletter is posted monthly to provide updates to staff about program and operations information, project milestones, staff birthdays, profiles of staff members and humorous stories to promote team connections. E3 often contributes sustainable tips for home, office and other areas of life and promotes fun challenges for employees.

Office Challenges

E3 has leveraged techniques used in our Strategic Energy Management programs to engage staff through friendly competition. Examples include challenging staff to turn off lights and computers, commute to work by bike, and change their recycling and composting habits.

Sustainability Fair

In 2017, E3 and staff volunteers held the fourth annual Sustainability Fair for all tenants of the Lincoln Building, featuring activities and information on Energy Trust offers, gardening, bike maintenance, recycling, beekeeping, sustainable jeopardy and many other fun activities. The fair is a great way to inspire other building tenants to incorporate sustainability efforts into their businesses and homes. The E3 team is excited to continue hosting this annual fair.

Employee Engagement Passport

In January 2017, E3 unveiled its first-ever Employee Engagement Passport. The passport program was created to encourage staff participation in local community activities, and events and offerings from the E3, Wellness and Diversity teams. Staff are rewarded for spending time on these activities by getting a stamp for each qualifying activity they complete. With enough stamps, staff get a recognition token which can be redeemed for prizes like reusable mugs and gift cards to local businesses. The passport runs on the calendar year and E3 is committed to releasing a new passport every year.

Employee Outreach and Volunteering

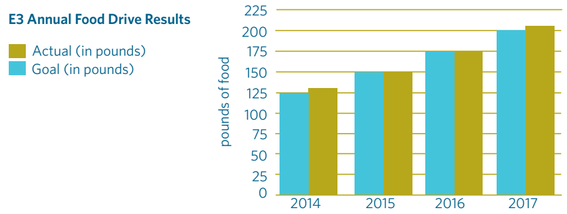
Oregon Food Bank

Since 2014, E3 has held an annual food drive in December to benefit Oregon Food Bank and organizes a volunteer opportunity to pack bulk food for distribution at Oregon Food Bank's main warehouse.

Each following year, E3 has increased the overall goal of the food drive, and as shown in the chart below, has met or exceeded that goal.

In 2017, Energy Trust employees donated more than 200 pounds of food, exceeding the donation goal and total for every previous year. Several employees and friends also volunteered personal time at Oregon Food Bank. Collectively, the warehouse volunteer group bagged 23,168 pounds of potatoes, equivalent to 4,424 meals.

E3 Annual Food Drive Results



Previous Goals

The goals the E3 team laid out in its 2015 Sustainability Report were:

- Conduct a survey to set a baseline and goal to reduce paper use in meetings
- Purchase carbon offsets for necessary air travel to conferences by 2017
- Explore whether to purchase only 100 percent recycled paper, which could reduce our carbon footprint by 1,200 pounds of CO2 annually without substantially increasing costs.

Results

- Purchased 100%-recycled paper, but discovered it caused problems with our existing equipmentowever E3 was able to implement 50%-recycled paper (up from 35%)
- Installed workstations in our non-conference meeting spaces to allow employees to collaborate electronically, thus reducing paper resources
- Carbon offsets were not purchased, but this continues to be an option the E3 team is exploring

Goals for the Future

After successful implementation of a variety of sustainability practices at Energy Trust, we continue to look for even more ways to improve. Some of our goals for the future include:

- Continue to host annual Sustainability Fair
- Provide opportunities for staff to recycle non-curbside items, and other household appliances
- Collaborate with Energy Trust's other volunteer committees to enhance employee engagement

Packing bulk foods at Oregon Food Bank

Tab 4

Audit Committee Meeting

November 14, 2018

Attending at Energy Trust offices
Mark Kendall, Roger Hamilton, Pati Presnail, Michael Colgrove, and Jennifer Price (Moss Adams)

Attending by Teleconference
none

Meeting began at 9:00 a.m.

Financial Audit Entrance

The 2018 financial audit begins with interim field work December 10. During this entrance meeting with the committee, Jennifer Price from Moss Adams presented the required communications which include auditor responsibility, the risk-based audit process, materiality and significant audit areas.

The auditor responsibilities include assessing whether the financial statements prepared by management are fairly presented in all material respects in accordance with U.S. GAAP (generally accepted accounting principles). The audit will be performed in accordance with generally accepted auditing standards issued by the AICPA. The auditors will consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures. The auditors will communicate findings that are relevant to the Audit Committee's oversight responsibilities.

The audit process is risk based, and focused on areas of higher risk and materiality. The process includes testing internal controls; performing analytical procedures such as reviewing revenues and expenses; observing trends, comparisons and expectations such as the strategic plan and budget; and performing substantive procedures such as confirming account balances, obtaining representations, vouching documentation and examining other objective evidence.

Significant audit areas include cash and investments, payments, funding and program expenses.

To identify fraud-related risks of material misstatement, the auditors conduct personnel interviews, document their understanding of internal controls, and consider unusual or unexpected relationships. They will examine journal entries for nonstandard transactions, evaluate policies for revenue recognition, and analyze significant estimates and rationale for significant unusual transactions. Each year the auditors brainstorm "surprise" procedures. In the past they have chosen surprise procedures for incentives, expense reports and payroll payments.

The audit begins with this entrance, interim field work in December, and final field work in February. Staff will schedule an Audit Committee meeting in March, and then present the final report to the full board of directors in April. The 990 tax return will be due May 15.

Accounting Update

Jennifer Price presented new standards for revenue recognition, which staff and the committee doesn't expect will have any implications for Energy Trust, and lease accounting changes going into effect in 2020.

Jennifer suggested that the committee invite tax partner Wendy Campos to present the changing landscape for non-profit tax considerations. The committee discussed doing this in March, or a separate Audit Committee meeting in the near future. Everyone agreed this would be highly valuable.

Discussion
Mike asked if there are more procedures he and Steve Lacey should perform to help monitor against fraud opportunities within the finance group itself. Jennifer responded that a minimum internal control is to require two sets of eyes on everything. Mike asked about payments to PMCs and whether review procedures are sufficient. Jennifer explained the confirmation process, and Mike asked if staff confirm with participants whose incentives were passed through via a PMC. Mike and Pati agreed to review which payments are passed through and bring back recommendations at a future meeting.

Jennifer suggested the Audit Committee adopt a charter to help members and the board understand the Audit Committee responsibilities. She will send a sample to Pati.

At this point the committee thanked Jennifer, and Jennifer left the meeting.

990 Tax Return

Pati informed the committee that the 2017 990 tax return is ready to be filed. While it is not required that the board of directors review the return, it is best practice for the board of directors to receive a copy and have an opportunity to ask questions about the return. Mark will support Anne in announcing this at the board meeting later today.

Management Review

Pati informed the committee that in 2019 Energy Trust is due to undergo a Management Review as required every five years in the grant agreement with the OPUC. While the review has certain required components such as a review of administrative costs and allocations, there is room within the review to include other areas of operational efficiency improvements. Mark recalled the last review focused on efficiency, and lead to applying “lean manufacturing” analysis, process mapping and time keeping to uncover work that could be made more efficient. Pati noted that since the organization just went through a Secretary of State performance audit with a focus on administrative costs, perhaps the next review could focus and recommend best practices for allocations between grant-covered public purpose funds and other funds, such as Community Solar.

The timing of the review will be an RFP process in February, and the final report delivered no later than September.

Mike asked who is managing the project, and all agreed that project management is key.

Next steps will be a discussion with Management Team, developing the project charter and team, and establishing a meeting schedule for the Audit Committee to oversee the process.

Meeting adjourned at 10:00 a.m.

The next meeting of the Audit Committee: Next meeting date will be confirmed with the 2019 Board calendar. Future subject matters: charter, tax update, Management Review and financial audit results.

Tab 5

Evaluation Committee Meeting

October 5, 2018, 12:00 p.m.

Attending at Energy Trust offices

Mike Bailey, Tom Beverly, Susan Brodahl, Christina Campbell, Shelly Carlton, Sarah Castor, Phil Degens, Andy Eiden, Sue Fletcher, Fred Gordon, Jackie Goss, Andy Griguhn, Nicole Hillis, Andy Hudson, Jessica Iplikci, Marshall Johnson, Ken Keating, Oliver Kesting, Anna Kim, Eric Koch, Erika Kociolek, Steve Lacey, Scott Leonard, Jennifer Light, Dave McClelland, Alan Meyer, Spencer Moersfelder, Dulane Moran, Amanda Potter, Ashley Prentice, Thad Roth, Dan Rubado, Brien Sipe, Kenji Spielman, Cameron Starr, Peter West, Jamie Woods

Attending by Teleconference

Lindsey Hardy – *Evaluation Committee Chair*, Warren Cook

2018 Trade Ally Survey

Presented by Sarah Castor

Background: The last time Energy Trust did a general trade ally (TA) survey was in 2013. We took a break from the annual survey to refocus our efforts. During that time, we still conducted research, including the Trade Ally Network Evaluation in 2014, smaller surveys about specific trainings and forums, and we also talked to TAs as a part of regular program process evaluations. This 2018 survey is the first time in five years that we have done a survey of a broad swath of our TAs. Questions focused on TA business characteristics and practice and the various types of support that we offer them and that they might use. The report is a high-level summary without many cross-tabs; the next step is to get the survey data, which includes each respondent's name and firm, so that we can look at the results in more detail and get more insight about why answers look the way they do. This was a survey of TAs enrolled as of June 2018 who completed at least one project in 2017 or 2018. We have a fair number of allies who are not active with us – they have enrolled but not submitted projects yet. The sampling ensured that TAs from all major sectors and all regions of state were invited to take the survey.

The survey was web-based and fielded in July and August 2018. It was about 20 minutes long, which is a long time to respond to a web survey, so we provided an incentive of $10 to each TA who completed the survey. We needed to make reminder calls to non-respondents, but we did not complete surveys by phone. We got responses from 180 TAs, for a response rate of 24%.

Trade Ally Survey Contacts and Respondents

	Total	Respondents
Total trade ally contacts (as of June 2018)	**1,484**	**180**
Not surveyed • No completed projects in 2017-2018 • Selected to receive an interview invitation for the Existing Buildings Process Evaluation	692	0
"Inactive": 1-9 projects in 2017-2018	475	99
"Active": 10 or more projects in 2017-2018	317	81

As shown in the table above, the sample frame started out with about 1,500 TA contacts from about 1,400 firms. We removed ones that had not completed a project, as well as TAs that we wanted to invite to participate in an interview about the Existing Buildings program for a process evaluation happening at the same time as we did not want to burden TAs with multiple requests for their time. In all, we ended up removing around 700 contacts, which left 475 that had completed less than 10 projects and about 300 that had completed 10 or more projects. The respondents were distributed roughly equally between those two groups.

Findings: About half of survey respondents were owners or principals at their firm, while the other half were a mix of administrative and office staff, project managers, technician and others. The survey invitation was sent to the primary contact on file for the enrollment, and because many firms are small, that tends to be the owner. About 40% of respondents said their firm has fewer than five employees; another 40% have 5-19 employees. Fred asked if companies with multiple sites or offices would show us as a single response to the survey or multiple responses. Sarah said that the sampling was done by CRM account and often companies with multiple offices will have multiple CRM accounts. There aren't that many companies that have multiple offices, but there are some.

Respondents often reported that their firm serves multiple sectors, with 73% serving residential sites, 53% serving commercial and 49% serving multifamily buildings. A quarter of respondents serve the industry and agriculture (I&A) sector, while 17% install solar systems. The report of sectors served is different from what we see when we look at program enrollment data – respondents report serving more sectors than they are enrolled as a TA. It could be that TAs are not enrolling in all the programs for the sectors they serve or that the respondents are more likely to serve multiple sectors than the average TA. We asked about specific market segments served within the sectors. Almost all residential TAs serve owner-occupied homes, three-quarters serve rentals and two-thirds serve manufactured homes. On the multifamily side, a lot of respondents served individual units and condos, and affordable housing, and about half served market-rate multifamily properties. For commercial, 60% said they served large commercial and 50% serve grocery. For the industry and agriculture sector, there were many categories from which to choose; the most commonly selected were manufacturing, cannabis, and refrigerated warehouses. Solar respondents tended to serve both residential and small commercial; only half served large commercial.

Two-thirds of respondents said their firm had been a TA for more than five years. Just over a third serve the Portland Metro & Columbia Gorge region, and/or the Willamette Valley, 18% serve Eastern Oregon, and 14% serve Southwest Washington. Thirty-five percent serve Southern Oregon.

We asked respondents how far they typically drive for a job and how far they are willing to drive. Not surprisingly, industry and agriculture respondents tend to report traveling farthest, as they often work in rural areas. At least 40% of single-family and multifamily respondents are willing to travel more than 75 miles for a project, indicating that they serve a broad territory.

When asked about the portion of their 2017 revenue that came from projects that received an Energy Trust incentive, commercial and I&A respondents tended to report smaller amounts (less than 25% of total revenue) than other respondents. In contrast, solar respondents report that more of their revenue comes from Energy Trust projects than other respondents. Most respondents did not expect a decrease in the portion of their projects associated with Energy Trust over the next year. However, 40% of solar respondents said they expect to see a

decrease, which makes sense given the discontinuation of the Residential Energy Tax Credit (RETC) at the end of 2017.

In alignment with the work we are doing on Diversity, Equity and Inclusion (DEI), we asked whether TA businesses were women-, veteran-, or minority-owned. Responses show that 12% are women-owned, 10% are veteran-owned and 6% are minority-owned. Results do not differ much by sector served, except for solar, which has lower rates for all ownership types. The ownership rates reported in the survey are higher than what we have found when looking at COBID registrations for our TA network and this is an area where we want to look further into the data.

We wanted to understand if TAs are prepared to support customers in languages other than English. About 25% of respondents said they can support customers who speak Spanish, which was the most common language. There were a few other languages supported in smaller numbers. Respondents estimated that less than a quarter of their sales are from non-native English speakers. It is important to note that this segment of trade allies is more active than the average in our network, so the results may not be representative of the full network.

The survey included several questions about experience with paperwork and incentive applications. About half of respondents said they complete all customer applications, and another 20% complete applications most of the time. As to common reasons TAs do not complete an application for the customer, the most frequent answers were that the customer prefers it that way, or they cannot access necessary information; a few said the paperwork is excessive for them. Owners are often the ones completing applications along with administrative staff. Most respondents reported the average time to complete an application is less than an hour, except for solar allies whose applications take longer. In addition to asking how long applications take, we asked TAs if that amount of time is reasonable to them. About half said the time is reasonable and another 22% said it is very reasonable. Among solar respondents, 45% said the time required was slightly unreasonable.

This year we asked some new questions about subcontracting. We first asked what percent of jobs use subcontractors and two thirds of respondents said they use subcontractors in less than 25% of their jobs – not a high prevalence, though 12% of respondents said 100% of their jobs use subcontractors. Electrical work was the most commonly reported work to be subcontracted and plumbing was a distance second. We also asked what percent of their subcontracted jobs used women-, veteran- or minority-owned subcontractors; about 40% said they did not know, while the remaining respondents were split between “none” and “less than 25%”.

As in previous TA surveys, we had some questions specifically for solar TAs. We know that the market has changed since RETC ended. Specifically, two-thirds of respondents said their business approach has changed since the expiration of RETC. A third of solar respondents reported more than 75% of their firm’s revenue was from non-solar projects. Almost all reported a decrease in inquiries from customers about solar this year. In terms of their current pipeline of solar projects, a third said (at the time the survey was fielded) they have no projects currently planned, while 55% of respondents who serve residential and 29% of those who serve commercial have projects to cover the next month. Dave McClelland, solar program manager, said that matches what the program saw during this time as far as change in volume. At the time this survey was fielded, TAs surveyed were probably still waiting for checks from RETC projects which were delayed because of the high volume of projects submitted before the expiration, and at the same time they didn’t have a new pipeline of projects coming in the door. Trade allies’ overall satisfaction with the solar program was also affected at this time by Energy

Trust's incentive application system upgrade and the time it took to learn the new process, and a reduction in independent verifiers. Dave reported that there was a great deal of transition for solar contractors when this survey was fielded and that things are on a better track now.

The survey asked about satisfaction overall and with specific aspects of their experience with Energy Trust: interactions with program staff, response time to requests for information and assistance, quality assurance and quality control processes, and incentive payment processing time. Three-quarters were satisfied with Energy Trust overall. Satisfaction with payment processing time was the lowest of the various aspects, especially for solar and industrial and agriculture respondents. This is an area where we want to look at the individual survey responses to understand the possible causes. Staff were surprised with the results and requested additional detail. Cameron noted that we ask a similar question about incentive processing time of customers through Fast Feedback and satisfaction there is higher. Jamie asked if the incentives for solar and I&A go directly to the trade ally or to the customer. For solar, the answer depends on whether it is a residential or commercial project: all residential payments go to the contractor who passes it as a discount on the project cost, and this can be a real cashflow concern for the TA. For commercial solar projects and industry and agriculture projects, the incentive goes to the customer by default, and they have the option to assign it to the TA.

It is not surprising to see some lower ratings on satisfaction in surveys like these. Jamie suggested that we look at the likelihood of responding to the survey based on firm characteristics. Fred asked what the respondent counts were for solar and I&A; Sarah said there were 22 respondents for solar and 39 for I&A.

Two-thirds of respondents said their relationship with Energy Trust had stayed the same over the last year and another quarter said it has improved. When asked about why there was an improvement, comments were frequently about experiences with staff – developing a better relationship with someone or staff being more responsive to their requests. Only 8% of respondents said their relationship with Energy Trust had deteriorated; there was no dominant reason, though a couple said it was related to incentive changes.

We asked respondents about their familiarity with some existing and potentially new TA support offerings, and we followed that up by asking if they were interested in, or already using, them. Many respondents are already familiar with, and interested in, training and business development funds, which cover co-op marketing and other uses. Travel reimbursement for conferences and trainings isn't currently an offering, but 60% are interested in such an offering. Cameron noted that we will be piloting travel reimbursement for contractors to attend the trade ally forums this fall in Pendleton. Based on the results, we may roll it out to Southern Oregon. When asked about different training topics we could cover, about half said they were interested in savings calculation tools, code changes, selling the value of energy efficiency and/or program requirements and paperwork. The responses varied by sector served.

About half of respondents have attended forums or trainings recently, and the other half have not attended at all or in more than two years. Most said location does not prevent them from attending forums or trainings, while 17% said location makes it very difficult or impossible to attend. Alan asked if we had looked at the correlation between the response to this question and where the respondents are located. Sarah said this has not been done yet, but we are planning to look into it.

Asked how informative forums and trainings were, respondents generally gave positive reviews ("very informative" or "somewhat informative"). Responses about how important it was that forums or trainings qualify for continuing education credits were more mixed.

Respondents said their preferred communication channels with Energy Trust are email (84%), Insider newsletter (65%) and our website (59%), which are the main ones we use to communicate broadly to TAs. Two-thirds of respondents visit our website 1-3 times a month, while 20% never visit the website. Pages most often visited include program incentives, general program information, and program forms. Navigation of the website is easy for 60% of respondents and 37% rate it as neutral. Three-quarters had no interaction, or had no issues, with Paladin Risk Management, the company we use for insurance verification.

The Insider newsletter is being distributed every other month as of May 2018. A quarter of respondents always read Insider and half read it sometimes; a small number said they are not reading it at all (7%) or not familiar with Insider (10%). Insider article subjects that respondents said they would like to see include program updates and how to work with Energy Trust, technical articles or industry news, common problems and solutions, and emerging technologies.

We asked TAs if they are interested in using a company that can coordinate internships and apprenticeships with young adults. Responses were mixed, with about a quarter very interested, another third somewhat interested, and about 40% saying they are not interested at all or "don't know". Respondents are most interested in internship and apprenticeship candidates age 18 and older.

The star rating system is used to rate residential and solar TAs. The rating system is customer-facing, but is used for internal purposes, too. Three-quarters said they were familiar with the rating system, and of those, half said they feel the system is clear, with 43% saying it is somewhat clear. Sixty percent said that the system is fair, while 21% said it was slightly unfair. We also asked them for their assessment of whether the rating system is useful to customers; respondents had a hard time rating the usefulness, with mostly neutral ratings, although more said felt useful than not. The survey asked about a proposed change to the system where the rating would be based only on ratings from customers who had completed projects, rather than the current metric, which is based on response time, customer complaints, and few other factors. About 40% of respondents said they would support this change, 16% would not support it and a quarter have no opinion; another 17% said "don't know." We included a follow-up question to gather open comments on the possible change and we will be able to look more deeply at respondent sentiments.

Conclusions and Next Steps: Forums and trainings are seen as valuable by respondents. We have the opportunity to increase attendance through travel reimbursement or location choice. Many TAs are reading Insider and using our website, which is good because we depend on these for sharing information. There is high awareness of some types of TA support, such as business development funds and trainings; for other offerings, we have room to improve awareness. The star rating system is working OK, though TAs are open to changes. Applications do appear to be burdensome for some TAs, especially those who serve the solar and I&A sectors.

Our next step is a deeper analysis of survey responses and enrollment data. We will consider survey responses in planning locations for future forums. The star rating will move from three stars to five stars next year, and there is a lot to think through there. We want to look further at

firm ownership types (women, veteran and minority) and support for non-native English-speaking customers.

Anna asked if forums and events are hands-on or more like face-to-face chatting. Cameron said they have moved from a roundtable to something like a mini-conference, with breakouts, presenters, updates, and networking time. The ones in more rural locations with lower attendance are more like roundtables. Anna asked if there is a webinar option or interest in webinar-style meetings with TAs in rural areas. Tom said that in the past we have not had many takers on webinars, but could look into it again.

New Buildings Market Research

Presented by Phil Degens

Background: Research into Action (RIA) was selected to conduct this market research project for the New Buildings (NB) program. They conducted work from January to August of this year. The key goal of the research was to get feedback on the commercial new construction market and landscape. Commercial new construction is complicated to research because the project timelines are so long. If we want to learn about the design phase of projects, then that can be a long time in the past if you wait until projects are completed. For this project, our focus was on participants that had recent experience with the New Buildings program. One of New Buildings' major offerings is design assistance, which includes a design charette encouraging building owners and design teams to adopt efficiency measures early in the design process.

The Market Solutions track of the program provides packages of measures for specific small building types to streamline the program participation process. Market Solutions uses tiered incentives on a "Good, Better, Best, Very Best" scale for the various measure packages. The goal is to target smaller buildings and customers that have not participated in the past. This track also provides predictable incentives per square foot.

The system-based path provides standalone prescriptive incentives for individual efficiency measures.

The program also provides an energy modeling path to support more complex projects with whole building energy analysis. It will provide up to $50,000 for technical assistance with energy modeling. Alan asked if there is a cost share with the customer with the $50,000 cap on technical assistance funds. Jessica responded that the program pays about half the cost of analysis for most projects.

The final major program track is Path to Net Zero (PTNZ), which provides services and incentives to help customers achieve net-zero energy targets. The requirement is either building energy performance of 40% above code or net-zero annual energy use.

Findings: We looked at active projects in each program track since 2017 and identified the contacts associated with each project. Program participants received a variety of services and participated in all of the various program tracks.

Project and Contact Counts by Program Track

Offering	Total Projects		Total Contacts	
	Count	% of Total	Count	% of Total
System-Based	378	55%	358	58%
Market Solutions	118	17%	111	18%
Modeling Assistance	29	4%	31	5%
Early Design Assistance	302	44%	279	45%
Path to Net Zero	56	8%	48	8%
Total	686	100%	617	100%

We completed 90 interviews total. Surveys completed covered all of the program tracks and services provided.

Desired and Actual Completes by Program Track

Track		Desired Completes	Experience with	Provided details in interview
Low-Priority	System Based	30-40	61	39
Priority Group	Any High Priority	70	72	63
	Early Design Assistance (EDA)	Not specified	61	49
	Modeling Assistance (MA)		29	11
	Market Solutions (MS)		22	10
	Path to Net Zero (PTNZ)		24	17
Total Respondents		Up to 110	90	

Some respondents were unable to provide details in the interview about the track or service they had participated in. This is probably due to different people in each firm participating in different components of the program, and possibly due to recall in some cases. Most respondents were owners or owner representatives. Forty percent exclusively worked on projects in the Portland area. A third work only outside the Portland area. Half had been involved in the new construction market for over ten years. Nearly half were working on their first NB program project. This is good because it indicates that the program is getting new people in the door. Most had heard of the program from their peers—providing some good insight for marketing the program. One-third heard about the program through program outreach, including program representatives and marketing. One-quarter of the 20 design professionals interviewed offered the program to their customers selectively, for a variety of

reasons. They reported that some projects were too small, had short timelines, and were too resource constrained to be good candidates for the program. The rest of the design professionals always offered the program to their customers.

The program is now working with about 50% of the new construction market, so we're not sure if we should try to get more customers or go deeper with the ones that come in. Sometimes there are valid reasons that a project would not be a good fit for the program.

Participants' motivations for investing in efficiency were topped by financial reasons, particularly reduced operations costs and long-term savings. Better building performance was a weaker motivator. Social and environmental responsibility was a relatively important selling point for some customers.

Barriers to efficiency included financial concerns, particularly upfront costs, lack of knowledge of the benefits of efficiency, concerns about the equipment and new technology. This indicates that marketing can help provide education on the benefits of efficiency and allay concerns about equipment reliability or performance. People were generally not concerned about the energy savings not materializing. Building timelines can also prove difficult to work within to incorporate efficiency measures.

Satisfaction with the program and staff was very high across the board, consistent with past surveys and program evaluations. Many of the participants had not yet completed a building, they had just received some services from the program. In the past, we have usually interviewed them after projects were completed. We are going to move forward with talking to folks while they're in process to get better, more recent feedback on the program and services for future surveys. We felt like this provided better information and more timely feedback for the program.

Early involvement of the program made participating smoother and helped the design teams consider energy efficiency early in the design process. This allowed the design team to come to consensus about what types of efficiency measures they wanted to do and goals they wanted to achieve. Design team members were important to process because they handled the program participation process for building owners and representatives. Most respondents said that Energy Trust was easy to work with and the process was simple. Respondents that did multiple projects tended to use the same services and incentives time and time again. This indicates that it may be good to see if we can get repeat customers to do more and move up the efficiency ladder in future projects.

About one-third of respondents had attended a training event and almost all of these said that they valued it. About half of respondents considered renewables for their project and half of those indicated that Energy Trust had influenced their decisions about this.

Early design assistance: No challenges were reported in using this service. Participants liked that they could collaborate and build relationships, get face time with program staff, get exposure to new ideas and verification of ideas they had considered, learn about the program requirements, and receive incentive money for attending.

Market Solutions: The specifics of the process were not very memorable. Half could recall the specifics and thought the track was easy to participate in. Several respondents also believed that they received higher incentives than if they participated in the standard, system-based track.

Modeling assistance: 11 could speak to the specifics of this service. All 11 said they adjusted their designs based on modelling, but it did not influence wholesale change. Verification of energy savings of design features was also a modeling benefit.

Path to Net Zero: Most respondents were very satisfied with this track. Many of these participants were from mission-driven organizations. The majority said that the non-monetary services were key influences on completing PTNZ projects. Some were also motivated by the higher incentives for PTNZ. Most respondents reported keeping all of the efficiency measures that they considered at the outset of the project. Most either did solar or solar-ready. The major challenges were meeting budget requirements, coordinating with the design team, and conveying the benefits of net-zero to the uninitiated. Four firms said they had no major barriers to completing net zero projects. They were totally comfortable building to this standard. Respondents stated that the benefits of participating in PTNZ included having a path to follow to achieve a stated goal, long-term financial savings, building awareness for future projects, and serving the mission of their organization. Direct program benefits included incentives, modeling assistance, and early design assistance.

Conclusions and Recommendations: New Buildings has offerings appealing to a broad section of the new construction market. There are a variety of ways to participate, so each respondent could find a path that worked for them. New people are always coming into the program as well. However, past participants could be pushed to reach for even higher efficiency buildings. RIA recommended that the program investigate ways to work with past participants to try for even higher efficiency in future projects.

Respondents see verification of efficiency measures and design as a critical benefit of the program. RIA recommended that, along with messages about incentives and technical support, the program ensure that marketing materials include messaging about the value the program can offer to help verify designs and ideas.

Trainings were highly valued and more participation in these trainings could get more buildings and customers into the program. RIA recommended doing more trainings and to continue doing the existing ones.

Roughly half of new buildings are not going through program. This research can't shed any light on non-participants or why they are not participating in the program. This could be an important area for future expansion, or it is possible these customers are not well suited to the program.

Energy Trust Take: The program has a large number of participating projects and is attracting many market actors. Many new participants had not previously participated. Code is not currently a flash point and respondents had no issues with current building codes. The program goals are both resource acquisition and market transformation. We will never get 100% of the market, so 50% is pretty good. There are a lot of folks getting comfortable with PTNZ and these participants could be good speakers to help get others interested. Earlier engagements led projects to consider more efficiency and renewable options. The next challenge is for the program to get participants to move to the next level of efficiency in their projects. We could consider some non-participant market research if needed, to better understand the 50% of customers that are not participating in the program.

Alan asked if we have someone at the PMC looking out for new building permits. Jessica responded that we have a proactive outreach team. One method is working through owners and

reps, as well as architecture firms that pitch the program to customers. Nicole said that the program tries to engage people long before they go and get a permit because it is pretty late in the game by the time permits are pulled. They do possibly miss some projects and sometimes owners may not know about the program, but that is pretty rare. Where the program often misses customers is design-build projects. They often don't find these projects, because they don't necessarily show up anywhere, especially tenant improvements. So, these types of projects can be hard to find. Jessica said it can come down to the transaction cost of doing a project with the program. We have lowest penetration in small buildings and often miss them, especially small offices. The program is trying to develop a new strategy to reach them on their terms and be more proactive. Alan said 50% is great penetration if the non-participants are deciding not to participate, but it's not great if that 50% doesn't know about us. Phil said there is always a lag in program penetration, because owners are always 3-4 years behind in their planning and construction cycle. So, even if they found out about the program today, we wouldn't see them show up for several years.

Phil asked when the state's net zero vision is set for and Jessica responded that is 2030. Susan asked if we should provide feedback to the market that there are small buildings that are missing opportunities. Jessica said that program does provide training and education to target designers, trades, etc., to give support to customers, even if they don't end up going through the program.

Phil said that we don't know what's going on with tenant improvements. The owners make improvements but there may be no major permits and the timelines may be very short. We are also planning market research with building managers—they are good to work with, so they can help pitch the program and services for us. This will be especially useful to hit tenant improvements.

Dulane said that brand new buildings are only a portion of the program—how does it break out? Jessica said that tenant improvements are a small portion of the market compared to new construction and major renovations. Smaller projects aren't just smaller spaces, but may have smaller savings opportunities as well, or customers are limited on what can be done when buildings are partially occupied.

Residential Windows Market Research

Presented by Phil Degens

Background: We periodically do windows market research. This time we focused on residential windows. Apex Analytics was selected to do this research project. They also conducted the last windows study for us—the one that used the Delphi panel. They have been doing research on Energy Star windows since the inception of Energy Star windows. The goals of the research were to determine the key manufacturers serving the Oregon residential market. We also wanted to estimate the current size and average efficiency of the residential windows market and assess incremental costs of higher efficiency options. Finally, we wanted direction on how the residential program can best support the adoption of energy efficient windows moving forward.

The methods included a hedonic price models, secondary research, and windows market actor interviews. We talked to windows manufacturers, glass manufacturers, retailers, and market experts.

Interviews by Market Actor Type

Market Actor Type	Market Actor Sample Size	Successful Interview
Window Manufacturer	8	5
Glass Manufacturer	3	1
Retailer	3	1
Other/Expert	4	1
Total	**18**	**8**

Findings: Energy Trust currently has two tiers of efficient windows based on U-value levels. U-values of 0.28-0.30 get an incentive of $1.75 per square foot. U-values of 0.27 and below get $4 per square foot. Energy Trust has one of the few tiered incentive programs for windows.

The primary manufacturers are Andersen, Jeld Wen, Marvin, and Milgard. Secondary manufacturers are Pella, Ply-Gem, and Sierra Pacific. Most research reports get windows market share data wrong. Most of the time, the market share by manufacturers are totally off. Even the range of total windows sold in Oregon was uncertain. We came up with estimates of market share of windows by U-value bin, based on projections from interviews. Most of the market consists of efficiency levels that we provide incentives for. We are assuming that the market is split equally between existing and new homes, but this is an estimate as well.

Estimated Market Shares by U-Value Bin

U-Value Tier	2017 Market Share	Estimated 2022 Market Share
> 0.35	4%	4%
0.31 to 0.35	30%	24%
0.28 to 0.30	51%	40%
0.25 to 0.27	11%	24%
0.20 to 0.24	3%	6%
< 0.20	1%	2%
Total	**100%**	**100%**

Apex used a hedonic model to estimate window costs per square foot by U-value. They scraped window characteristics and price data from the websites of three large, national home improvement retailers. They looked at several factors in an attempt to isolate the effect of efficiency level. In addition, they tried to reduce variance in the data by just looking at two types of windows, sliders and double hung. Entering the U-value into the model itself didn't end up working, so they put it into bins to look at the incremental costs.

The results of the hedonic model showed an incremental cost of $1.80 per square foot for the first tier of efficient windows (U-value of 0.28 to 0.30) compared to the baseline (U-value of 0.31 or more). The incremental cost was computed at $8.80 per square foot for the second tier of efficient windows (0.25 to 0.27) and roughly $20 per square foot for very low U-value windows (<=0.24). The first-tier incremental cost estimate is similar to the value used in Energy Trust's current residential windows MAD, but the second-tier cost estimate is much higher than we expected to see. This value is on the high end of the range of past studies as well. When we

update the residential windows MAD in a couple years, we'll review the incremental cost of the second-tier windows again.

Marshall asked about how the U-value bins were made. Phil said the 0.35 bin is an average from 0.31 to 0.37 and the lower bins are constructed in the same way. They are the midpoint of a range. We are not going deeply into the details of the hedonic analysis here. We wanted to see where the significant breaks in incremental costs occurred. For the best windows, you are looking at a totally different product, they are triple-paned, bulkier framing, with more advanced construction. Fred asked how we scraped the data and whether it represents Oregon prices or national prices. Phil said that because the cost data came from national retailers, these incremental costs are national, not specific to the Northwest region. There are no differences in prices between regions for national retailers.

Based on interviews with market actors and experts, short run changes in the windows market are predicted to be minor, marginal improvements to windows, including fourth surface low-e coatings. The market will continue to have more low-e and argon-filled Energy Star windows. The supply chain is fairly set, with manufacturer to dealer/retailer to consumer. Some builders will buy direct from manufacturers. There is no big influence from Amazon in this market. The primary market forces are codes and costs. The preferred program design is to continue giving incentives to consumers.

There are a few emerging window technologies on the horizon. Dynamic photochromatic, thermochromic, and electrochromic windows are being developed, but are really just high-end commercial products. Faux windows are also coming—these involve a webcam outside the building and a large format HDTV or OLED TV inside. This is a real thing that is actually being made. Smart windows include automated ventilation and blinds. Aerogel and vacuum glass are still out on the horizon.

Thin triple-pane glass units are a new product category being developed. These units have no change in overall dimensions from double pane glass units. So, you do not have to put in a different size frame or have any issues with installation. They are the same size as double-pane, but a very thin glass layer is sandwiched in between. They perform best if krypton gas is used. Steven Selkowitz did some preliminary research with Andersen Windows—they found they could get windows down to 0.18 U-values for a fairly minimal incremental cost at the manufacturing level. This was a very interesting, unanticipated development and has appeared since the last windows research study we did.

Recommendations: Apex recommended that we should collect windows manufacturer name on incentive applications to get more information on penetration of each company in the Oregon market. They also recommended we update our windows incremental costs using the hedonic model results. Lastly, we should pursue the thin triple-pane window inserts as an upstream program offering to get windows manufacturers on board.

Energy Trust Take: The large cost increase for higher-tier windows supports Energy Trust's current tiered incentive approach. The incremental cost values will be reviewed again through hedonic modeling when the measure costs are updated in the next MAD revision. We are currently discussing thin triple-pane with NEEA as a market transformation project.

Ken said this would be a good project for NEEA. There are a lot of quality control issues that need to be ironed out with the third pane for them to be effective. From an energy perspective,

this may take a while, but for sound reduction, the third pane of glass with a different thickness can produce dramatic sound dampening. The non-energy benefits of these are significant.

Dulane said she had a long conversation with Christopher Dymond at NEEA about thin triple-panes this week and there is definitely interest within NEEA. She wondered if it would it qualify for passive house specs.

Alan said we are not changing anything now, but we will analyze this again. The costs seem really high for the higher tiers, and $20 per square foot cannot possibly be cost-effective. Phil said incremental costs are volatile and could vary between retailers. Building windows is very labor intensive these days because they are almost all custom built. There could be some market changes in the percent of custom builds, too. Alan asked if we just look at the incremental cost of the increased U-values or do we also look at it for savings? Phil said we will look just at the U-value bins because there is a lot of variance within windows. Most of the cost depends on non-energy characteristics. Selkowitz is a proponent of triple-pane and he has used manufacturing incremental costs in analyzing cost differences. These tend to be much lower than retail incremental costs. Fred clarified that we only pay and claim savings on the incremental change from the standard window to the efficient window.

Fred asked if we can do a market transformation study for windows. There is evidence that we've had some influence, but we don't have a data framework to measure it. The efficiency tiers have moved up over time. There is no code that applies to existing homes. It is hard to tell what the influence of the program and rebates has been on lower U-values. We will really need to push the next generation of products because they are not being demanded by consumers. The Northwest market is not in lockstep with the nation, but the market data are national, so it's hard to tell the regional effect of programs. What can we do and what can we measure? We can't take credit for all the influences on the market.

Phil said it is warranted to start working with NEEA to talk to folks about developing thin-triples. Marshall asked if anything different was seen between new construction, existing, and multifamily retrofit markets. Phil said these were not separated out. It was hard enough to look at total sales in Oregon. Even the total varied from 500,000 to 800,000 units sold, so it's hard to break out individual markets. We can use an algorithm to figure out how many windows go to new construction based on building permits. Marshall said he asked because he wants to understand the shortfalls of the analysis to fill in the gaps in research. The last study came up with a common market baseline. Should we do more work next year to prep for a measure update? Phil said we should definitely update this research in advance of a measure update. Fred said we don't know if there is a reasonable method to estimate a reasonable value for market and incremental costs.

Dulane said NEEA has seen a shift in the retrofit market. Ken said that the market has stuck on 0.27 U-values for several years now. The RTF has looked and found that there is always a cost break when we hit-triple pane. These are not cost-effective. So, we need a new technology or something cheaper to drive the market any further.

Meeting adjourned at 2:25 p.m.

Sarah will send out a poll to schedule the next meeting for late November or early December.

PINK PAPER

Technical Report

Comparison Group Identification for Impact Evaluation

Prepared for Energy Trust of Oregon

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Executive Summary

Energy Trust of Oregon and Open Energy Efficiency conducted a study to test different methods of identifying comparison groups for impact evaluations. The findings of the study were intended to inform the implementation of standardized, automated impact evaluations in Energy Trust's Automated Meter Data Analytics Platform.

Use case

There is a need to increase the speed and efficiency of conducting billing analyses and a desire to implement more standardized methods, in order to provide consistent and faster feedback to energy efficiency program managers and third party implementers. These automated approaches can be applied more efficiently and consistently than standard EM&V practice, enabling utilities and markets to optimize solutions and programs, and support private investment and risk management.

Main findings

Several methods of comparison group identification, as well as several methodological issues were investigated as part of this study. These methods were evaluated using out-of-sample testing as well as using a number of equivalence metrics. There were some differences in the mean savings estimates of different methods, however in many cases, the uncertainty bounds of the different methods overlapped with each other, indicating that these differences were not always statistically significant. It is unclear if there is one "best" method - in particular, monthly consumption matching and future participant groups offered similar levels of performance for different datasets.

Recommendations

The primary recommendation when implementing automated comparison group identification is to automate the calculation, not the interpretation of results. This can be applied by using several different methods simultaneously and several quality metrics to judge the appropriateness of a comparison group. Three methods were recommended in particular (depending on data availability): individual customer matching on monthly consumption, stratified sampling of future participant groups and stratified sampling of past participant groups. This holistic approach would work well for impact evaluations, however, if comparison groups were to be factored into payments in pay-for-performance settings, then we recommend that the comparison group identification method be contractually set before the launch of a pay-for-performance procurement and accommodated in the program design.

Overall, this study has shown that automated data-driven methods can produce comparison groups quickly and consistently, and can support a range of use cases. Further work is planned to continuously improve these recommendations as they are applied with more diverse datasets.

MEMO

Date: October 26, 2018
To: Board of Directors
From: Dan Rubado, Evaluation Project Manager
Subject: Staff Response to the Open EE Technical Report on Comparison Group Identification

Energy Trust contracted with Open EE to build an automated, web-based tool to conduct impact analysis of residential efficiency measures based on utility billing data. Open EE uses industry-standard methods, similar to the Princeton Score-keeping Method, to weather-normalize energy usage data and conduct pre/post analysis. In addition to weather normalization and pre/post analysis, impact analysis requires a quasi-experimental design, in which a comparison group that resembles the treatment group is selected. The comparison group represents the "counterfactual" and helps answer the question of what would have happened to energy usage in the treatment group in the absence of an intervention. Comparison groups help control for the effects of atypical weather and exogenous trends in energy usage.

There are many methods for selecting comparison groups for quasi-experimental studies, but no agreed upon best practices. This report quantitatively compares several commonly used methods to assess how well they perform, in terms of representing the treatment group and providing an unbiased counterfactual case. It also explores several other analytical issues that are important to impact analysis. The report documents the analysis methods employed by Open EE, makes recommendations about which comparison group and analysis methods to use for impact analysis of residential energy efficiency measures going forward, and how to monitor the performance of those methods.

Unfortunately, Open EE was unable to conclusively identify a "best" method for selecting a comparison group for residential impact analysis. However, monthly consumption matching and future participant groups appeared to perform similarly well across a variety of metrics and were recommended above more simplistic techniques. Open EE recommends using several different comparison group methods, then comparing and combining estimates, which may provide more stable results than a single method. They also recommend continuing to monitor the quality of matches and performance in the baseline period for each comparison group method. They have several additional recommendations on specific analytical issues that we generally agree with.

The impact analysis tool that Open EE is building for Energy Trust will incorporate all the recommended analytical and comparison group methods. Once completed, Energy Trust's evaluation team will have the capability to conduct utility billing analyses of residential efficiency

measures much more quickly than in the past. Other benefits will include more standardized analysis methods, less staff time required for analysis, and lower costs per measure analyzed. As a result, the evaluation team intends to substantially increase the volume and frequency of residential measures that we analyze. In addition, the methods developed through this work will also be leveraged in Energy Trust's Residential Pay for Performance Pilot, launching in 2019, for which Open EE will be quantifying the energy savings.

Tab 6

Notes on October 2018 Financial Statements

November 21, 2018

Revenue

Revenue continues to track above budget by 4%.

	YTD Actual	YTD Budget	YTD Var	YTD %	PY
PGE Efficiency	81,379,124	78,022,167	3,356,957	4%	79,327,538
PGE Renewables	7,293,140	7,046,867	246,273	3%	7,310,621
PAC Efficiency	46,633,915	45,047,445	1,586,469	4%	48,984,014
PAC Renewables	5,361,521	5,315,612	45,908	1%	5,447,950
NWN	19,113,343	18,737,731	375,612	2%	24,029,447
CNG	1,885,480	1,499,087	386,393	26%	2,142,539
Avista	1,096,393	964,058	132,335	14%	740,523
Grant Revenue	76,636		76,636	0%	30,865
Investment Income	825,328	190,000	635,328	334%	343,442
Total	163,664,878	156,822,968	6,841,912	4%	168,356,939

Reserves

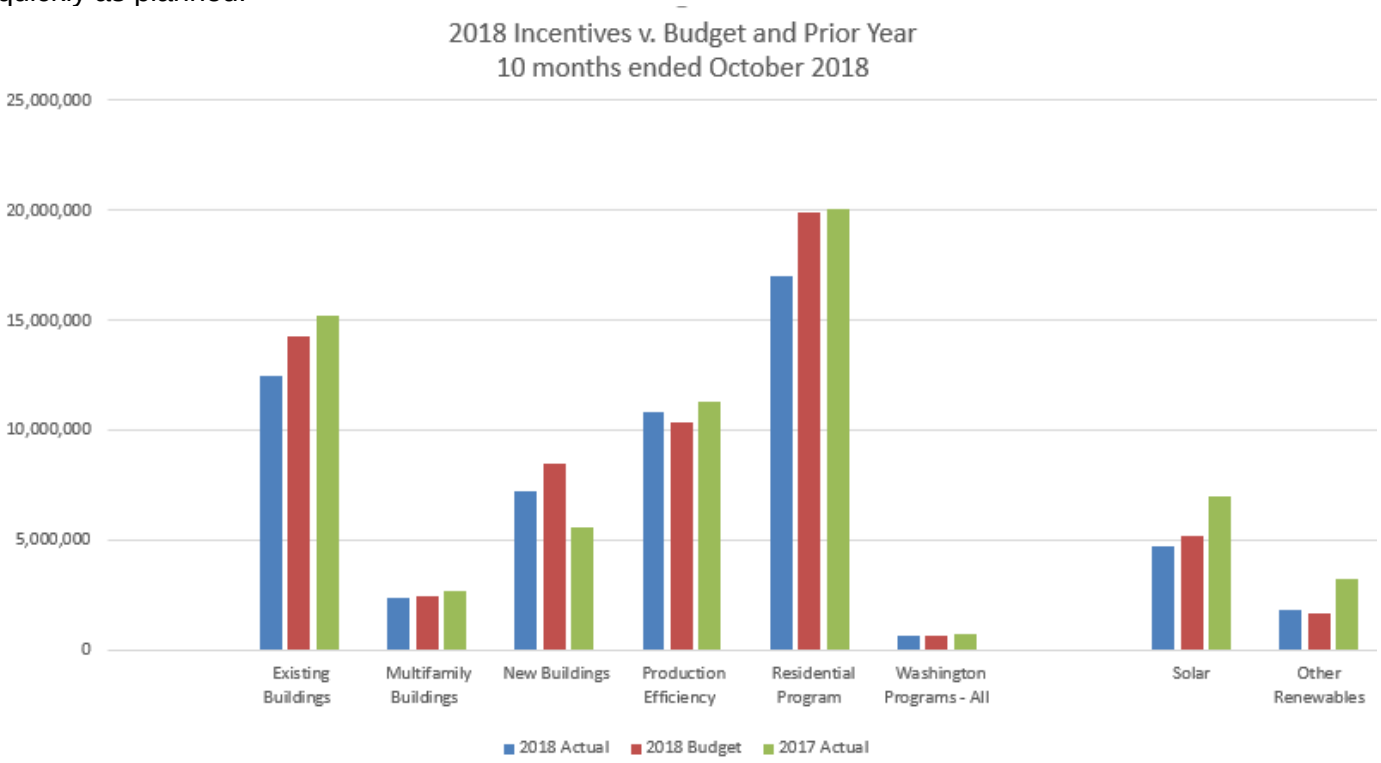
The table below includes the latest 2018 forecast. We expect to see significant decreases between now and the end of the year. All utilities should end with positive balances.

Reserves

	12/31/18 forecast	10/31/18 current	1/1/18 beg of year	10/31/17 one year ago
PGE	17,352,727	32,962,028	12,210,374	21,544,546
PacifiCorp	4,537,102	16,520,744	6,211,995	14,148,647
NW Natural	3,189,165	6,369,698	3,527,721	5,672,832
Cascade	153,044	952,860	262,065	381,319
Avista	16,017	123,827	75,716	23,398
NWN Industrial	199,190	1,518,436	2,647,086	4,653,914
NWN Washington	436,902	1,082,226	176,503	664,353
PGE Renewables	8,606,385	9,048,227	7,073,074	7,437,240
PAC Renewables	5,811,252	7,141,578	6,268,078	6,713,158
Program Reserves	40,301,784	75,719,603	38,452,612	61,239,407
Other Reserves	0	26,155	38,710	47,398
Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000
Board approved for program loans	1,800,000	1,800,000	800,000	
Contingency Available	3,441,309	3,666,637	4,641,309	4,559,051
Total	50,543,091	86,212,398	48,132,611	70,845,850

Expenses

Total expenses for the month of October were 9% ($1.4 million) less than budgeted. October incentives were less than budget by $857,000. This brings our incentive shortfall for the 10 months of the year to just under $6 million. Total expenses year-to-date are $10 million less than budget. In addition to incentives, professional services are below budget by $2 million for the year due to certain projects not beginning as quickly as planned.

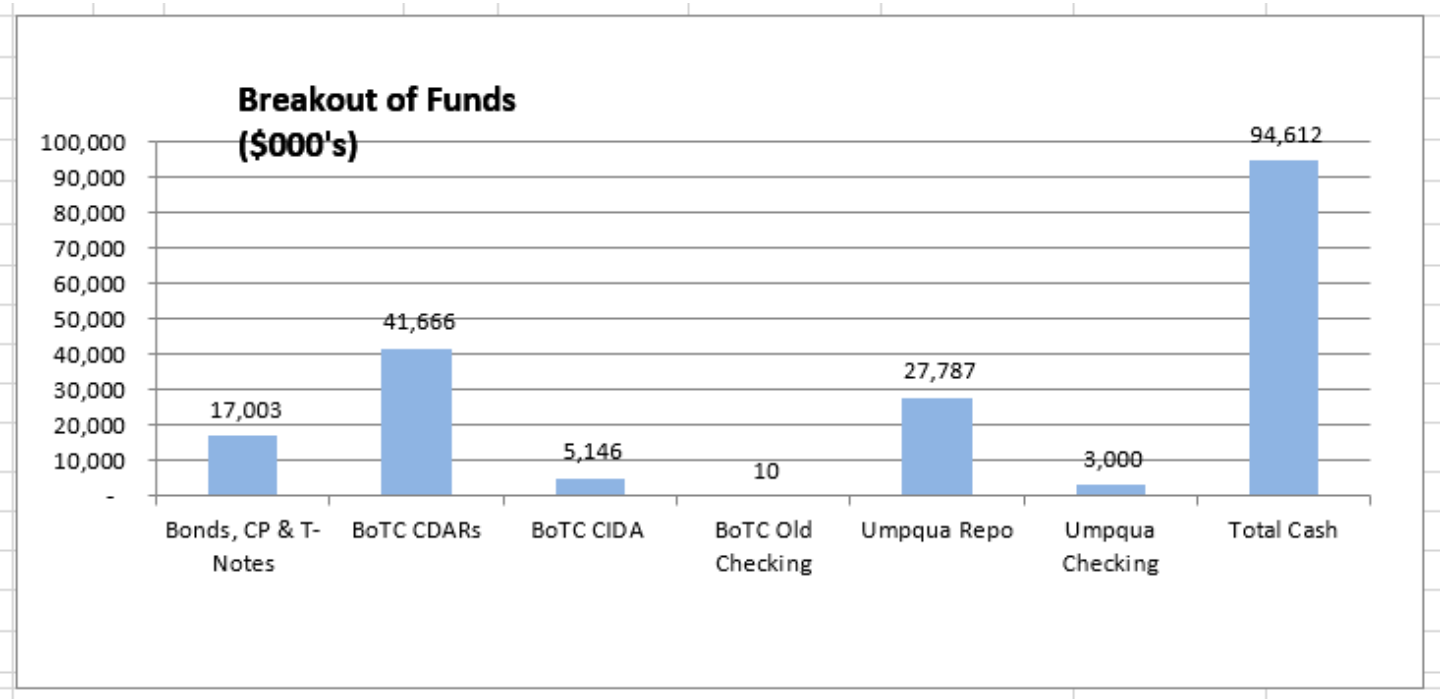


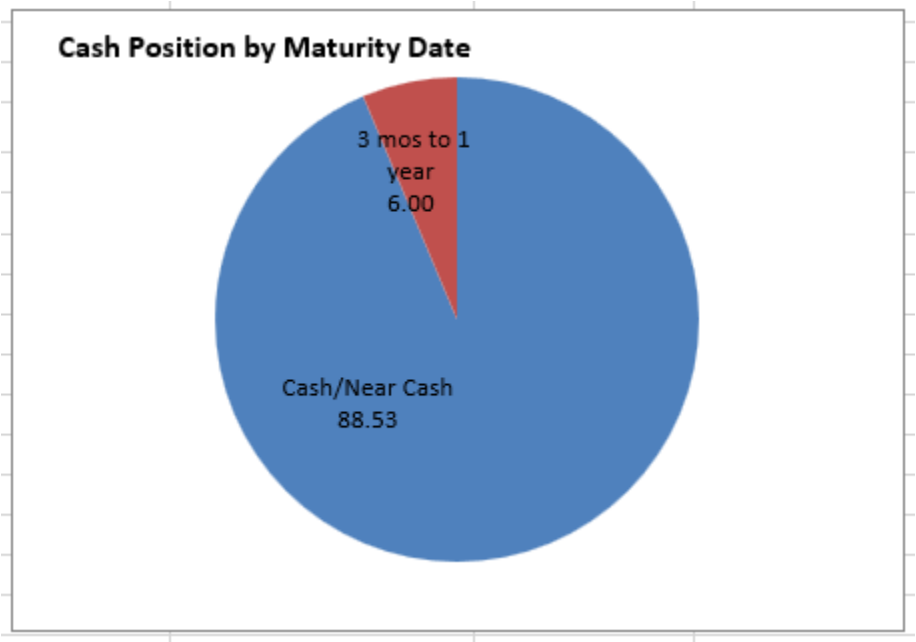
Total Incentives
Year-to-Date 2018

	2018 Actual	2018 Budget	2017 Actual
Existing Buildings	12,478,744	14,309,442	15,227,348
Multifamily Buildings	2,383,003	2,494,874	2,671,881
New Buildings	7,272,294	8,453,148	5,608,794
Production Efficiency	10,854,630	10,360,043	11,341,725
Residential Program	16,995,335	19,899,765	20,062,657
Washington Programs - All	688,533	706,486	776,786
Solar	4,758,909	5,178,000	6,972,778
Other Renewables	1,829,720	1,649,040	3,273,303
Total Incentives	57,261,168	63,050,798	65,935,272
Energy Efficiency Only	**50,672,539**	**56,223,758**	**55,689,191**

Investment Status

The graphs below show the type of investments we hold and the locations where our funds are held. We are investing in short term areas (mainly 13 week CDARs). We want to ensure cash is available to meet year-end demands by late December/early January. Now that the 2019 budget is nearly done, we may be able to invest for the slightly longer term.





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Energy Trust of Oregon
BALANCE SHEET
October 31, 2018
(Unaudited)

	October 2018	September 2018	December 2017	October 2017	Change from one month ago	Change from Beg. of Year	Change from one year ago
Current Assets							
Cash & Cash Equivalents	35,958,523	34,516,054	52,223,904	48,638,180	1,442,470	(16,265,380)	(12,679,656)
Investments	58,536,874	58,456,567	22,721,392	30,736,191	80,307	35,815,481	27,800,683
Receivables	88,275	81,707	119,077	123,851	6,568	(30,803)	(35,576)
Prepaid Expenses	366,876	456,590	244,442	386,299	(89,714)	122,434	(19,423)
Advances to Vendors	1,468,528	2,202,781	2,489,421	1,489,306	(734,253)	(1,020,892)	(20,777)
Total Current Assets	**96,419,077**	**95,713,699**	**77,798,237**	**81,373,827**	**705,378**	**18,620,840**	**15,045,250**
Fixed Assets							
Computer Hardware and Software	3,934,165	3,934,165	3,733,082	3,733,082	-	201,083	201,083
Software Development in Progress	-	-	183,687	178,975.30	-	(183,687)	(178,975.30)
Leasehold Improvements	605,621	595,027	595,027	595,027	10,595	10,594.50	10,594.50
Office Equipment and Furniture	819,795	819,795	815,056	815,056	-	4,739	4,739
Total Fixed Assets	**5,359,581**	**5,348,986**	**5,326,852**	**5,322,140**	**10,595**	**32,729**	**37,441**
Less Depreciation	(4,796,909)	(4,773,971)	(4,442,925)	(4,306,228)	(22,937)	(353,983)	(490,680)
Net Fixed Assets	**562,672**	**575,015**	**883,926**	**1,015,911**	**(12,343)**	**(321,254)**	**(453,239)**
Other Assets							
Deposits	258,653	258,653	237,314	237,314	-	21,339.00	21,339.00
Deferred Compensation Asset	987,596	990,846	972,828	864,618	(3,251)	14,768	122,977
Note Receivable, net of allowance	430,669	430,669	263,669	263,669	-	167,000	167,000
Total Other Assets	**1,676,919**	**1,680,169**	**1,473,812**	**1,365,602**	**(3,251)**	**203,107**	**311,316**
Total Assets	**98,658,668**	**97,968,883**	**80,155,975**	**83,755,340**	**689,785**	**18,502,693**	**14,903,327**
Current Liabilities							
Accounts Payable and Accruals	9,387,062	9,957,336	29,180,745	10,184,983	(570,274)	(19,793,683)	(797,921)
Salaries, Taxes, & Benefits Payable	964,479	770,562	874,594	874,048	193,917	89,885	90,431
Total Current Liabilities	**10,351,541**	**10,727,898**	**30,055,339**	**11,059,031**	**(376,357)**	**(19,703,798)**	**(707,490)**
Long Term Liabilities							
Deferred Rent	1,111,269	1,099,176	990,344	964,252	12,093	120,925	147,017
Deferred Compensation Payable	981,215	984,465	976,378	884,918	(3,251)	4,837	96,296
Other Long-Term Liabilities	2,235	3,249	1,290	1,290	(1,014)	945	945
Total Long-Term Liabilities	**2,094,719**	**2,086,890**	**1,968,012**	**1,850,460**	**7,828**	**126,707**	**244,259**
Total Liabilities	**12,446,260**	**12,814,789**	**32,023,351**	**12,909,491**	**(368,529)**	**(19,577,091)**	**(463,231)**
Net Assets							
Unrestricted Net Assets	86,212,408	85,154,094	48,132,624	70,845,850	1,058,314	38,079,784	15,366,558
Total Net Assets	**86,212,408**	**85,154,094**	**48,132,624**	**70,845,850**	**1,058,314**	**38,079,784**	**15,366,558**
Total Liabilities and Net Assets	**98,658,668**	**97,968,883**	**80,155,975**	**83,755,340**	**689,785**	**18,502,693**	**14,903,327**

Energy Trust of Oregon
Cash Flow Statement-Indirect Method
Monthly 2018

	January	February	March	April	May	June	July	August	September	October	Year to Date
Operating Activities:											
Revenue less Expenses	$ 11,111,618	$ 11,785,867	$ 5,880,943	$ 6,097,341	$ 1,847,257	$ (3,889,820)	$ 2,539,130	$ 578,392	$ 1,070,747	$ 1,058,313	$ 38,079,781
Non-cash items:											
Depreciation	60,349	60,436	37,154	35,624	33,910	31,464	26,631	22,992	22,992	22,937	354,489
Change in Reserve on Long Term Note											-
Loss on disposal of assets											-
Receivables	25,330	13,597	(10,052)	(101,297)	89,402	(6,066)	(5,248)	34,210	(15,585)	(7,930)	16,362
Interest Receivable	11,816	701	586	(36,521)	59,170	(27,651)	55,102	(8,083)	(42,041)	1,362	14,440
Advances to Vendors	1,053,629	717,885	(1,549,230)	755,704	755,705	(1,563,795)	773,167	773,166	(1,429,591)	734,253	1,020,893
Prepaid expenses and other costs	(423,367)	(160,906)	52,859	53,228	(29,400)	67,421	(36,386)	74,911	(16,865)	92,964	(325,541)
Accounts payable	(18,224,160)	(151,198)	(3,016,589)	1,026,311	(486,892)	43,241	1,788,509	(2,652,679)	2,450,039	(570,275)	(19,793,693)
Payroll and related accruals	94,882	102,231	(227,298)	(11,396)	148,977	58,746	(44,306)	(132,682)	(85,099)	190,667	94,722
Deferred rent and other	12,093	12,092	12,092	12,093	14,051	12,093	12,092	12,093	12,092	11,079	121,870
Cash rec'd from / (used in) Operating Activities	(6,277,810)	12,380,706	1,180,465	7,831,087	2,432,180	(5,274,367)	5,108,691	(1,297,680)	1,966,689	1,533,370	19,583,331
Investing Activities:											
Investment Activity (1)	3,011,583	(2,002,711)	(8,416,303)	(3,992,551)	5,387,728	(16,077,806)	(8,988,537)	(591,615)	(4,064,963)	(80,307)	(35,815,482)
(Acquisition)/Disposal of Capital Assets	(2,843)	(8,444)	(3,397)		(7,955)					(10,595)	(33,233)
Cash rec'd from / (used in) Investing Activities	3,008,740	(2,011,155)	(8,419,700)	(3,992,551)	5,379,773	(16,077,806)	(8,988,537)	(591,615)	(4,064,963)	(90,902)	(35,848,715)
Cash at beginning of Period	52,223,904	48,954,835	59,324,388	52,085,153	55,923,690	63,735,643	42,383,470	38,503,624	36,614,329	34,516,054	52,223,904
Increase/(Decrease) in Cash	(3,269,070)	10,369,552	(7,239,235)	3,838,536	7,811,953	(21,352,173)	(3,879,846)	(1,889,295)	(2,098,274)	1,442,469	(16,265,384)
Cash at end of period	$ 48,954,835	$ 59,324,388	$ 52,085,153	$ 55,923,690	$ 63,735,643	$ 42,383,470	$ 38,503,624	$ 36,614,329	$ 34,516,054	$ 35,958,523	$ 35,958,523

(1) As investments mature, they are rolled into the Repo account.
Investments that are made during the month reduce available cash.

Energy Trust of Oregon
Cash Flow Projection
January 2018 - December 2019

	Actual										Adjusted Budget	
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	18,964,634	21,537,912	17,624,324	17,785,777	15,360,373	12,544,226	13,567,185	13,864,679	15,994,676	15,519,129	10,863,572	13,109,094
Investment Income	48,230	35,414	48,768	21,666	136,385	71,477	171,619	115,601	70,862	119,747	(241,876)	(241,876)
From Other Sources	31,744	20,495	383	(96,406)	95,652	0	(55)	41,257	(8)	(65)		
Total cash in	19,044,608	21,593,822	17,673,475	17,711,037	15,592,410	12,615,703	13,738,749	14,021,537	16,065,530	15,638,811	10,621,696	12,867,218
Cash Out:	(25,325,256)	(9,221,560)	(16,496,406)	(9,879,952)	(13,168,186)	(17,890,069)	(8,630,058)	(15,319,218)	(14,098,846)	(14,116,032)	(19,697,234)	(28,365,464)
Net cash flow for the month	(6,280,648)	12,372,261	1,177,069	7,831,085	2,424,224	(5,274,366)	5,108,691	(1,297,681)	1,966,684	1,522,779	(9,075,538)	(15,498,246)
Cash Flow from/to Investments	3,011,583	(2,002,711)	(8,416,303)	(3,992,551)	5,387,728	(16,077,806)	(8,988,537)	(591,615)	(4,064,963)	(80,307)	2,500,000	21,325,000
Beginning Balance: Cash & MM	52,223,904	48,954,835	59,324,381	52,085,150	55,923,690	63,735,643	42,383,469	38,503,623	36,614,326	34,516,047	35,958,523	29,382,986
Ending cash & MM	**48,954,835**	**59,324,381**	**52,085,153**	**55,923,690**	**63,735,643**	**42,383,470**	**38,503,624**	**36,614,329**	**34,516,047**	**35,958,523**	**29,382,986**	**35,209,740**
Future Commitments												
Renewable Incentives	8,300,000	8,500,000	6,400,000	4,900,000	5,200,000	7,000,000	7,200,000	7,600,000	10,700,000	10,200,000	10,100,000	9,400,000
Efficiency Incentives	84,300,000	85,700,000	88,200,000	90,600,000	89,500,000	98,400,000	100,700,000	113,600,000	89,400,000	90,100,000	84,900,000	84,200,000
Emergency Contingency Pool	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Commitments	97,600,000	99,200,000	99,600,000	100,500,000	99,700,000	110,400,000	112,900,000	126,200,000	105,100,000	105,300,000	100,000,000	98,600,000

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Cash Flow Projection
January 2018 - December 2019

	2019 Final R2 Projection											
	January	**February**	**March**	**April**	**May**	**June**	**August**	**October**	**October**	**October**	**November**	**December**
Cash In:												
Public purpose and Incr funding	17,731,369	21,863,246	17,167,251	16,757,648	14,799,345	12,139,449	14,164,964	12,866,575	13,440,712	14,961,390	12,705,326	15,245,215
Investment Income	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
From Other Sources												
Total cash in	17,781,369	21,913,246	17,217,251	16,807,648	14,849,345	12,189,449	14,214,964	12,916,575	13,490,712	15,011,390	12,755,326	15,295,215
Cash Out:	(34,156,032)	(10,156,816)	(12,851,975)	(13,440,371)	(13,951,600)	(15,033,565)	(15,854,199)	(14,054,336)	(14,690,875)	(15,891,839)	(16,736,445)	(20,673,505)
Net cash flow for the month	(16,374,663)	11,756,429	4,365,276	3,367,277	897,745	(2,844,116)	(1,639,235)	(1,137,760)	(1,200,163)	(880,449)	(3,981,118)	(5,378,290)
Cash Flow from/to Investments	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Balance: Cash & MM	35,209,740	18,835,077	30,591,506	34,956,782	38,324,060	39,221,805	36,377,688	34,738,453	33,600,693	32,400,530	31,520,081	27,538,963
Ending cash & MM	**18,835,077**	**30,591,506**	**34,956,782**	**38,324,060**	**39,221,805**	**36,377,688**	**34,738,453**	**33,600,693**	**32,400,530**	**31,520,081**	**27,538,963**	**22,160,673**
Future Commitments												
Renewable Incentives	9,700,000	10,700,000	10,900,000	10,800,000	11,000,000	11,300,000	11,600,000	12,000,000	12,500,000	13,100,000	13,100,000	13,100,000
Efficiency Incentives	85,400,000	86,500,000	87,400,000	88,300,000	90,500,000	99,500,000	99,500,000	99,600,000	99,700,000	99,900,000	100,100,000	100,400,000
Emergency Contingency Pool	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Commitments	100,100,000	102,200,000	103,300,000	104,100,000	106,500,000	115,800,000	116,100,000	116,600,000	117,200,000	118,000,000	118,200,000	118,500,000

Dedicated funds adjustment: reduction in available cash for commitments to Renewable program projects with board approval, or when board approval not required, with signed agreements
Committed funds adjustment: reduction in available cash for commitments to Efficiency program projects with signed agreements
Cash reserve: reduction in available cash to cover cashflow variability and winter revenue risk
Escrow: dedicated funds set aside in separate bank accounts

Energy Trust of Oregon
Income Statement - Actual and YTD Budget Comparison
For the Month Ending October 31, 2018
(Unaudited)

	October				YTD			
	Actual	**Budget**	**Budget Variance**	**Variance %**	**Actual**	**Budget**	**Budget Variance**	**Variance %**
OREGON PPC REVENUE								
Public Purpose Funds-PGE	3,272,567	3,187,684	84,882	3%	32,577,909	32,056,685	521,224	2%
Incremental Funds - PGE	5,207,565	5,208,330	(765)	0%	56,094,355	53,012,350	3,082,005	6%
Public Purpose Funds-PacifiCorp	2,290,549	2,126,867	163,683	8%	24,083,302	23,876,924	206,377	1%
Incremental Funds - PacifiCorp	2,550,250	2,285,689	264,561	12%	27,912,134	26,486,133	1,426,000	5%
Public Purpose Funds-NW Natural	652,627	611,593	41,034	7%	16,164,507	15,751,559	412,948	3%
NW Natural - DSM	520,024	520,024	0	0%	520,024	520,024	0	0%
Public Purpose Funds-Cascade	88,488	76,606	11,883	16%	1,885,480	1,499,087	386,393	26%
Public Purpose Funds-Avista	114,370	96,406	17,964	19%	1,096,393	964,058	132,335	14%
Total Oregon PPC Revenue	**14,696,440**	**14,113,198**	**583,242**	**4%**	**160,334,103**	**154,166,820**	**6,167,283**	**4%**
NW Natural - Washington	822,690	822,049	641	0%	2,428,812	2,466,148	(37,336)	-2%
Grant Revenue	7,864		7,864		76,636		76,636	
Revenue from Investments	118,385	20,000	98,385	492%	825,328	190,000	635,328	334%
Total Other Sources of Revenue	**948,939**	**842,049**	**106,890**	**13%**	**3,330,775**	**2,656,148**	**674,627**	**25%**
TOTAL REVENUE	**15,645,379**	**14,955,247**	**690,132**	**5%**	**163,664,879**	**156,822,968**	**6,841,911**	**4%**
EXPENSES								
Incentives	7,580,521	8,437,564	857,043	10%	57,261,168	63,050,798	5,789,630	9%
Program Delivery Subcontracts	4,831,502	5,067,143	235,641	5%	48,052,116	48,372,296	320,180	1%
Employee Salaries & Fringe Benefits	1,190,442	1,143,315	(47,127)	-4%	11,197,630	11,321,800	124,170	1%
Agency Contractor Services	110,867	133,972	23,105	17%	1,076,639	1,268,054	191,416	15%
Planning and Evaluation Services	368,293	335,673	(32,620)	-10%	2,124,484	3,356,728	1,232,244	37%
Advertising and Marketing Services	137,693	222,014	84,321	38%	2,083,771	2,388,947	305,176	13%
Other Professional Services	167,937	447,249	279,312	62%	1,718,611	3,695,545	1,976,934	53%
Travel, Meetings, Trainings & Conferences	33,041	38,712	5,671	15%	315,030	399,125	84,094	21%
Dues, Licenses and Fees	6,906	11,262	4,356	39%	117,078	185,121	68,042	37%
Software and Hardware	40,948	45,512	4,564	10%	323,524	424,355	100,831	24%
Depreciation & Amortization	22,937	37,223	14,286	38%	354,488	456,097	101,609	22%
Office Rent and Equipment	84,188	87,869	3,681	4%	862,099	878,694	16,595	2%
Materials Postage and Telephone	11,256	11,346	90	1%	93,315	115,958	22,643	20%
Miscellaneous Expenses	533	250	(283)	-113%	5,142	4,000	(1,142)	-29%
TOTAL EXPENSES	**14,587,065**	**16,019,104**	**1,432,039**	**9%**	**125,585,095**	**135,917,517**	**10,332,422**	**8%**
TOTAL REVENUE LESS EXPENSES	**1,058,314**	**(1,063,857)**	**2,122,171**	**199%**	**38,079,784**	**20,905,451**	**17,174,333**	**82%**

Energy Trust of Oregon
Income Statement - Actual and Prior Yr Comparison
For the Month Ending October 31, 2018
(Unaudited)

	October				YTD			
	Actual	Actual Prior Year	Prior Year Variance	Variance %	Actual	Actual Prior Year	Prior Year Variance	Variance %
OREGON PPC REVENUE								
Public Purpose Funds-PGE	3,272,567	3,235,046	37,520	1%	32,577,909	32,684,347	(106,438)	0%
Incremental Funds - PGE	5,207,565	5,649,272	(441,708)	-8%	56,094,355	53,953,812	2,140,543	4%
Public Purpose Funds-PacifiCorp	2,290,549	2,287,484	3,065	0%	24,083,302	24,720,727	(637,425)	-3%
Incremental Funds - PacifiCorp	2,550,250	2,694,833	(144,584)	-5%	27,912,134	29,711,237	(1,799,103)	-6%
Public Purpose Funds-NW Natural	652,627	587,716	64,911	11%	16,164,507	16,088,017	76,489	0%
NW Natural - DSM	520,024	2,200,000	(1,679,976)	-76%	520,024	5,920,596	(5,400,572)	-91%
Public Purpose Funds-Cascade	88,488	88,409	79	0%	1,885,480	2,142,539	(257,059)	-12%
Public Purpose Funds-Avista	114,370	65,125	49,245	76%	1,096,393	740,523	355,870	48%
Total Oregon PPC Revenue	**14,696,440**	**16,807,886**	**(2,111,446)**	**-13%**	**160,334,103**	**165,961,798**	**(5,627,695)**	**-3%**
NW Natural - Washington	822,690		822,690		2,428,812	2,020,834	407,978	20%
Grant Revenue	7,864	30,865	(23,001)	-75%	76,636	30,865	45,771	148%
Revenue from Investments	118,385	43,641	74,744	171%	825,328	343,442	481,886	140%
Total Other Sources of Revenue	**948,939**	**74,506**	**(874,433)**	**-1174%**	**3,330,775**	**2,395,141**	**(935,634)**	**-39%**
TOTAL REVENUE	**15,645,379**	**16,882,392**	**(1,237,013)**	**-7%**	**163,664,879**	**168,356,939**	**(4,692,061)**	**-3%**
EXPENSES								
Incentives	7,580,521	7,591,558	11,037	0%	57,261,168	65,935,272	8,674,104	13%
Program Delivery Subcontracts	4,831,502	4,970,641	139,139	3%	48,052,116	46,992,211	(1,059,905)	-2%
Employee Salaries & Fringe Benefits	1,190,442	1,028,700	(161,742)	-16%	11,197,630	10,467,946	(729,684)	-7%
Agency Contractor Services	110,867	93,017	(17,850)	-19%	1,076,639	649,290	(427,349)	-66%
Planning and Evaluation Services	368,293	288,176	(80,117)	-28%	2,124,484	1,458,050	(666,434)	-46%
Advertising and Marketing Services	137,693	205,753	68,060	33%	2,083,771	1,871,998	(211,773)	-11%
Other Professional Services	167,937	9,587	(158,350)	-1652%	1,718,611	1,527,593	(191,019)	-13%
Travel, Meetings, Trainings & Conferences	33,041	37,530	4,489	12%	315,030	337,261	22,230	7%
Dues, Licenses and Fees	6,906	23,869	16,964	71%	117,078	180,439	63,360	35%
Software and Hardware	40,948	27,364	(13,584)	-50%	323,524	267,020	(56,503)	-21%
Depreciation & Amortization	22,937	68,620	45,683	67%	354,488	707,973	353,485	50%
Office Rent and Equipment	84,188	85,441	1,253	1%	862,099	860,228	(1,871)	0%
Materials Postage and Telephone	11,256	9,964	(1,292)	-13%	93,315	90,683	(2,632)	-3%
Miscellaneous Expenses	533.02	2,384	1,851	78%	5,142	39,047	33,906	87%
TOTAL EXPENSES	**14,587,065**	**14,442,607**	**(144,458)**	**-1%**	**125,585,095**	**131,385,011**	**5,799,917**	**4%**
TOTAL REVENUE LESS EXPENSES	**1,058,314**	**2,439,786**	**(1,381,472)**	**-57%**	**38,079,784**	**36,971,928**	**1,107,856**	**3%**

Energy Trust of Oregon
Statement of Functional Expenses
For the 10 Months Ending October 31, 2018
(Unaudited)

	Energy Efficiency Total	Renewable Energy	Low and Modelerate Income Solar	**Total Programs**	Office Space	IT	Management and General	Communications and Customer Service	Development	**Supporting Centers**	TOTAL
Incentives	$50,672,539	$6,588,629		$57,261,168							$57,261,168
Program Delivery Subcontracts	47,715,953	336,163		48,052,116							48,052,116
Employee Salaries & Fringe Benefits	4,635,793	1,109,534	8,673	5,754,000		1,770,808	1,959,894	1,700,373	12,555	5,443,630	11,197,630
Agency Contractor Services	437,279	119,616	41,459	598,354	2,066	261,719	152,036	62,464		478,285	1,076,639
Planning and Evaluation Services	2,078,882	20,491		2,099,373			1,421	23,690		25,111	2,124,484
Advertising and Marketing Services	1,044,968	156,984		1,201,952				881,819		881,819	2,083,771
Other Professional Services	749,623	405,502	17,400	1,172,525		42,180	404,210	99,696		546,086	1,718,611
Travel, Meetings, Trainings & Conferences	124,943	34,084	2,138	161,165	378	30,637	77,330	45,520		153,865	315,030
Dues, Licenses and Fees	74,119	11,801		85,920		250	12,469	18,439		31,158	117,078
Software and Hardware		169,001		169,001	8,122	146,400				154,523	323,524
Depreciation & Amortization					104,097	250,391				354,488	354,488
Office Rent and Equipment					862,099					862,099	862,099
Materials Postage and Telephone	2,336	425		2,761	45,861	31,551	13,040	102		90,555	93,315
Miscellaneous Expenses	1,510			1,510	1,817		1,815			3,632	5,142
Shared Office Space	438,393	113,697	904	552,994	(1,024,440)	154,585	165,437	151,424		(552,994)	-
Shared Information Technology	1,775,684	237,167	1,743	2,014,594		(2,688,523)	361,076	312,852		(2,014,594)	-
TOTAL FUNCTIONAL EXPENSE	**109,752,022**	**9,303,094**	**72,316**	**119,127,432**			**3,148,729**	**3,296,379**	**12,555**	**6,457,662**	**125,585,095**

Energy Trust of Oregon
Administrative Expenses Classified by OPUC Performance Measure
For the 10 Months Ending October 31, 2018
(Unaudited)

	Total	Program	Administrative and Program Support
Incentives	$57,261,168	$57,261,168	
Program Delivery Subcontracts	$48,052,116	48,052,116	
Employee Salaries & Fringe Benefits	$11,197,630	5,754,000	5,443,630
Agency Contractor Services	$1,076,639	598,354	478,285
Planning and Evaluation Services	$2,124,484	2,099,373	25,111
Advertising and Marketing Services	$2,083,771	1,201,952	881,819
Other Professional Services	$1,718,611	1,172,525	546,086
Travel, Meetings, Trainings & Conferences	$315,030		315,030
Dues, Licenses and Fees	$117,078		117,078
Software and Hardware	$323,524		323,524
Depreciation & Amortization	$354,488		354,488
Office Rent and Equipment	$862,099		862,099
Materials Postage and Telephone	$93,315		93,315
Miscellaneous Expenses	$5,142		5,142
TOTAL Expenses	**125,585,095**	**116,139,488**	**9,445,606**
Program Support			2,987,945
Management & General & Development			3,161,284
Communications and Outreach			3,296,379
TOTAL Expenses			**9,445,608**
divided by			
Total Revenue without Interest			162,762,915
OPUC Measure vs. 8%			**5.80%**

ENERGY TRUST OF OREGON
Summary of All Units
For the 10 Months Ending October 31, 2018

	ENERGY EFFICIENCY									
	PGE	PacifiCorp	Total	NWN Industrial	NW Natural	Cascade	Avista	Oregon Total	NWN WA	ETO Total
REVENUES										
Public Purpose Funding	25,284,769	18,721,781	44,006,550		16,164,507	1,885,480	1,096,393	63,152,929		63,152,929
Incremental Funding	56,094,355	27,912,134	84,006,489	520,024				84,526,513	2,428,812	86,955,325
Grant Revenue										
Contributions										
Revenue from Investments										
TOTAL PROGRAM REVENUE	**81,379,124**	**46,633,915**	**128,013,039**	**520,024**	**16,164,507**	**1,885,480**	**1,096,393**	**147,679,442**	**2,428,812**	**150,108,254**
EXPENSES										
Incentives	26,741,397	15,552,607	42,294,002	709,439	5,946,862	563,414	470,287	49,984,006	688,533	50,672,539
Program Delivery Subcontracts	24,974,390	15,400,660	40,375,051	703,998	5,301,066	452,733	412,555	47,245,405	470,549	47,715,954
Employee Salaries and Fringe Benefits	1,528,198	945,114	2,473,312	52,277	340,132	30,177	27,650	2,923,550	77,958	3,001,508
Agency Contractor Services	222,748	127,002	349,750	8,922	28,596	3,465	2,395	393,129	-	393,129
Planning and Evaluation Services	1,017,212	544,655	1,561,868	23,652	100,014	12,083	9,388	1,707,005	-	1,707,005
Advertising and Marketing Services	502,609	337,287	839,897	13,175	166,590	12,821	12,486	1,044,968	-	1,044,968
Other Professional Services	284,932	191,426	476,358	7,886	87,395	6,905	6,686	585,231	10,643	595,874
Travel, Meetings, Trainings and Conferences	34,530	21,207	55,738	861	10,022	797	785	68,203	754	68,957
Dues, Licenses and fees	11,055	6,358	17,413	368	1,519	176	153	19,626	26,217	45,843
Software and Hardware	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-
Materials Postage and Telephone	593	402	995	43	20	7	2	1,067	-	1,067
Miscellaneous Expenses	798	404	1,202	3	267	16	22	1,510	-	1,510
Shared Office Space	146,447	91,140	237,586	5,158	32,255	2,883	2,619	280,500	7,580	288,080
Shared Information Technology	740,962	436,374	1,177,334	15,609	211,151	16,577	16,860	1,437,532	30,906	1,468,438
Customer Service Management	117,236	83,183	200,418	462	65,848	4,399	4,880	276,006	-	276,006
Trade Ally Management	86,325	62,748	149,072	556	47,514	3,252	3,549	203,944	-	203,944
Planning & Evaluation Management	1,106,468	659,997	1,766,465	21,649	299,486	23,663	24,161	2,135,422	131,779	2,267,201
TOTAL PROGRAM EXPENSES	**57,515,900**	**34,460,564**	**91,976,461**	**1,564,058**	**12,638,737**	**1,133,368**	**994,478**	**108,307,104**	**1,444,919**	**109,752,023**
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	1,520,237	910,848	2,431,085	41,340	334,062	29,958	26,286	2,862,729	38,191	2,900,920
Communications & Customer Svc (Notes 1 & 2)	1,591,525	953,560	2,545,083	43,279	349,726	31,361	27,519	2,996,969	39,982	3,036,951
Total Administrative Costs	**3,111,762**	**1,864,408**	**4,976,168**	**84,619**	**683,788**	**61,319**	**53,805**	**5,859,698**	**78,173**	**5,937,871**
TOTAL PROG & ADMIN EXPENSES	**60,627,662**	**36,324,972**	**96,952,629**	**1,648,677**	**13,322,525**	**1,194,687**	**1,048,283**	**114,166,802**	**1,523,092**	**115,689,894**
TOTAL REVENUE LESS EXPENSES	**20,751,462**	**10,308,943**	**31,060,410**	**(1,128,653)**	**2,841,982**	**690,793**	**48,110**	**33,512,640**	**905,720**	**34,418,360**
NET ASSETS - RESERVES										
Cumulative Carryover at 12/31/17	12,210,566	6,211,801	18,422,366	2,647,089	3,527,716	262,067	75,717	24,934,948	176,506	25,111,445
Net Assets Reattributed from prior year										
Change in net assets this year	20,751,462	10,308,943	31,060,410	(1,128,653)	2,841,982	690,793	48,110	33,512,640	905,720	34,418,360
Ending Net Assets - Reserves	**32,962,028**	**16,520,744**	**49,482,776**	**1,518,436**	**6,369,698**	**952,860**	**123,827**	**58,447,588**	**1,082,226**	**59,529,805**
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	32,962,028	16,520,744	49,482,776	1,518,436	6,369,698	952,860	123,827	58,447,588	1,082,226	59,529,805
Operational Contingency Pool										
Emergency Contingency Pool										
TOTAL NET ASSETS CUMULATIVE	**32,962,028**	**16,520,744**	**49,482,776**	**1,518,436**	**6,369,698**	**952,860**	**123,827**	**58,447,588**	**1,082,226**	**59,529,805**

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) Program Management costs include both outsourced and internal staff

ENERGY TRUST OF OREGON
Summary of All Units
For the 10 Months Ending October 31, 2018

	RENEWABLE ENERGY						TOTAL			
	PGE	PacifiCorp	Total	Solar LMI	Community Solar	Other	All Programs	Approved budget	Change	% Change
REVENUES										
Public Purpose Funding	7,293,140	5,361,521	12,654,661				75,807,590	74,148,313	1,659,277	2%
Incremental Funding							86,955,325	82,484,655	4,470,670	5%
Grant Revenue				76,636			76,636		76,636	
Contributions									-	
Revenue from Investments						825,328	825,328	190,000	635,328	334%
TOTAL PROGRAM REVENUE	**7,293,140**	**5,361,521**	**12,654,661**	**76,636**	**-**	**825,328**	**163,664,879**	**156,822,968**	**6,841,911**	**4%**
EXPENSES										
Incentives	3,527,144	3,061,487	6,588,629	-			57,261,168	63,050,798	5,789,630	9%
Program Delivery Subcontracts	205,241	130,922	336,163	-			48,052,117	48,372,296	320,179	1%
Employee Salaries and Fringe Benefits	523,557	448,573	972,130	8,673	12,555		3,994,866	4,035,681	40,815	1%
Agency Contractor Services	64,162	53,120	117,283	41,459			551,871	663,054	111,183	17%
Planning and Evaluation Services	-	-	-	-			1,707,005	2,777,561	1,070,556	39%
Advertising and Marketing Services	86,806	70,178	156,984	-			1,201,952	1,494,781	292,829	20%
Other Professional Services	215,131	137,897	353,027	17,400			966,301	2,088,503	1,122,202	54%
Travel, Meetings, Trainings and Conferences	15,600	14,101	29,702	2,138			100,797	138,375	37,578	27%
Dues, Licenses and fees	5,738	4,545	10,282	-			56,125	68,812	12,687	18%
Software and Hardware	92,836	76,165	169,001	-			169,001	135,917	(33,084)	-24%
Depreciation and Amortization	-	-	-	-			-	68,056	68,056	100%
Materials Postage and Telephone	40	35	75	-			1,142	6,417	5,275	82%
Miscellaneous Expenses	-	-	-	-			1,510	-	(1,510)	-
Shared Office Space	54,500	46,540	101,040	904			390,024	415,348	25,324	6%
Shared Information Technology	113,537	97,198	210,736	1,743			1,680,917	1,967,885	286,968	15%
Customer Service Management	17,656	14,489	32,145	-			308,151	322,740	14,589	5%
Trade Ally Management	58,282	47,815	106,097	-			310,041	333,865	23,824	7%
Planning & Evaluation Management	65,019	54,780	119,799	-			2,387,000	2,499,633	112,633	5%
TOTAL PROGRAM EXPENSES	**5,045,249**	**4,257,845**	**9,303,093**	**72,317**	**12,555**	**-**	**119,139,988**	**128,439,722**	**9,299,734**	**7%**
ADMINISTRATIVE COSTS										
Management & General (Notes 1 & 2)	133,103	112,336	245,439	2,368	-	-	3,148,727	4,006,817	858,089	21%
Communications & Customer Svc (Notes 1 & 2)	139,634	117,841	257,476	1,952	-	-	3,296,379	3,470,978	174,599	5%
Total Administrative Costs	**272,737**	**230,177**	**502,915**	**4,320**	**-**	**-**	**6,445,106**	**7,477,795**	**1,032,689**	**14%**
TOTAL PROG & ADMIN EXPENSES	**5,317,986**	**4,488,022**	**9,806,008**	**76,637**	**12,555**	**-**	**125,585,095**	**135,917,517**	**10,332,423**	**8%**
TOTAL REVENUE LESS EXPENSES	**1,975,154**	**873,499**	**2,848,653**	**-**	**(12,555)**	**825,328**	**38,079,784**	**20,905,450**	**17,174,333**	**82%**
NET ASSETS - RESERVES										
Cumulative Carryover at 12/31/17	7,073,073	6,268,079	13,341,154	-	38,710	9,641,309	48,132,624	43,871,177	4,261,447	10%
Net Assets Reattributed from prior year							-			
Change in net assets this year	1,975,154	873,499	2,848,653	-	(12,555)	825,328	38,079,784	20,905,450	17,174,334	82%
Ending Net Assets - Reserves	**9,048,227**	**7,141,578**	**16,189,807**	**-**	**26,155**	**10,466,637**	**86,212,408**	**64,776,627**	**21,435,781**	**33%**
Ending Reserve by Category										
Program Reserves (Efficiency and Renewables)	9,048,227	7,141,578	16,189,807	-	26,155		75,745,767			
Operational Contingency Pool						5,466,637	5,466,637			
Emergency Contingency Pool						5,000,000	5,000,000			
TOTAL NET ASSETS CUMULATIVE	**9,048,227**	**7,141,578**	**16,189,807**	**-**	**26,155**	**10,466,637**	**86,212,408**	**64,776,627**	**21,435,781**	**33%**

Energy Trust of Oregon
Program Expense by Service Territory
For the 10 Months Ending October 31, 2018
(Unaudited)

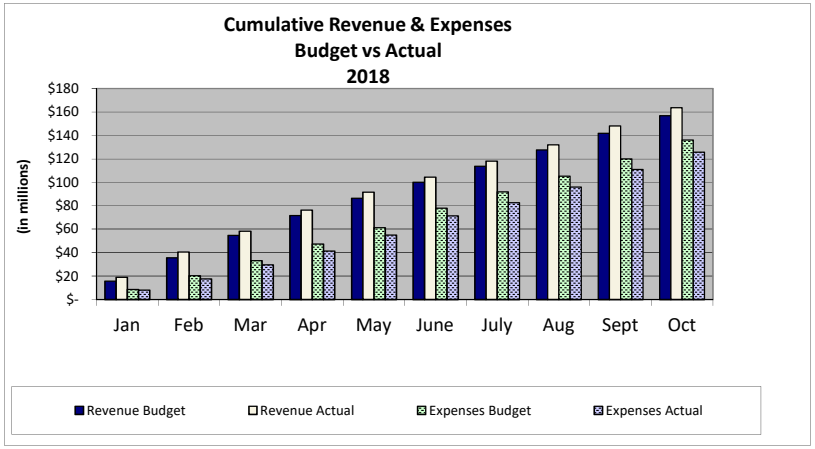
	PGE	Pacific Power	Subtotal Elec.	NWN Industrial	NW Natural Gas	Cascade	Avista	Subtotal Gas	Oregon Total	NWN WA	Solar LMI	Community Solar	ETO Total	YTD Budget	Variance	% Var
Energy Efficiency																
Commercial																
Existing Buildings	$16,226,476	$10,225,805	$26,452,282	$614,294	$1,826,953	$237,719	$238,281	$2,917,246	$29,369,528	$584,022			$29,953,550	$33,040,131	$3,086,581	9%
Multifamily Buildings	4,945,081	1,624,018	6,569,099	29,263	552,175	17,694	69,400	668,532	7,237,631				7,237,631	7,628,234	390,603	5%
New Buildings	10,207,958	3,187,404	13,395,362	55,432	1,182,228	139,243	85,394	1,462,297	14,857,659				14,857,659	16,233,553	1,375,894	8%
NEEA	1,327,233	1,001,248	2,328,481		96,350	10,350		106,701	2,435,182				2,435,182	2,183,101	(252,081)	-12%
Total Commercial	**32,706,749**	**16,038,475**	**48,745,224**	**698,988**	**3,657,707**	**405,006**	**393,075**	**5,154,776**	**53,900,000**	**584,022**			**54,484,022**	**59,085,019**	**4,600,997**	**8%**
Industrial																
Production Efficiency	13,050,864	8,855,941	21,906,804	949,690	443,195	148,451	37,597	1,578,934	23,485,738				23,485,738	23,873,791	388,053	2%
NEEA	42,555	32,105	74,660						74,660				74,660	355,464	280,804	79%
Total Industrial	**13,093,418**	**8,888,046**	**21,981,464**	**949,690**	**443,195**	**148,451**	**37,597**	**1,578,934**	**23,560,398**				**23,560,398**	**24,229,255**	**668,857**	**3%**
Residential																
Residential Combined	12,911,824	9,953,295	22,865,119		8,531,771	567,126	617,610	9,716,508	32,581,627	939,069			33,520,696	37,771,793	4,251,097	11%
NEEA	1,915,670	1,445,154	3,360,824		689,853	74,103		763,957	4,124,781				4,124,781	4,510,920	386,139	9%
Total Residential	**14,827,495**	**11,398,449**	**26,225,943**		**9,221,625**	**641,230**	**617,610**	**10,480,465**	**36,706,408**	**939,069**			**37,645,477**	**42,282,713**	**4,637,236**	**11%**
Energy Efficiency Program Costs	**60,627,661**	**36,324,970**	**96,952,631**	**1,648,678**	**13,322,527**	**1,194,687**	**1,048,283**	**17,214,175**	**114,166,806**	**1,523,091**			**115,689,897**	**125,596,987**	**9,907,090**	**8%**
Renewables																
Solar Electric (Photovoltaic)	3,812,857	3,128,149	6,941,006						6,941,006		76,636		7,017,642	7,524,050	506,408	7%
Other Renewable	1,505,131	1,359,873	2,865,004						2,865,004				2,865,004	2,796,480	(68,524)	-2%
Renewables Program Costs	**5,317,988**	**4,488,022**	**9,806,010**						**9,806,010**		**76,636**		**9,882,646**	**10,320,530**	**437,884**	**4%**
Community Solar Development												12,555	12,555		(12,555)	
Cost Grand Total	**65,945,649**	**40,812,992**	**106,758,641**	**1,648,678**	**13,322,527**	**1,194,687**	**1,048,283**	**17,214,175**	**123,972,816**	**1,523,091**	**76,636**	**12,555**	**125,585,095**	**135,917,517**	**10,332,422**	**8%**

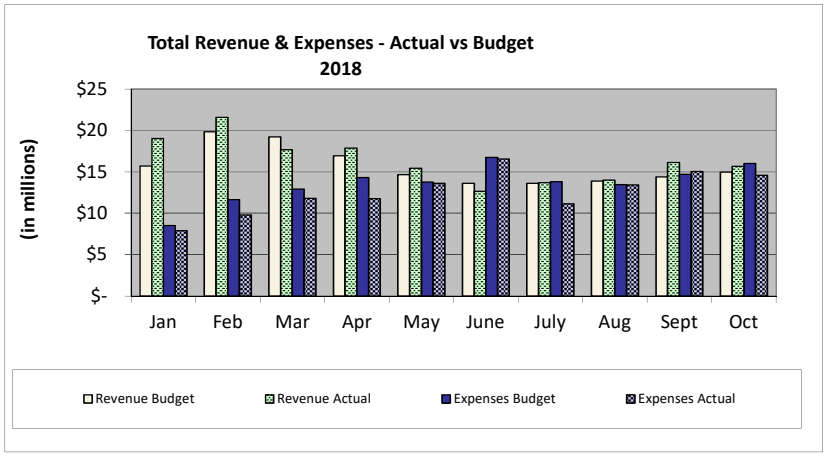
Energy Trust of Oregon
Administrative Expenses
For the 10 Months Ending October 31, 2018
(Unaudited)

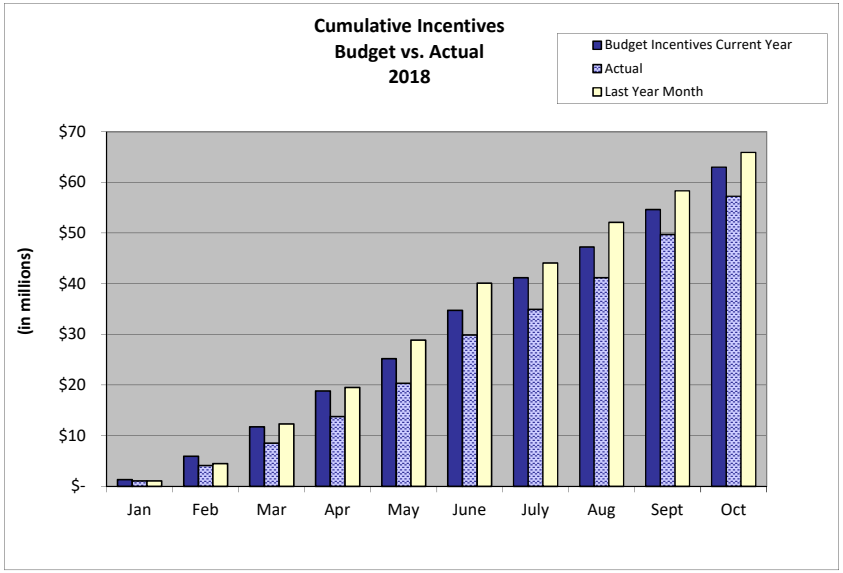
	MANAGEMENT & GENERAL						COMMUNICATIONS & CUSTOMER SERVICE					
	QUARTERLY			YTD			QUARTERLY			YTD		
	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	REMAINING	ACTUAL	BUDGET	VARIANCE
EXPENSES												
Outsourced Services	$58,918	$254,329	$195,411	$387,741	$956,097	$568,356	$54,276	$341,500	$287,224	$978,844	$1,138,333	$159,489
Legal Services		6,250	6,250	12,680	20,833	8,154						
Salaries and Related Expenses	238,229	717,753	479,524	2,109,922	2,281,161	171,240	175,380	480,828	305,447	1,668,875	1,602,759	(66,116)
Supplies		725	725	2,878	2,417	(462)	8	250	243	88	833	746
Postage and Shipping Expenses		750	750	497	2,500	2,003				7		(7)
Printing and Publications	694	1,125	431	9,665	3,750	(5,915)		0	0	4	2,500	2,496
Travel	2,576	13,850	11,274	32,726	46,167	13,441	5,428	12,500	7,072	35,387	41,667	6,279
Conference, Training & Mtngs	6,278	13,250	6,972	44,467	44,167	(300)	779	5,500	4,721	7,836	18,333	10,497
Interest Expense and Bank Fees	103		(103)	1,815	1,500	(315)						
Dues, Licenses and Fees	1,134	2,663	1,529	12,357	36,835	24,478	890	4,500	3,610	16,575	15,000	(1,575)
Shared Allocation (Note 1)	17,699	53,310	35,611	164,937	180,452	15,515	14,304	43,813	29,508	143,100	148,304	5,204
IT Service Allocation (Note 2)	38,243	115,163	76,919	360,060	421,530	61,470	31,430	94,646	63,216	295,914	346,433	50,519
Planning & Eval	939	2,817	1,878	8,985	9,409	424	15,643	46,943	31,300	149,749	156,815	7,066
TOTAL EXPENSES	**364,813**	**1,181,984**	**817,172**	**3,148,727**	**4,006,818**	**858,089**	**298,139**	**1,030,480**	**732,341**	**3,296,379**	**3,470,977**	**174,598**

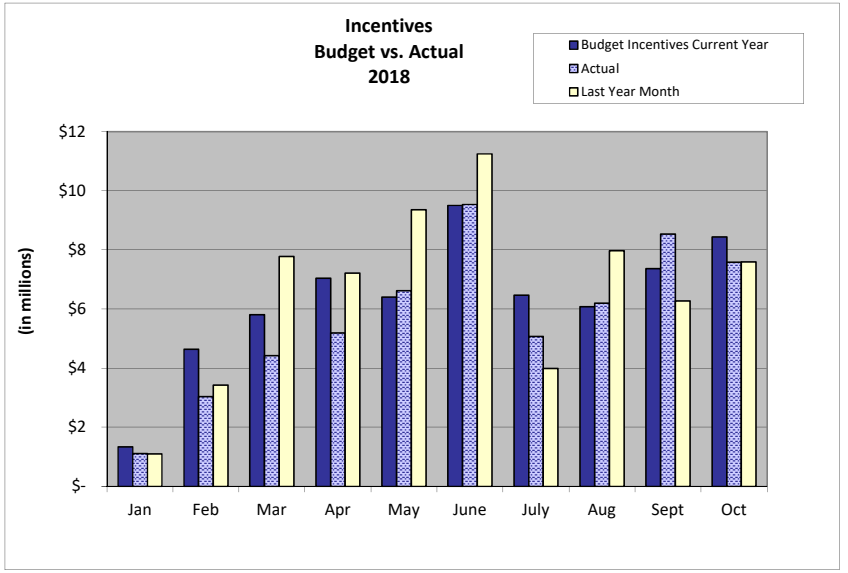
Note 1) Represents allocation of Shared (General Office Management) Costs
Note 2) Represents allocation of Shared IT Costs

Administrative Expenses 1st Month of Quarter


Cumulative Revenue & Expenses
Budget vs Actual
2018
(in millions)
$180
$160
$140
$120
$100
$80
$60
$40
$20
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Total Revenue & Expenses - Actual vs Budget
2018
(in millions)
$25
$20
$15
$10
$5
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct
Revenue Budget
Revenue Actual
Expenses Budget
Expenses Actual


Cumulative Incentives
Budget vs. Actual
2018
Budget Incentives Current Year
Actual
Last Year Month
(in millions)
$70
$60
$50
$40
$30
$20
$10
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct


Incentives
Budget vs. Actual
2018
Budget Incentives Current Year
Actual
Last Year Month
(in millions)
$12
$10
$8
$6
$4
$2
$-
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
Oct

PINK PAPER

CONTRACTOR	Description	City	EST COST	Actual TTD	Remaining	Start	End
Administration							
		Administration Total:	**13,694,356**	**5,698,327**	**7,996,029**		
Communications							
		Communications Total:	**5,744,290**	**4,242,297**	**1,501,993**		
Energy Efficiency							
Northwest Energy Efficiency Alliance	Regional EE Initiative Agmt	Portland	36,142,871	26,313,750	9,829,121	1/1/2015	7/1/2020
ICF Resources, LLC	2018 BE PMC	Fairfax	15,616,683	12,428,007	3,188,676	1/1/2018	12/31/2018
CLEAResult Consulting Inc	2018 Residential PMC	Austin	8,483,204	6,385,495	2,097,709	1/1/2018	12/31/2018
CLEAResult Consulting Inc	2018 NBE PMC	Austin	6,206,575	5,184,519	1,022,056	1/1/2018	12/31/2018
Northwest Energy Efficiency Alliance	Regional Gas EE Initiative	Portland	5,864,530	3,025,265	2,839,265	1/1/2015	7/1/2020
Lockheed Martin Corporation	2018 MF PMC	Grand Prairie	4,655,000	3,589,360	1,065,640	1/1/2018	12/31/2018
Energy 350 Inc	PDC - PE 2018	Portland	3,373,954	2,611,754	762,200	1/1/2018	12/31/2018
Intel Corporation	EE Project Incentive Agmt	Hillsboro	2,400,000	0	2,400,000	11/13/2015	12/31/2019
Evergreen Consulting Group, LLC	PE Lighting PDC 2018	Tigard	1,968,000	1,560,056	407,944	1/1/2018	12/31/2018
TRC Engineers Inc.	2018 EPS New Const PDC	Irvine	1,946,406	1,462,611	483,795	1/1/2018	12/31/2018
RHT Energy Inc.	PDC - PE 2018	Medford	1,836,230	1,379,165	457,065	1/1/2018	12/31/2018
Northwest Power & Conservation Council	RTF Funding Agreement		1,825,000	1,349,096	475,904	2/25/2015	12/31/2019
Cascade Energy, Inc.	PE PDC 2018	Walla Walla	1,823,250	1,478,961	344,289	1/1/2018	12/31/2018
CLEAResult Consulting Inc	2018 Retail PDC	Austin	1,645,112	1,250,550	394,562	1/1/2018	12/31/2018
Craft3	Manufactured Home Pilot Loan	Portland	1,000,000	0	1,000,000	9/20/2018	9/20/2033
SBW Consulting, Inc.	PE Program Impact Evaluation	Bellevue	573,000	567,070	5,930	5/1/2016	12/31/2018
Michaels Energy, Inc.	PE 16 &17 Impact Eval	La Crosse	539,000	80,552	458,448	7/1/2018	11/14/2018
Craft3	Loan Agreement	Portland	500,000	167,000	333,000	1/1/2018	12/31/2019
Pivotal Energy Solutions LLC	License Agreement	Gilbert	490,500	262,487	228,013	3/1/2014	12/31/2019
EnergySavvy Inc.	Optix Engage Online Audit Tool	Seattle	467,000	282,250	184,750	6/1/2016	5/31/2020
Michaels Energy, Inc.	NBE '15 & '16 Impact Eval	La Crosse	425,000	312,219	112,781	3/5/2018	3/1/2019
KEMA Incorporated	EB & SEM 2017 Evaluation	Oakland	350,000	226,732	123,268	4/10/2018	5/30/2019
Balanced Energy Solutions LLC	New Homes QA Inspections	Portland	321,700	178,762	142,938	4/27/2015	12/31/2018
Cascade Energy, Inc.	PDC Transition Agreement	Walla Walla	311,107	101,340	209,767	9/1/2018	12/31/2018
Craft3	Loan Agreement	Portland	300,000	300,000	0	6/1/2014	6/20/2025
ICF Resources, LLC	2018 BE PMC - WA	Fairfax	258,286	199,948	58,338	1/1/2018	12/31/2018
CLEAResult Consulting Inc	2018 Residential PMC - WA	Austin	238,129	185,016	53,113	1/1/2018	12/31/2018
CLEAResult Consulting Inc	2018 Residential PMC - CustSvc	Austin	174,000	139,841	34,160	1/1/2018	12/31/2018
ICF Resources, LLC	2018 BE PMC - DSM	Fairfax	161,119	104,816	56,303	1/1/2018	12/31/2018

The Cadmus Group LLC	Residential DHP Study	Portland	155,000	102,462	52,538	4/18/2018	12/31/2018
Evergreen Economics	2018 EB Process Evaluation	Portland	150,000	133,808	16,193	5/14/2018	3/31/2019
Open Energy Efficiency, Inc.	Automated Meter Data Analysis	Mill Valley	150,000	113,340	36,660	1/1/2018	12/31/2018
Research Into Action, Inc.	PE Process Evaluation	Portland	138,000	60,189	77,811	4/2/2018	6/14/2019
DNV GL Energy Services USA Inc	Ind O&M Persistence Study	Oakland	130,000	15,048	114,953	9/4/2018	6/30/2019
Research Into Action, Inc.	Fast Feedback 2018	Portland	115,500	95,020	20,480	2/15/2018	5/31/2019
Alternative Energy Systems Consulting, Inc.	PE Review of Technical Studies	Carlsbad	100,000	73,906	26,094	5/22/2017	12/31/2018
WegoWise Inc	benchmarking license	Boston	90,000	42,572	47,428	6/15/2014	12/31/2019
1000 Broadway Building L.P.	Pay-for-Performance Pilot	Portland	88,125	80,959	7,166	10/17/2014	11/1/2018
EES Consulting, Inc	Professional Services Agmt	Kirkland	80,430	33,120	47,310	10/1/2016	9/30/2020
TRC Engineers Inc.	2018 EPS New Const PDC - WA	Irvine	63,456	52,996	10,460	1/1/2018	12/31/2018
Craft3	SWR Loan Origination/Loss Fund	Portland	55,000	0	55,000	1/1/2018	12/31/2019
Research Into Action, Inc.	Evaluation MHR Pilot	Portland	52,000	25,727	26,273	5/1/2017	2/28/2019
Navigant Consulting Inc	Evaluation Cosultant-DSM Proj.	Boulder	50,500	40,731	9,770	6/15/2017	6/1/2019
Ecotope, Inc.	NB - NEEA Impact Evaluation	Seattle	50,000	49,983	18	10/23/2017	12/31/2018
Research Into Action, Inc.	Marketing Customer Insights	Portland	48,418	14,192	34,226	6/14/2018	1/31/2019
The Cadmus Group Inc.	SEM Impact Pt 2	Watertown	47,110	38,777	8,333	3/16/2018	12/31/2018
Apex Analytics	Residential Windows Research	Boulder	45,000	8,891	36,109	5/15/2018	12/31/2018
Evergreen Economics	New Home Pilot- DHP	Portland	44,000	17,576	26,424	11/1/2017	3/31/2019
Brightworks Sustainability LLC	Net Zero Fellowship Grant Agmt	Portland	43,500	43,500	0	4/5/2017	8/31/2018
BASE zero LLC	Quality Assurance Services	Bend	43,075	41,735	1,340	3/1/2016	12/31/2018
Alternative Energy Systems Consulting, Inc.	CSEM - PTT	Carlsbad	40,000	31,915	8,085	6/30/2018	12/15/2018
The Cadmus Group Inc.	Existing Homes DHP Study	Watertown	40,000	40,000	0	9/25/2017	3/31/2019
The Cadmus Group Inc.	Impact Evaluation NB projects	Watertown	39,000	25,363	13,637	6/18/2018	2/28/2019
MetaResource Group	Intel Mod 1&2 Megaproject	Portland	35,000	4,497	30,503	3/1/2018	12/31/2019
Research Into Action, Inc.	Evaluation - APS Pilot	Portland	31,219	24,883	6,336	7/1/2017	12/31/2018
Northwest Energy Efficiency Council	Tool Lending Lbry Sponsorship	Seattle	30,500	30,500	0	1/1/2018	12/31/2018
American Council for and Energy Efficient Economy	Research Sponsorship - 2018		30,000	30,000	0	1/1/2018	12/31/2018
INCA Energy Efficiency, LLC	Red Rock Evaluation	Grinnell	30,000	0	30,000	6/10/2018	6/9/2020
RWDI USA LLC	Net Zero Fellowship Grant		26,000	0	26,000	9/1/2018	9/1/2019
University of Oregon	NB 2018 Net Zero Fellows Grant	Eugene	26,000	0	26,000	10/1/2018	3/30/2020
Ecotope, Inc.	LR MultiFamily Field Studies	Seattle	25,000	0	25,000	11/13/2018	11/11/2019
MetaResource Group	Pay-for-Performance Evaluation	Portland	25,000	24,694	307	2/1/2018	12/31/2018
Sustainable Northwest	Klamath Ag Program	Portland	24,990	24,992	(2)	2/1/2018	12/10/2018
FMYI, INC	Subscription Agreement	Portland	24,650	24,650	0	4/25/2016	1/15/2019

Cadeo Group LLC	Evaluation Consulting Services	Washington	24,620	14,586	10,034	5/1/2018	12/31/2018
Consortium for Energy Efficiency	Membership Dues - 2018		23,074	23,074	0	1/1/2018	12/31/2018
Michaels Energy, Inc.	Large NB Impact Evaluation	La Crosse	18,000	4,653	13,348	8/1/2018	3/31/2020
Earth Advantage, Inc.	Sponsorship	Portland	17,750	10,250	7,500	3/1/2017	2/28/2019
AIQUEOUS LLC	Water Market Study	Austin	15,000	15,000	0	6/18/2018	11/15/2018
KEMA Incorporated	New Bldg Evaluation	Oakland	13,000	4,942	8,058	10/1/2017	3/31/2019
American Council for and Energy Efficient Economy	ACEEE Sponsorship - 2018		12,500	12,500	0	1/1/2018	12/31/2018
Consortium for Energy Efficiency	IEM DSM Sponsorship		10,000	10,000	0	3/13/2018	12/31/2018
Research Into Action, Inc.	Review Mesure Dev. Process	Portland	10,000	9,092	909	6/12/2018	11/30/2018
Alliance For Sustainable Energy, LLC	Technical Services Agreement	Lakewood	9,609	9,609	0	3/19/2018	12/31/2018
LightTracker, Inc.	Lighting Market Analysis	Boulder	9,000	9,000	0	4/1/2018	12/31/2018
City of Portland Bureau of Planning & Sustainability	Sponsorship - 2018	Portland	8,000	8,000	0	1/1/2018	12/31/2018
Earth Advantage, Inc.	2018 - Sponsorship	Portland	7,750	5,000	2,750	6/1/2018	12/31/2018
Resource Innovation Institute	2018 Event Sponsorship	Portland	7,500	7,500	0	2/7/2018	12/31/2018
Northwest Energy Efficiency Council	BOC 2018 Sponsorship	Seattle	7,300	7,300	0	1/1/2018	12/31/2018
The Cadmus Group Inc.	NB Evaluation Plan	Watertown	6,500	0	6,500	10/1/2017	3/31/2019
Carleton Hart Architecture PC	Net Zero Leaders Grant	Portland	6,000	0	6,000	11/13/2018	6/15/2019
Otak Incorporated	Net Zero Leaders Grant	Portland	6,000	0	6,000	11/12/2018	6/15/2019
Travel Portland	My People's Market Sponsorship	Portland	5,000	5,000	0	5/31/2018	12/31/2018
Speranza Architecture	Net Zero Leaders Grant	Eugene	3,840	0	3,840	11/14/2018	6/15/2019
Hennebery Eddy Architects Inc	Net Zero Emerging Leader Grant	Portland	3,333	0	3,333	11/19/2018	6/15/2019
Holst Architecture Inc	Net Zero Leaders Grant	Portland	3,000	0	3,000	11/13/2018	6/15/2019
		Energy Efficiency Total:	**102,288,905**	**72,628,151**	**29,660,754**		

Joint Programs

E Source Companies LLC	Membership Agreement	Boulder	75,607	75,607	0	1/1/2018	12/31/2018
Structured Communications Systems, Inc.	ShoreTel Phone System Install		70,345	65,287	5,059	1/1/2017	12/31/2018
Infogroup Inc	Data License & Service Agmt	Papillion	26,114	13,057	13,057	2/12/2018	2/12/2020
Research Into Action, Inc.	Trade Ally Survey	Portland	21,100	21,100	0	4/24/2018	11/30/2018
		Joint Programs Total:	**193,166**	**175,051**	**18,116**		

Renewable Energy

Sunway 3, LLC	Prologis PV installation		3,405,000	3,261,044	143,956	9/30/2008	9/30/2028
City of Salem	Biogas Project - Willow Lake	Salem	3,000,000	0	3,000,000	9/4/2018	9/4/2038
Clean Water Services	Project Funding Agreement		3,000,000	2,013,106	986,894	11/25/2014	11/25/2039
Oregon Institute of Technology	Geothermal Resource Funding	Klamath Falls	1,550,000	1,550,000	0	9/11/2012	9/11/2032
Farm Power Misty Meadows LLC	Misty Meadows Biogas Facility	Mount Vernon	1,000,000	1,000,000	0	10/25/2012	10/25/2027

Three Sisters Irrigation District	TSID Hydro	Sisters	1,000,000	1,000,000	0	4/25/2012	9/30/2032
Farmers Irrigation District	FID - Plant 2 Hydro	Hood River	900,000	900,000	0	4/1/2014	4/1/2034
Klamath Falls Solar 2 LLC	PV Project Funding Agreement	San Mateo	850,000	382,500	467,500	7/11/2016	7/10/2041
Old Mill Solar, LLC	Project Funding Agmt Bly, OR	Lake Oswego	490,000	490,000	0	5/29/2015	5/28/2030
City of Medford	750kW Combined Heat & Power	Medford	450,000	450,000	0	10/20/2011	10/20/2031
City of Pendleton	Pendleton Microturbines	Pendleton	450,000	150,000	300,000	4/20/2012	4/20/2032
Deschutes Valley Water District	Opal Springs Hydro Project	Madras	450,000	0	450,000	1/1/2018	4/1/2040
RES - Ag FGO LLC	Biogas Manure Digester Project	Washington	441,660	441,660	0	10/27/2010	10/27/2025
RES - Ag FGO LLC	Biogas Manure Digester - FGO	Washington	441,660	438,660	3,000	10/27/2010	10/27/2025
Three Sisters Irrigation District	TSID Funding Agreement	Sisters	400,000	0	400,000	1/1/2018	12/31/2038
Farmers Conservation Alliance	Program Support	Hood River	367,000	195,755	171,245	1/1/2018	12/31/2019
SunE Solar XVI Lessor, LLC	BVT Sexton Mtn PV	Bethesda	355,412	355,412	0	5/15/2014	12/31/2034
CIty of Gresham	City of Gresham Cogen 2		350,000	334,523	15,477	4/9/2014	7/9/2034
Luxurious Plumbing and Heating, Inc.	Solar Verifier Services	West Linn	269,655	269,655	0	8/1/2016	10/15/2018
Clean Power Research, LLC	PowerClerk License	Napa	215,478	215,478	0	7/1/2017	6/30/2019
City of Astoria	Bear Creek Funding Agreement	Astoria	143,000	143,000	0	3/24/2014	3/24/2034
Energy Assurance Company	Solar Verifier	Milwaukie	100,000	0	100,000	11/15/2018	10/14/2020
Gary Higbee DBA WindStream Solar	Solar Verifier	Eugene	100,000	0	100,000	10/15/2018	10/14/2020
Wallowa County	Project Funding Agreement	Enterprise	80,000	0	80,000	4/1/2018	3/31/2038
SPS of Oregon Inc	Project Funding Agreement	Wallowa	75,000	74,513	488	10/15/2015	10/31/2036
Kendrick Business Services LLC	Small Business Financial Dev	Albany	60,000	4,450	55,550	8/1/2018	6/30/2020
Kleinschmidt Associates	Evaluation Services	Pittsfield	47,400	47,609	(209)	1/1/2017	11/30/2018
TRC Engineers Inc.	2018 EPS New Const PDC - Solar	Irvine	41,500	32,087	9,413	1/1/2018	12/31/2018
Clean Energy States Alliance	2018 CESA Sponsorship		39,500	39,500	0	6/1/2018	6/30/2019
Clean Power Research, LLC	WattPlan Software	Napa	38,000	38,000	0	11/17/2017	6/30/2019
Craft3	NON-EEAST OBR Svc Agrmt	Portland	30,000	10,250	19,750	1/1/2018	12/31/2018
The Solar Foundation	Workforce Diversity Survey	Washington	27,500	13,750	13,750	7/17/2018	12/31/2018
ENERGYneering Solutions Inc	Biopower & Hydro Evaluations	Sisters	25,000	24,954	46	12/6/2016	11/30/2018
University of Oregon	UO SRML Contribution - 2018	Eugene	24,999	24,999	0	3/9/2018	3/8/2019
Wallowa Resources Community Solutions, Inc.	Renewables Field Outreach		24,999	14,941	10,058	2/1/2018	1/30/2020
Robert Migliori	42kW wind energy system	Newberg	24,125	24,125	0	4/11/2007	1/31/2024
Site Capture LLC	SiteCapture Subscription	Austin	24,000	18,000	6,000	2/1/2018	1/31/2019
Warren Griffin	Griffin Wind Project	Salem	13,150	9,255	3,895	10/1/2005	10/1/2020
Flink Energy Consulting	Barriers Solutions Small RE PD	Portland	13,145	0	13,145	11/1/2018	3/31/2019
Rocky Mountain Institute	Membership Dues	Boulder	8,000	8,000	0	8/15/2018	12/31/2018

OSEIA-Oregon Solar Energy Industries Assoc	OSEIA 2018 Conf. Sponsorship		7,500	7,500	0	9/1/2017	12/31/2018
Bonneville Environmental Foundation	REC/WRC Purchase 2016	Portland	7,290	4,860	2,430	1/1/2016	12/31/2018
Seattle University	2018 Mid-Career Inst. Environm	Seattle	5,000	0	5,000	6/22/2018	12/31/2018
National Association for the Advancement of Colored People	LMI Solar Energy Development	Eugene	3,920	1,136	2,783	9/1/2018	6/30/2019
Lower Columbia Hispanic Council	LMI Solar Energy Development	Astoria	3,736	1,133	2,604	9/1/2018	6/30/2019
Mid-Columbia Housing Authority	LMI Solar Energy Development	The Dalles	3,691	0	3,691	9/5/2018	6/30/2019
NeighborImpact	LMI Solar Energy Development	Redmond	3,627	1,174	2,452	9/4/2018	6/30/2019
African American Alliance for Homeownership	LMI Solar Energy Development	Portland	3,102	1,024	2,078	9/1/2018	6/30/2019
Habitat for Humanity of Oregon Inc	LMI Solar Energy Development	Portland	3,102	1,000	2,102	9/1/2018	6/30/2019
Housing Development Center Inc	LMI Solar Energy Development	Portland	3,102	0	3,102	9/1/2018	6/30/2019
Native American Youth & Family Center	LMI Solar	Portland	3,102	0	3,102	9/1/2018	6/30/2019
Portland Community Reinvestment Initiatives Inc	LMI Solar Energy Development	Portland	3,102	1,000	2,102	9/1/2018	6/30/2019
		Renewable Energy Total:	**20,375,456**	**13,994,051**	**6,381,405**		
		Grand Total:	**142,296,173**	**96,737,876**	**45,558,297**		

Tab 7

Policy Committee Meeting

November 15, 2018

Attending at Energy Trust offices
Alan Meyer (Committee Chair), Ernesto Fonseca, Shelly Carlton, Amber Cole, Michael Colgrove, Jed Jorgensen, Betsy Kauffman, Steve Lacey, David McClelland, Debbie Menashe, Elaine Prause

Attending by Teleconference
Roger Hamilton, Anne Root, Henry Lorenzen

Alan opened the meeting by discussing preferred times for future Policy Committee meetings. Committee members discussed 1-2:30 p.m. on Thursdays as being a desirable time. Alan will work with Cheryle Easton to schedule accordingly for 2019 Policy Committee meetings.

Role of the Policy Committee and Role of a Possible Executive Committee

Alan asked Debbie Menashe to describe the role of the Policy Committee. Debbie described the committee's major roles: to review and develop board policies, to serve as a point of contact for staff for discussion of significant organizational matters, to serve as a forum for the preview of board presentation items, and to approve Conservation and Renewable Energy Advisory Council member appointments. The committee then returned to its discussion of the possibility of a board resolution authorizing and designating an executive committee. Alan will engage the full board in a discussion about the possibility of an executive committee at the board meeting the next day. Committee members and committee member-designee, Henry Lorenzen, discussed the pros and cons of a possible executive committee, providing information from their own board and executive committee experiences. Concerns for transparency, information reporting to the full board, and the need for the board to work together were discussed. The committee agreed to engage in discussions with the full board beginning at the board meeting on the next day, and then revisit the proposal in February 2019.

Board Meeting Presentation Preview

Shelly Carlton, senior marketing manager, previewed a presentation on a contract for advertising buying services that is expected to exceed the executive director's signing authority. Shelly described the selection process for the contract; selection is expected to be completed before the board's December meeting. Committee members asked that, at the board presentation, information about historical costs and the organizational benefits of outsourcing more of the advertising media buying be provided. In addition, committee members asked for information regarding the breakout of costs related to the contract, including commission costs and additional detail on the terms of the contract.

Policies Reviewed

Consent Agenda Procedure Policy 2.01.001-A

Debbie presented the Consent Agenda Procedure policy, identifying small edits for clarity. Committee members requested that the language in the third bullet of the policy be clarified for readability. Debbie will revise the language.

DEI Policy 4.08.000-P

The committee discussed the DEI policy, which was up for an annual review, a special review schedule provided when the DEI policy was substantially revised in 2017. Staff proposed no changes to the policy. Committee members discussed the policy, acknowledging that the policy language is general and useful, but the activity to achieve the purposes of the policy is and should be reflected in other places, such as the DEI Operations Plan.

The committee continued discussions on how to identify communities who are underserved by Energy Trust programs. Some additional, but small, language changes were suggested, and staff committed to making those changes to the policy for inclusion on the board's December meeting agenda.

Renewable Energy Certificate Policy 4.15.000-P

The Renewable Energy Certificate (REC) policy is up for its regular three-year review. Staff has reviewed the policy considering changes in market conditions, including Oregon's new community solar program, and is examining implications of the policy in light of these changes. At the committee's October meeting, staff identified four options for the REC policy, ranging from maintaining the policy in its current form to eliminating the requirement that Energy Trust take RECs for projects. At that meeting, Elaine Prause from the OPUC asked staff to continue discussions with OPUC staff regarding the policy, and those discussions continued prior to the November Policy Committee meeting.

Betsy Kauffman, Jed Jorgensen and David McClelland report that Energy Trust has received the OPUC staff position on the REC policy:

- For all projects that are net-metered (physically or virtually) or other on-site generation projects under 360 kW_{AC}[1], Energy Trust would no longer take title to RECs. Project owners would be prohibited from selling the RECs associated with their projects.
- For all qualifying facility (QF) projects, and any project greater than or equal to 360 kW_{AC}, current policy would still apply. Energy Trust would take title to the RECs associated with these projects, but would only register the projects in WREGIS if it is cost-effective to do so.

Betsy, Jed and David believe this proposal is workable, and they recommend that the REC Policy be changed accordingly. Making this change would provide several benefits:

- A barrier to municipalities that install projects smaller than 360 kW_{AC} would be lifted, enabling those projects to move forward faster.
- Contractual obligations of customers receiving incentives will be simplified.
- Energy Trust would be able to provide incentives to state's community solar projects under the size cap, opening up the ability to serve underserved customers such as renters.

Energy Trust staff also recommended an additional policy change at this time. Currently, staff report to the board at least yearly regarding REC prices and the cost-effectiveness of registering projects in WREGIS. Because markets do not shift quickly, staff recommend reporting to the board at least every other year or if market conditions dictate sooner. Making this change would save time and effort for both staff and board, while still allowing flexibility should it be needed.

Policy Committee members support the proposed change to the REC Policy and recommend that the proposals be presented to the full board at its next meeting.

Although included on the meeting agenda, in the interest of time, the committee determined to review the Waste-to-Energy and Waiving Program Incentive Cap policies at the next Policy Committee meeting.

Proposal to Amend the Bylaws to Remove References to Chief Financial Officer, Remove References to Financial Statement Certification Procedures and Revise Reference to General Counsel

Staff presented suggestions about changes to the chief financial officer position in the organization and implications for the organizational bylaws. While the committee has reviewed these proposed changes previously, committee member-designee Henry Lorenzen had questions for the committee,

[1] A project sized at 360 kW_{DC} is equivalent to a 500 kW_{DC} system.

including concerns about ensuring the integrity of the financial statements. Committee members and staff discussed these concerns, and Debbie advised committee members that Moss Adams, Energy Trust's auditors, had been engaged in discussions about the changes and expressed no concerns. Committee members determined it would be useful to invite Moss Adams to discuss the changes with the board as part of the bylaw revision process. Debbie will contact Moss Adams to arrange this discussion at a future board meeting.

Meeting adjourned at 5:45 p.m.

Next meeting date will be confirmed with the 2019 Board calendar.

PINK PAPER

Resolution 863
Amending Energy Trust Renewable Energy Certificate Policy

December 14, 2018

Summary

- Amend Energy Trust's Renewable Energy Certificate (REC) policy to eliminate the requirement that Energy Trust take title to RECs for all projects that are net-metered or are otherwise on-site generation projects under 360 kW_{AC}[1] and prohibit project owners from selling the RECs associated with their projects.
- Amend the REC policy to reduce the frequency of staff reporting regarding REC prices and the cost-effectiveness of registering projects in WREGIS from every year to at least every other year or sooner if market conditions dictate.

Discussion

Energy Trust's Renewable Energy Certificate (REC) policy was up for its regular three-year review in November 2018. During this review, the Policy Committee examines the policy to see if alterations are warranted in light of changes in market conditions and the overall policy landscape. Beginning in September 2018, in anticipation of Policy Committee review of the policy, staff reviewed the policy in light of current market conditions, engaged the Renewable Energy Advisory Council in a discussion about the policy, and engaged in discussions with OPUC staff regarding the policy. In addition to undertaking a review of the policy as part of its regular three-year review cycle, staff examined the policy as it compared to the requirements of Oregon community solar program rules. Under community solar program rules, project owners are required to keep RECs associated with their projects; they may not be sold or transferred to third parties like Energy Trust or others.

In discussing possible changes to the REC policy in light of community solar program requirements and other market conditions, staff identified four possible alternative approaches:

1. Maintain the REC policy as is, without amendments.
2. Create an exception to the policy for community solar projects.
3. Change the policy such that Energy Trust does not take title to RECs from net-metered and on-site use projects, but mandate that projects receiving Energy Trust incentives are prohibited from selling their RECs.
4. Change the policy such that Energy Trust does not take title to RECs from any project.

Since the October Policy Committee meeting where these options were discussed, Energy Trust engaged further with OPUC staff regarding the REC policy. OPUC staff recommended Option 3 with a few additional details, modifications and restrictions as follows:

- For all projects that are net-metered (physically or virtually) or other on-site generation projects under 360 kW_{AC}, Energy Trust would no longer take title to RECs. Project owners would be prohibited from selling the RECs associated with their projects.

Energy Trust staff supports the OPUC staff recommendation and recommended this option to the Policy Committee at the Policy Committee meeting on November 15, 2018. Making this change would provide several benefits.

[1] A project sized at 360 kW_{DC} is equivalent to a 500 kW_{DC} system.

- A barrier to municipalities that install projects smaller than 360 kW_{AC} would be lifted, enabling those projects to move forward faster.
- Contractual obligations of customers receiving incentives will be simplified.
- Energy Trust would be able to provide incentives to state community solar projects under the size cap, opening up ability to serve underserved customers such as renters.

Energy Trust staff also recommend an additional policy change at this time. Currently, staff report to the board at least yearly regarding REC prices and the cost-effectiveness of registering projects in WREGIS. Because markets do not shift quickly, staff recommend reporting to the board at least every other year or if market conditions dictate sooner. Making this change would save time and effort for both staff and board, while still allowing flexibility should it be needed.

Recommendation

Authorize the amendments to the REC policy as shown below.

RESOLUTION 863
AMEND ENERGY TRUST RENEWABLE ENERGY CERTIFICATE POLICY

WHEREAS:

1. **RECs represent renewable energy values that should be protected for ratepayers in Energy Trust programs.**
2. **In protecting this value, Energy Trust continues to recognize that there may be circumstances in which the cost of registering RECs in WREGIS is prohibitive, particularly in smaller projects.**
3. **Based on discussions with Oregon Public Utility Commission staff and stakeholders, Energy Trust recommends a policy revision which attempts to balance between representing renewable energy value for ratepayers through the collection of RECs and its ability to work with smaller project owners who are required or desire to keep title to RECs associated with their projects.**
4. **This policy, up for its regular three-year review, was reviewed by the Policy Committee at its meeting on November 15, 2018.**
5. **Staff recommended that the policy be revised to eliminate the requirement that Energy Trust take title to RECs for all projects that are net-metered (physically or virtually) or other on-site generation projects under 360 kW_{AC}. In addition, project owners would be prohibited from selling the RECs associated with their projects. The Policy Committee approved these suggested revisions and recommends that the proposed amendment be considered by the full board for approval.**

It is therefore RESOLVED that the Board of Directors hereby amends the Energy Trust REC policy as shown below:

Moved by: Seconded by:
Vote: In favor: Abstained:
Opposed:

Marked Version
4.15.000-P Renewable Energy Certificate (REC) Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	March 3, 2004	Approved (R256)	February 2005
Board Decision	February 16, 2005 (residential tags)	Amended (R313)	
Board Decision	April 6, 2005	Rescind (R313)	February 2008
Board Decision	March 28, 2007	Amended (R433)	February 2010
Policy Committee	October 12, 2010	Reviewed, no changes	October 2013
Board Decision	May 4, 2011	Amended (R584)	May 2014
Board Decision	November 4, 2015	Amended (R759)	November 2018
Board Decision	December 14, 2018		December 2021

PRINCIPLES

The following principles should guide Energy Trust's ownership of renewable energy certificates (RECs) generated by renewable resources:

- **RECs generated by renewable energy are one of the multiple values for Oregonians provided through investing in renewable resources.**
- **Energy Trust RECs should be used for the long-term benefit of customers of Pacific Power and Portland General Electric, as long as the effort and expense associated with registering them is not disproportionate to their value.**
- **The disposition (retention, transfer) of RECs will coordinate with and further the goals of Energy Trust, state policies and regulatory requirements.**
- **Where Energy Trust takes ownership of RECs, its ownership should reflect both the REC value and the support provided by Energy Trust.**
- **Energy Trust should coordinate its REC policy with utility green power programs and rate processes.**
- **Energy Trust ownership of RECs and the mode of delivery of RECs to Energy Trust should be flexible over time, while reinforcing incentives for long-term project performance.**

POLICY

1. **Annual Board Review**
   - **Energy Trust will ascertain market values and forward price curves for relevant types of RECs and update them periodically.**
   - **In order to ascertain market values and forward prices curves for relevant types of RECs, Energy Trust will consult with PGE, Pacific Power and the OPUC staff and will give consideration to federal and state policies that may affect such values and forward price curves.**
   - **Energy Trust will track the cost and effort involved in registering RECs and report it to the RAC and the board at least ~~annually~~every two years, and where the market value of any given REC category is less than the cost of registering them, recommend whether to continue to register them in WREGIS.**

- **Where the board determines, after RAC review, that the cost and effort entailed in registering RECs of a given type is disproportionate to the market and other values associated with RECs, the board may authorize staff to take title to the RECs without registering them in WREGIS and shall effectuate such authority by board resolution.**

2. **Ownership**
   - **For all physically or virtually net-metered projects, or other projects that use energy on-site, that are less than 360kW in nameplate AC capacity REC ownership will remain with the project owner. Project owners must agree to maintain ownership of RECs over the operational life of the renewable energy system unless Energy Trust incentives are repaid.**
   - **For all Qualifying Facility projects and all other projects greater than or equal to 360kW in nameplate AC capacity, w~~W~~here the board determines that Energy Trust should secure RECs for the benefit of ratepayers, the quantity of RECs for which Energy Trust will take ownership rights will be based on the ratio between Energy Trust's incentive and above-market cost, with an adjustment in cases where the REC market value exceeds the per-REC value of the incentive, determined as follows:**
     - **Step 1: Multiply the number of RECs that would be generated by a project over the term of the funding agreement with Energy Trust by the percentage of the above-market cost represented by Energy Trust's incentive.**
     - **Step 2: Divide the incentive amount by the quantity of RECs calculated in Step 1.**
     - **Step 3: Compare the per-REC value of Energy Trust's incentive to the REC market value ascertained in Section 1 of this policy.**
     - **Step 4: If the per-REC value of the incentive exceeds the per-REC market value, Energy Trust will take the full amount of RECs calculated in Step 1. If, however, the per-REC market value exceeds the per-REC incentive value, Energy Trust will reduce its REC ownership so that the per-REC incentive value is equivalent to the per-REC market value.**
   - **Energy Trust will reduce its ownership of RECs to the extent that a utility retains RECs for the benefit of its ratepayers pursuant to the utility's green power program or power purchase agreements.**

3. **Delivery of RECs**
   - **Unless the Energy Trust board determines under Section 1 that a type of REC need not be registered in WREGIS, RECs should be delivered to a utility WREGIS account specified by Energy Trust.**
   - **Energy Trust may agree to up-front retention of RECs by a developer or project owner if there are contractual assurances that future RECs will revert to Energy Trust.**

Clean Version
4.15.000-P Renewable Energy Certificate (REC) Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	March 3, 2004	Approved (R256)	February 2005
Board Decision	February 16, 2005 (residential tags)	Amended (R313)	

Board Decision	April 6, 2005	Rescind (R313)	February 2008
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- **The disposition (retention, transfer) of RECs will coordinate with and further the goals of Energy Trust, state policies and regulatory requirements.**
- **Where Energy Trust takes ownership of RECs, its ownership should reflect both the REC value and the support provided by Energy Trust.**
- **Energy Trust should coordinate its REC policy with utility green power programs and rate processes.**
- **Energy Trust ownership of RECs and the mode of delivery of RECs to Energy Trust should be flexible over time, while reinforcing incentives for long-term project performance.**

POLICY

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   - **Energy Trust will track the cost and effort involved in registering RECs and report it to the RAC and the board at least every two years, and where the market value of any given REC category is less than the cost of registering them, recommend whether to continue to register them in WREGIS.**
   - **Where the board determines, after RAC review, that the cost and effort entailed in registering RECs of a given type is disproportionate to the market and other values associated with RECs, the board may authorize staff to take title to the RECs without registering them in WREGIS and shall effectuate such authority by board resolution.**

2. **Ownership**
   - **For all physically or virtually net-metered projects, or other projects that use energy on-site, that are less than 360kW in nameplate AC capacity REC ownership will remain with the project owner. Project owners must agree to maintain ownership of RECs over the operational life of the renewable energy system unless Energy Trust incentives are repaid.**
   - **For all Qualifying Facility projects and all other projects greater than or equal to 360kW in nameplate AC capacity, where the board determines that Energy Trust should secure RECs for the benefit of ratepayers, the quantity of RECs for which**

Energy Trust will take ownership rights will be based on the ratio between Energy Trust's incentive and above-market cost, with an adjustment in cases where the REC market value exceeds the per-REC value of the incentive, determined as follows:

- **Step 1: Multiply the number of RECs that would be generated by a project over the term of the funding agreement with Energy Trust by the percentage of the above-market cost represented by Energy Trust's incentive.**
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- **Step 3: Compare the per-REC value of Energy Trust's incentive to the REC market value ascertained in Section 1 of this policy.**
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- **Unless the Energy Trust board determines under Section 1 that a type of REC need not be registered in WREGIS, RECs should be delivered to a utility WREGIS account specified by Energy Trust.**
- **Energy Trust may agree to up-front retention of RECs by a developer or project owner if there are contractual assurances that future RECs will revert to Energy Trust.**

Tab 8

Strategic Planning Committee Meeting

November 12, 2018

Attending at Energy Trust offices
Mark Kendall (Committee Chair), Lindsey Hardy, Michael Colgrove, Hannah Cruz, Cheryle Easton, Fred Gordon, Debbie Menashe, Spencer Moersfelder, John Volkman

Attending by Teleconference
Susan Brodahl, Roger Hamilton

Meeting began at 2:30 p.m.

Draft 2020-2024 Strategic Plan Scenario Development

Staff reported on the process for developing a 2020-2024 Strategic Plan scenario. Staff engaged all Energy Trust staff as well as the advisory councils, Conservation Advisory Council (CAC) and the Renewable Energy Advisory Council (RAC) to identify likely future scenarios. Based on discussions with these groups, as well as the internal staff strategic planning team, a combined scenario has been prepared. Committee members were provided with a copy of the draft scenario for review. The scenario describes the next five years as having incremental progress on clean energy policy and heightened focus on resiliency in the face of climate change consequences. The scenario will be reviewed with the full board in a workshop session at the board meeting on December 14, 2018.

Discussion of Opportunities that Arise of out the Future Scenario
Staff and committee members discussed the future scenario draft and brainstormed opportunities regarding energy that flow out of the scenario.

Consideration of Current Unique Role of Value Statement and Possible Opportunities
The committee reviewed the current unique role of value statement in light of the future scenario and the initial set of opportunities identified in the brainstorm session. The committee considered the following question: Does Energy Trust's current unique role of value still hold or would it make sense for the role to evolve?

Discussion ensued regarding Energy Trust's role as the principal public purpose fund administrator, a role referenced specifically in the current unique role of value statement. Committee members expressed strong interest in ensuring that Energy Trust's role as the administrator is always acknowledged as primary. Committee members also discussed ways in which the future scenario does give rise to discussions of additional opportunities, and the committee looks forward to a full discussion with the board at the December 14 workshop.

Staff reported that it would be meeting with Oregon Public Utility Commission (OPUC) staff on Friday, November 16 to discuss the scenario and inform them of future role discussions. It is expected that OPUC staff will be in attendance for the strategic planning workshop and discussion at the board meeting in December.

Next Steps
Staff reported out on additional next steps in the process:

- Engagement with RAC and CAC about future unique role of value: 11/30/18
- Next Strategic Planning Committee meeting to report out input on future unique role of value discussions: 12/11/18
- Check in with Energy Trust Management Team about future unique role of value discussions: 12/13/18
- Full board discussion about future unique role of value: 12/14/18

The committee concluded with some discussions about public engagement planning. Committee members and the full board will receive more information about planning for public engagement in December.

Meeting adjourned 4:30 p.m.

Next Strategic Planning Committee Meeting will be December 11, 2018, at 11:00 am.