Renewable Energy Advisory Council Agenda

Wednesday, June 26, 2019: 9:00 a.m. – Noon

Please note early start time

In-person participation: Energy Trust conference room Megawatt,
421 SW Oak St., Suite 300, Portland, OR 97204

Remote, video participation: https://global.gotomeeting.com/join/260745893, or
+1 (646) 749-3112, Access Code: 260-745-893

9:00 **Welcome, introductions, announcements** **Information**

9:05 **General updates / Follow-ups / Communication between RAC and board** **Information**

- DAC updates
- Community solar updates/follow-up

9:15 **Draft 2020-2024 Strategic Plan** **Discussion**

- Staff will present and seek feedback on the Draft 2020-2024 Strategic Plan. The discussion will center around the plan's five focus areas and their strategies and progress indicators. We are looking to understand whether RAC members, Foundational DAC members and others view the plan as a reflection of Energy Trust's role and if staff should consider modifying anything in the plan.

  This is one way to provide feedback and comments, and there is also a formal public comment period kicking off this week. The draft Strategic Plan and a guide to reference during the discussion are attached.

  We have invited the Foundational DAC members to join us for this discussion as the formal DAC is not anticipated to be operational during the public comment period.

10:30 **Break**

10:40 **Business planning: Draft 2020 Organizational Goals follow-up** **Discussion**

- Staff will follow-up on the previous month's discussion about draft 2020 Organization Goals, presenting the final goals and providing notification about how they will be used and when the RAC will next be engaged.

11:00 **Above-market cost policy and procedures** **Info/Discussion**

- Staff will present the policies and procedures used in calculating "Above-Market Costs" – the statutory basis for how Energy Trust provides incentives for renewable energy projects. The Above-Market Cost framework is the renewable energy equivalent of "cost-effectiveness" for energy efficiency and is the underpinning

for all the investments the sector makes with public purpose funds. This presentation will give participants a chance to explore the policies that shape how above-market costs are calculated and how that translates into incentives that are offered for both custom projects and the solar market.

(continued on back)

11:50 Public comment

12:00 Adjourn

You can view this agenda and notes from previous meetings at: http://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/. If you have comments on meeting notes, please alert Jed Jorgensen at jed.jorgensen@energytrust.org.

Next RAC meeting:
Wednesday, July 31, 2019: Tour of the Clean Water Services Durham Wastewater Treatment Facility in Tigard. Additional details and directions to follow.

Renewable Energy Advisory Council Meeting Notes

Wednesday, May 22, 2019

Attending from the council:
Alexia Kelly, Electric Capital Management
Andria Jacob, City of Portland
Anna Kim, Oregon Public Utility Commission
Dick Wanderscheid, Bonneville Environmental Foundation
Erik Anderson, Pacific Power
Jaimes Valdez, Spark Northwest
Kendra Hubbard, Solar Energy Industries Association
Les Perkins, Farmers Irrigation District
Michael O'Brien, Renewable Northwest
Oriana Magnera, Northwest Energy Coalition
Rebecca Smith, Oregon Department of Energy
Susanne Leta, SunPower

Attending from Energy Trust:
Betsy Kauffman
Dave McClelland
Jed Jorgensen
Zach Sippel
Lizzie Rubado
Jeni Hall
Lily Xu
Dave Moldal
Peter West
Jay Ward
Mike Colgrove
Julianne Thacher
Samuel Girma
Peter West
Matt Getchell
Hannah Cruz
John Volkman

Others attending:
Kate Hawley, TRC
Shelley Beaulieu, TRC
Angela Crowley-Koch, Oregon Solar Energy Industries Association
Charity Fain, Community Energy Project
Josh Halley, Portland General Electric
Nate Larsen, Pacific Power
Caroline Moore, OPUC
Natasha Smith, OPUC
James Donnelly, Elevate Energy
Patrick Foley, Elevate Energy
Randy Feldhaus, Sunbreak Energy Advisors
Pat Daniels, Constructing Hope
Lindsay Hardy, Bend Environmental Center (Phone)
Katie Perkins, public
Ray Sanchez, Solarize Rogue (Phone)
Trisha Paul, CLEAResult

1. Welcome, Introductions, Announcements

Jed Jorgensen called the meeting to order at 9:30 a.m. The agenda, notes and presentation materials are available on Energy Trust's website at: https://www.energytrust.org/about/public-meetings/renewable-energy-advisory-council-meetings/. The meeting was recorded on Go To Meeting. If you'd like to refer to the meeting recording for further detail on any of these topics, email info@energytrust.org.

Jed Jorgensen opened with brief notes and updates for the group.

Energy Trust staff recently attended two conferences:

1. The Renewable Power to Fuels Symposium by the Renewable Hydrogen Alliance, hosted by NW Natural.
2. Oregon's Energy Future Conference presented by the Northwest Environmental Business Council. Oriana Magnera, a member of the Renewable Energy Advisory Council, gave the opening keynote titled "Social Equity and Inclusion in the Clean Energy Economy".

2. Communication updates between the advisory council and board of directors

Jed Jorgensen reminded the council that communication updates will continue to be an agenda item despite no specific updates at this time.

3. Discussion about whether and how Energy Trust could provide incentives to Community Solar projects

Topic summary

Renewable Energy Advisory Council members and public attendees discussed whether and how Energy Trust could provide incentives to Community Solar projects.

Discussion

High-level feedback included:

- Energy Trust must be transparent about funding and staff resources.
- Energy Trust needs to define a clear process for determining which projects will receive funding, and why.
- Energy Trust has a potential role to play in this emerging market, and advisory council members support exploring this role. By providing incentives, Energy Trust could engage customers in underserved areas and customers who otherwise may not receive these benefits.
- The financial benefits should reach the customer and not the developer.
- This decision will require further discussion and assessment, including addressing perceived conflicts of interest.

Betsy Kauffman led a discussion about whether Energy Trust should provide incentives to these Oregon Community Solar Program projects. Historically, Energy Trust policy required a percentage of Renewable Energy Certificates (RECs) to be claimed by Energy Trust. Oregon's Community Solar Program requires that RECs remain with customers subscribing to community solar project. In December 2018, the Energy Trust board of directors voted to change the REC policy so that Energy Trust no longer takes ownership of RECs for solar projects under 360 kilowatts, which opens the door for providing incentives for smaller community solar projects. Now the question is whether to provide incentives to community

solar projects. To answer this, we need to assess our priorities and explore the positive and negative implications. Attendees broke into small groups to discuss:

- What benefits might Energy Trust incentives bring to the market?
- Could there be any disadvantages to Energy Trust providing incentives to the Community Solar projects? If so, what might those be?

Suzanne Leta: Has Energy Trust done any financial analysis for community solar projects and the potential need for incentives?
Dave McClelland: About a year ago, we modelled a variety of system sizes in different locations—this included larger systems in Klamath Falls as well as smaller systems in the Willamette Valley. We found that there is a wide range of costs and that community solar projects have additional costs (management, customer acquisition, etc.) that conventional projects do not. The smaller-sized systems Energy Trust would be able to support under the revised REC policy seem to have above-market costs. These small community solar projects are toward the larger end of what we provide incentives for right now.

After small group discussions, Betsy Kauffman each group shared out general thoughts and recommendations.

Andria Jacob: The economics of the Oregon Community Solar Program are daunting.
Alexia Kelly: Overall, I am generally supportive of Energy Trust incentives, but what should those incentives be going toward (i.e. feasibility funding, development, construction) and what is the role and importance of above-market costs? Energy Trust could play a role in feasibility funding or supporting third-party feasibility assessments for permitting, policy constraints and funding. Solar just doesn't pencil out here because it's hard to make it economically rational when power prices are so low and the payback long. Incentives have driven the market.
Betsy Kauffman: So, in the same way Energy Trust is needed in the residential and commercial market, we are needed for community solar.
Les Perkins: These projects are complex, especially in small communities where competition for land is high, which makes them more expensive.

Jaimes Valdez: At a high-level, one of the benefits of Energy Trust providing incentives for community solar projects is to make the legislative intent real—increasing access to underserved customers. This Community Solar Program is uniquely able to reach more customers. In terms of equity, homeowners have had disproportionate access to incentives compared to renters and low-income customers, which is a reason to provide incentives. At Spark Northwest, we see parity of access as necessary. Energy Trust can inspire participation by helping nonprofits and organizations that do not have access to federal tax credits.
Betsy Kauffman: This makes sense as part of Energy Trust's mission to serve and provide opportunities for all ratepayers.

Lizzie Rubado: These incentives may be critical for projects outside of the Portland Metro area and projects that cannot take advantage of the Portland Clean Energy Community Benefits Fund. Incentives can increase the diversity of developers, project managers and project types. The projects of this size are also more likely to be co-located with loads and could provide greater benefits to the grid and utility—benefits that may not be recognized economically otherwise.

Erik Anderson: The amount of money available from Energy Trust's solar budget isn't going to change the fundamental economics of these project and move the needle, unless Energy Trust's incentives are really targeted.

Angela Crowley-Koch: There are concerns about the pool of resources moving away from Energy Trust's original solar program. If that does happen, Energy Trust should focus on ratepayers that haven't had access to solar power before.

Lizzie Rubado: Energy Trust does not have incentive funding for Idaho Power customers. We understand that the Oregon customers in Idaho Power have lower average income, so lack of access to Energy Trust incentives could deepen disparities. Another issue to consider is that Energy Trust's budget for incentives is limited and may be insufficient to address the level of support that these projects, and low-income projects, may need. If Energy Trust provides incentives, then incentives may be small compared to what is really needed, but our provision of any amount of funding may make people feel like there is less of a need to solve the big problem.

Michael O'Brien: What are the impacts of spending the money? What is the goal of Energy Trust using this money?

Jeni Hall: An additional incentive might go to the developer rather than to participants. There is already a relatively small amount of funding and splitting it more ways is going to be challenging. It will be challenging and important to decide what projects Energy Trust should focus on as some are more beneficial than others.

Suzanne Leta: It's important to take it slow. We don't know what the economics will be in the long term.

Jaimes Valdez: There are two benefits to providing funding: opportunities to provide education in the community and delivering resources to low- and moderate-income customers in more rural areas. It is important to prioritize member-owned assets rather than a business to make sure benefits reach participants and not just developers.

Dave McClelland: What are the principles for having above-market cost incentives versus cost-effective incentives? This is about new market development and bringing new resources to the grid, which may prove to be more valuable than conventional projects. The disadvantage is that budget and staff time are limited, and this will require more work.

Patrick Foley: The nature of this work might increase questions about perceived conflicts of interest when picking which project to provide funding for or the amount of funding.

Anna Kim: Beyond targeting customers, you could also decide to support the first tranche—Energy Trust doesn't have to commit for the entirety of the program.

Alexia Kelly: Generally, people assume projects cost a premium and it is hard to convince them to subscribe if it will cost them more. Energy Trust needs to structure incentives in a way that does not hinder enrollment.
Suzanne Leta: Regardless of customer type, the purpose of Energy Trust and community solar is for customers to receive bill savings. No one should have to pay a premium—that should be a guiding principle.

Ray Sanchez (Phone): What kinds of solar projects are we talking about—member-owned or subscriber-owned? There is no disadvantage to providing incentives to individuals. The power of the incentive goes up with economies of scale.

Betsy Kauffman: Let's talk about the question of a perceived conflict of interest.
Jay Ward: Energy Trust must consider the public optics of participating and incenting success of the Community Solar Program.
Suzanne Leta: Is the Energy Solutions contract with the state milestone-driven?
Lizzie Rubado: Energy Trust's contract is not performance-metric driven. It's a time and materials contract.
Betsy Kauffman: Through a variety of procedures, Energy Trust already separates funds between utilities and programs. Funding from Energy Trust's subcontract to deliver the Community Solar Program is another separate entity. Energy Trust is cognizant that the organization receives funding from Oregon ratepayers and there is a responsibility that comes with that.

Suzanne Leta: Energy Trust needs to have clear procedures and documentation for how to appropriately allocate funds to community solar projects.
Anna Kim: It is important to consider and document your decisions and justifications as there are several perceived conflicts of interest that could arise.

Betsy Kauffman: Is the general feeling in the room that we should continue to consider incentives for community solar projects? Or is the perceived conflict of interest a red light?

Lizzie Rubado: Given that all Community Solar Program participants are Oregon ratepayers and Energy Trust is a public benefit organization, it is interesting that this potential opportunity to reach underserved customers is receiving such deliberation.
Suzanne Leta: Our goal is to help Energy Trust navigate this new opportunity.
Anna Kim: Thinking through how to address perceived conflicts of interest will help Energy Trust consider future relationships and funding streams.

Next steps
There was a group consensus that Energy Trust should explore providing incentives for community solar projects.

4. Business planning: draft 2020 organizational goals
Topic summary
Staff described the process to developing the 2020 organizational goals. The goals are still in draft form and will be revised with further staff input and with feedback from members of the Conservation Advisory Council and Renewable Energy Advisory Council. When final, the goals will guide the organization in developing the 2020 budget and action plan this fall.

Mike Colgrove reviewed Energy Trust's draft 2020-2024 Strategic Plan goals in their current form and explained. He noted that this year's process to developing organizational goals is different from past years because the annual organizational goals are being developed ahead of the final strategic plan goals. In subsequent years, the strategic plan will be final and a reference point before developing annual organizational goals.

Discussion
High-level feedback included:

- Advisory council and community-based input should be sought earlier in the drafting process in future years.
- Goals be more specific in order to be meaningful while also understanding that the market is changing, and Energy Trust needs to be agile.

Suzanne Leta: For the first goal, Energy Trust should add renewables. For the fourth goal, I suggest that Energy Trust include goals to retain high-quality staff. For the fifth goal, Energy Trust should include the Oregon Community Solar Program and incentives from the state and describe what the organization does that differs from state agencies.

Erik Anderson: The market isn't clear right now, so it is important for Energy Trust to have a broad focus without getting too specific. It is helpful for the Renewable Energy Advisory Council to be brought in early to help set goals, but we still want to be brought in when they become action items.

Anna Kim: The items listed here are big topics that Energy Trust is likely to be involved with, and I recommend Energy Trust does not state what the organization already does. I recommend you reword the fifth goal and consider what the organization is going to do in 2020 for these items.

Oriana Magnera: These goals are not specific, time-bound or measurable enough to be meaningful. Goals should be more focused to set staff up for success in the year. These goals were drafted internally, and I would recommend that Energy Trust create a more community-based process and evaluation of these organizational goals. Energy Trust should think about what the organization is trying to achieve and identify any gaps.

Charity Fain: The Diversity Advisory Council will be set up this year when these organizational goals will already be set. It is important that Energy Trust consider how these goals will be introduced to the new council.
Michael Colgrove: The Diversity Advisory Council will be invited to the next joint Renewable Energy Advisory Council and Conservation Advisory Council meetings about Energy Trust's strategic plan.

Michael O'Brien: For the fifth goal, I think the language is obscure and should be more explicit.
Angela Crowley-Koch: I agree. It would be meaningful if these goals were more specific.

Michael Colgrove: Energy Trust is considering what the organization needs to accomplish in 2020 to be successful at the end of the five-year strategic plan. The council's feedback on these organizational goals will be taken into consideration and once the plan is final, we will present it to the council.

Next Steps
With this feedback, staff will continue revising the draft 2020 organizational goals. The final goals will be brought back to the council at a later meeting as an informational item. The goals will also be referenced by program staff developing their 2020 action plans, and the council will receive presentations in the fall on this plan.

5. Public comment
There was no public comment.

6. Adjourn

The meeting adjourned at 12:04 p.m. The next council meeting will be held on June 26, 2019 from 9:00 a.m. – 12:00 p.m.

DRAFT 2020-2024 STRATEGIC PLAN GUIDE

FOCUS AREA 1

Provide relevant energy efficiency and renewable energy programs, information and services for all our customers, including information and services designed specifically for underserved customers.

STRATEGIES

- Continue to provide services and incentives to spur customer investment in their next energy project.
- Deliver cost-effective programs designed specifically to engage underserved customers.
- Serve customers through distributors, suppliers, retailers and other mid- and up-stream market actors.
- Evaluate new energy technologies in development and incorporate into program offers when they are cost-effective and ready for the market.

PROGRESS INDICATORS

- We achieve our annual savings and generation goals, making steady progress toward ambitious longer-term goals we will establish through a three-year planning process starting in 2021. We incorporate emerging sources of savings and generation in the three-year goals.
- We meet or exceed the goals we establish to increase the diversity of program participants.

FOCUS AREA 2

Strengthen the value we deliver to customers by linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs.

STRATEGIES

- Improve our ability to quantify and value the benefits of distributed energy efficiency and renewable energy to electric and natural gas utility systems.
- Educate, encourage and enable customers to install and realize benefits from clean energy projects that also help utilities efficiently lower the cost of operating their systems.

PROGRESS INDICATORS

- We develop a framework to value, deliver, report and evaluate energy efficiency and renewable energy resource opportunities in targeted locations in collaboration with utilities.
- We implement and evaluate initiatives designed to drive customer adoption of energy efficiency and renewable energy projects in targeted areas.

FOCUS AREA 3

Provide objective information and analyses to support development and implementation of energy policies.

STRATEGIES

- Work with the OPUC to provide technical support and advice on energy policies and dockets.
- Support energy-related policy initiatives, objectives and complementary programs led by local, state and federal governments.

PROGRESS INDICATOR

- We establish a system for monitoring regulatory and policy initiatives. We participate in policy development and implementation when there is potential customer benefit related to energy efficiency and renewable energy in the resulting policy, and we contribute data analyses and technical expertise during development of the policy.

DRAFT 2020-2024 STRATEGIC PLAN GUIDE

FOCUS AREA 4

Maximize the effectiveness and reach of public purpose funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits.

STRATEGIES

- Leverage outside funding to help customers complete projects with both energy and non-energy benefits.
- Coordinate with communities to help integrate energy efficiency and renewable energy into climate action and resiliency plans or to accomplish other community energy goals.
- Collaborate with utilities on carbon reduction strategies.

PROGRESS INDICATORS

- We acquire more energy savings and renewable generation than would otherwise be achieved with only public purpose charge funding.
- We coordinate with more organizations and communities where their additional resources help accomplish mutually supportive objectives.
- We establish a concept agreement with the OPUC and at least one natural gas utility to assess a joint carbon reduction effort.

FOCUS AREA 5

Enhance our ability to quickly and effectively respond to changes, needs and new opportunities.

STRATEGIES

- Foster and retain talented staff skilled in innovation techniques and adapting to change.
- Intentionally cultivate diversity in our board of directors, advisory councils, executive leadership, staff, contractors, partners and vendors.

PROGRESS INDICATORS

- Annual surveys indicate that staff are significantly aware of how annual goal setting, business planning and prioritization enables flexible resourcing of existing and new initiatives.
- We achieve Diversity, Equity and Inclusion goals for employee hiring and recruitment, and for the board of directors.

Working Across: Energy Trust Energy Efficiency and Renewable Energy Program Delivery and Customer Services

June 2019

Background

A question was raised at the Energy Trust 2019 budget workshop in October 2018 regarding whether and how energy efficiency and renewable energy are integrated into program design and customer offers, and how battery storage information and options are presented to customers.

What follows are key examples of how Energy Trust programs combine energy efficiency and renewable energy opportunities for customers as well as information on future work in integrating these two energy resources.

I. Solar in New Construction

Staff from the Solar, New Buildings and Residential programs work closely to design effective program strategies, offerings and technical support to ensure cohesive support for customers and their project teams.

Solar-Ready Buildings

In addition to providing financial incentives for the installation of solar systems on homes or buildings, the Energy Trust Solar program sets design and installation requirements and provides incentives to encourage residential (homes) and commercial (buildings) new construction, or commercial major reconstruction, to be designed and built "solar ready."

Solar-ready homes and buildings are constructed to allow for later, easier installation of a solar electric system through clear roof space for solar panels, minimal shading, optimum alignment for better solar access, conduit installed between the roof and the electric panel or mechanical room, and space left for future solar electric system components. Planning to incorporate solar in the design of new homes and buildings can, at a minimum, decrease the cost of a solar installation and avoid the more extreme situations in which solar is precluded due to the shape or location of the building or equipment installed on the roof.

The Solar program works directly with the New Buildings program management contractor and Residential EPS™ New Construction program delivery contractor to define strategic goals for the solar-ready offer, identify and address market barriers, and increase solar adoption in new construction. Energy Trust solar-ready requirements are designed in alignment with international energy code standards and ensure that an eventual solar system will meet Energy Trust solar installation requirements and be eligible to receive a cash incentive.

Solar and New Buildings programs/offerings

The New Buildings program influences commercial design and construction practices to deliver buildings with low energy use. To do so, the program integrates solar and energy efficiency into program delivery for customers.

- *Outreach Managers:* New Buildings outreach managers are located across the state to provide accessible, local resources for solar and efficiency. The outreach managers cultivate working relationships with industry professionals and help them bring forward solutions to owners that provide a range of offerings, many of which aim for early planning, and assist projects through various stages of design and installation.

- *Solar Interest on New Buildings Enrollment Form*: Project owners can indicate when they enroll with the New Buildings program if they are planning on installing solar or are interested in learning more. This prompts an email from Energy Trust in response with additional resources as well as follow-up conversations with the customer around solar and next steps.

- *Early Design Assistance:* The New Buildings program provides an incentive for an early goal-setting meeting with the customer's project team. The meeting focuses on estimating energy use and identifying strategies to target energy reductions. The New Buildings program offers an additional incentive for Solar trade allies to attend this meeting. Bringing solar trade allies into the conversation earlier integrates critical design and solar project timeline pieces that are typically not discussed until later, often causing costly reworking of the design.

- *Solar Development Assistance* – This early solar planning support focuses on maximizing solar generation by enabling building owners to develop solar into their building, plan the mechanical, structural and electrical systems, and secure solar incentives through an Energy Trust solar trade ally for projects planning to install solar at the time of construction.

- *Path to Net Zero*: This offering drives big reductions in annual energy use by taking advantage of on-site solar and many passive and design-based strategies that offset usage. In-depth technical analysis of these strategies enables customers to consider energy resilience or passive survivability benefits of incorporating building-level net zero strategies. Engineers within the New Buildings program work directly with project teams to review annual onsite energy production values and provide support during the final model and site verification steps.

- *Solar-Ready Construction*: As described above.
  projects that are unable to install solar at the time of construction are able to take advantage of the Solar Ready Construction, an offering designed to support projects during new construction or major renovations to get ready for solar. Encouraging projects to preserve solar resource access and integrate electrical and structural components into their building before it finishes helps to avoid costly additions later once the project is ready to install a PV system and often times make solar possible where it otherwise would not be.

- *Market Solutions:* The New Buildings program offers a simplified incentive package that provides building-specific Good/Better/Best options to engage fast-paced project development through decision-making, spend less on energy modeling and invest more into efficiency and solar strategies.

Solar and Residential programs

The Residential program's EPS New Home Construction track influences residential home design and construction through above code requirements and a network of trade ally home builders and third-party verifiers who provide technical support, project modeling and guidance on best practices for the home builder. The EPS New Construction track provides trade ally builders with incentives that are tied to the home's percentage improvement over a code-built house.

- *Early Design Assistance*: The Residential program provides an incentive to trade ally builders in Oregon who meet early design assistance requirements. Beginning in 2019 an additional incentive is available for homebuilders that include a solar trade ally contractor in the Early Design Meeting. This incentive encourages builders to assemble a team to evaluate projects in their early stages, focusing on how energy efficiency and solar will be integrated from the beginning. Early design assistance creates an opportunity for all participants to provide input and voice their concerns. It enables builders to address potential problem areas early on. With careful early design planning, builders can save money by reducing callbacks, field modifications and schedule changes, while subcontractors benefit by limiting change orders.

- *Solar-Ready Construction*: As described above.

II. Energy Resilience

Customers in new residential and commercial construction, as well as existing homes and buildings, are increasingly asking for information and support on how to make their homes and buildings more resilient in the case of an earthquake, wildfire or other issue that causes an extended outage. Customers in the public sector and those serving vulnerable communities are especially interested in opportunities to consider resilience as part of building design or as a retrofit.

One approach to address customer consideration and demand for resiliency is through a solar plus storage microgrid, which can power the pre-selected loads it was designed to support indefinitely. A solar plus storage system is a solar photovoltaic system paired with advanced battery storage. These systems can be configured so they can "island" or separate from the distribution grid and continue to run independently. When this occurs, they can be considered a solar plus storage microgrid[1].

Energy Trust's Early Design Assistance meetings for residential and commercial builders and developers allows program staff to engage with customers to understand their drivers and their goals around resilience. This market research will be invaluable as Energy Trust transitions from gathering information to better understand customer needs to outlining best practices and creating offerings focused on providing energy resilience in new and existing construction. Here are a few examples of work currently underway on energy resilience:

[1] As defined by the U.S. Department of Energy, a microgrid is "a group of interconnected loads and distributed energy resources with clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid [and can] connect and disconnect from the grid to enable it to operate in both grid-connected or island mode."

- *Research on the benefits of solar plus storage for different building types*: Energy Trust is collaborating with the National Renewable Energy Lab and Clean Energy Group to perform analysis of the resilience capabilities and financial benefits of solar plus storage systems for pre-selected sites representing different building types and serving low-income communities around the state. Because the hourly load profile of a home or building is unique to the equipment installed, and the way the home or building is operated, the costs and benefits of solar plus storage systems are also unique to each site.

- *Solar plus Storage Feasibility Assessment Incentives*: Energy Trust supports the cost of design for advanced solar plus storage systems through the Solar Development Assistance incentive. This incentive helps offset the cost of a customized system design and financial analysis so that customers can gain an understanding of the costs and benefits of solar plus storage for their individual sites. As an example of this incentive, Energy Trust is currently coordinating with the City of Portland Bureau of Planning and Sustainability, Portland Fire and Rescue and Portland General Electric on a solar plus storage system at Fire Station #1 in downtown Portland.

- *Passive Resilience Research:* As part of the most recently awarded Net Zero Fellowship, Joel Good, senior consultant with RWDI's Building Performance and Sustainability team, explored the value of passive design strategies for resiliency. Joel focused on the resilience of two building designs using Kellogg Middle School as a case-study prototype. The school was designed to serve as a community center during a catastrophic event. The passive building systems were analyzed with a long-term view and provide valuable perspective on the role of energy efficiency and building design in resilience during an outage.

III. The Future of Integrating Energy Efficiency and Renewable Energy

Currently, Energy Trust programs are primarily integrating energy efficiency and solar in new construction. Looking forward, there will be a need for more coordination and collaboration for existing buildings as well. This need is in part being driven by Oregon Governor Brown's direction to state agencies to advance the state's new construction by going to higher levels of efficiency and making buildings net-zero ready. To achieve net-zero ready buildings, both energy efficiency and solar will be needed. In addition, these net-zero or net-zero ready buildings can be a flexible asset to utilities managing their systems, especially as it is anticipated they will need to manage to a more resource-constrained grid of the future.

- *Defining the Future of Net Zero*: Governor Brown's Executive Order 17-20 outlines a vision for how energy efficiency and renewable energy in Oregon's built environment can reduce greenhouse gas emissions and address climate change. As part of that vision, the governor directs the state Building Codes Division (BCD) to require all newly constructed buildings be built solar ready starting October 1, 2020, for residential structures and October 1, 2022, for commercial structures. Governor Brown also directed that BCD shall require newly constructed residential buildings to be built "zero-energy ready" by October 1, 2023. Energy Trust programs are designed to push the envelope on clean energy practices through incentives that stimulate above-code construction. Programs also support builders, developers, contractors and design professionals in preparing for code changes, so they are ready to deliver to the new

standards and provide subject matter expertise in code change proceedings. Solar-ready and net-zero building are examples of where Energy Trust already plays this role in the market.

- *Beyond Net Zero*: A net-zero home or building that has enough onsite solar installed to offset the onsite load on an annual basis can create demand peaks on a daily basis that coincide with a utility's evening system peak. Energy Trust energy efficiency and renewable energy programs offer existing measures that also provide additional benefits to the customer and the utility grid and can create a home or building that is a flexible dispatchable resource. For example, in addition to providing energy resilience during an outage, solar plus storage systems can also provide demand response and frequency regulation to the grid. Currently there are dockets underway with the Oregon Public Utility Commission to explore what benefits behind the meter solar plus storage systems can provide the utility grid and how those benefits will be valued and ultimately monetized to pass that value along to the customer.

- *Targeted Distributed Energy Resources Deployment***:** On a more community-wide level, Pacific Power and Portland General Electric are both exploring the additional benefits that distributed energy resources can provide beyond the energy efficiency and renewable energy benefits currently being captured. Energy Trust is working with Pacific Power on a Targeted Load Management effort to address specific distribution grid constraints and potentially defer the cost of substation upgrades. Portland General Electric has received OPUC approval for its Smart Grid Testbed pilot. The pilot will engage customers by concentrating demand response deployment in three targeted geographic areas. The goals of the pilot are to 1) test the ability of demand response (through both direct load control and dynamic rate structures like time-of-use), energy efficiency and solar to mitigate peak events, and 2) address capacity shortfall anticipated in PGE's Integrated Resource Plan. Both of these efforts are designed to allow the utility to learn the additional benefits that distributed energy resources can provide to address specific utility concerns. As part of these efforts, Energy Trust is working in coordination with each utility to deploy resources that can affect the specific load shape on a substation or mitigate a period of peak demand.

2020 Organizational Goals

June 12, 2019

Energy Trust of Oregon

2020 Goals

Goal 1:
Meet savings and generation targets and create future opportunities

Goal 2:
Use guidelines to determine resource investments in community efforts

Goal 3:
Provide information to policymakers, agencies and implementers

Goal 4:
Strengthen internal innovation capabilities and develop new proposals

Goal 5:
Make operational improvements

Goal 1: Meet savings and generation targets and create future opportunities

We will meet 2020 savings and generation targets of [aMW and therms] and create future savings and generation opportunities with a particular focus on:

- Serving more diverse customers
- Supporting higher value RE and EE
- Sustaining services for efficiency programs where cost-effectiveness is becoming a challenge
- Pushing new construction beyond code

Goal 2: Use guidelines to determine resource investments in community efforts

We will apply and refine guidelines to assess community energy efforts to determine how and when we will invest time and resources with a particular emphasis on:

- Coordinating utility efforts in communities
- Building Community-Based Organization capacity
- Building community capacity
- Developing toolkits and templates

Goal 3: Provide information to policymakers, agencies and implementers

We will provide objective information and analysis to policymakers, agencies, and implementers with a particular focus on:

- OPUC requests
- Portland's Clean Energy Fund
- State carbon policy development
- Communities forming clean energy objectives

Goal 4: Strengthen internal innovation capabilities and develop new proposals

We will strengthen internal capability for innovation and support development of several new proposals with a particular focus on:

- Establishing an Innovation Team and resourcing initiatives
- Developing an Innovation Roadmap
- Adopting a framework, processes, and tools

Goal 5: Make operational improvements

We will accomplish operational improvements and remove barriers to meeting organizational goals with a particular focus on:

- Budgeting tools
- Forecasting
- Staff development
- Alignment of systems, data, and reporting
- Collaborations

4.07.000-P Methodology for Evaluating Above-Market Costs of Renewable Resource Projects

History			
Source	**Date**	**Action/Notes**	**Next Review Date**
Board Decision	April 3, 2002	Approved (R95)	April 2005
Board Decision	May 25, 2006	Revised (R390)	May 2009
Policy Committee	May 19, 2009	Reviewed, no changes	May 2012
Board Decision	Sept 19, 2012	Amended (R645)	Sept 2015
Board Decision	Sept 30, 2015	Amended (R754)	Sept 2018
Board Decision	November 8, 2017	Amended (R819)	Nov 2020

Procedures for Evaluating the Above-Market Cost of a Renewable Resource Project

The Energy Trust will evaluate medium and small-scale renewable resource projects that are submitted under the Energy Trust programs.

1. **Review Project Proposals:** The Energy Trust will review the costs, net of tax benefits, government incentives and income streams, submitted by project sponsors. Whether through standard processes or RFPs, proposals must provide sufficient information to evaluate the project, including at least technical specifications, resource characteristics, energy delivery, integration, transmission, development timelines, operating plans, financial detail, tax benefits, risks, and personnel. The Energy Trust will evaluate the responses and compare these to the usual and customary net costs and specifications for similar resources. For complex projects, independent consultants may be used to help with this review and due diligence. Information requirements will vary by program.

2. **Definition of Market Cost:** Based on the OAR definition of above-market cost, for projects delivering power to the utilities, the Energy Trust will compare the renewable resource costs to the market value that is used by the utility to acquire resources, provided the market value was developed using methods consistent with the utility's latest Integrated Resource Plan and the Commission-approved acquisition process. The market value will typically be an updated forward price curve, QF tariff, Commission-approved avoided cost filings, or marginal resource selected through a competitive bidding process. The market price will be adjusted to match the expected daily and seasonal delivery schedule of the renewable resource if necessary. In the case of on-site and net metered use, the market cost will be the retail rates for the customer under filed tariffs with the OPUC.

3. **Calculate the above-market cost:** The defined market costs will be compared to the delivered price for the renewable resource for each year of operation. The difference between the two will define the above or below market cost for that year. The net- present value for these costs over the life of the project (or the contract term in the case of a Power Purchase Agreement) will be calculated using industry-standards to determine the maximum above-market payment, if any, from the Energy Trust.

4. The Energy Trust staff will document these assumptions as part of the review and the Energy Trust's approval processes, which will include a review of what was used in the developer's bid compared to what is standard in the industry for rates of return and competitive cost of capital. If the net present value is positive, then this amount would define the maximum above-market cost that the Energy Trust could pay. If the net present value is zero or less, then there would be no above-market cost payments.

5. **Payment:** The Energy Trust can pay up to 100% of the above-market cost. The actual amount of the payment is determined on a case-by-case basis after considering the amount of funding available, the funding needed to develop the project, the benefits of the project, and the potential of the project to reduce renewable resource costs, provide replicable benefits, address a resource with significant potential, or meet other considerations related to achieving the objectives of the Energy Trust Strategic Plan. Payments to applicants for projects generating for own-use may be capped at the calculated net present value when comparing the cost of the project to the proposer's retail rate, if this results in a lower above-market funding from the Energy Trust than provided in step 3 above. Payments may be made up-front or on a periodic basis over time based on production or other factors. Payments made over time may reflect the discounted time-value of those funds.

Standard-Offer Resources: The Energy Trust will have some programs that require a standard offer for all projects of a similar type. Standard offers can be necessary for market development to signal consistency for long range planning and investment, or because projects tend to have uniform costs. In such instances re-calculating the incentive for each project would be a barrier to the market development and unnecessary.

For programs that have been authorized by the board to offer a standard incentive, staff will follow the procedures outlined for mid to small-scale projects. The calculation will be based on the latest available data on average costs for projects in Oregon. This calculation will be updated at least once per year with incentives adjusted, if necessary.

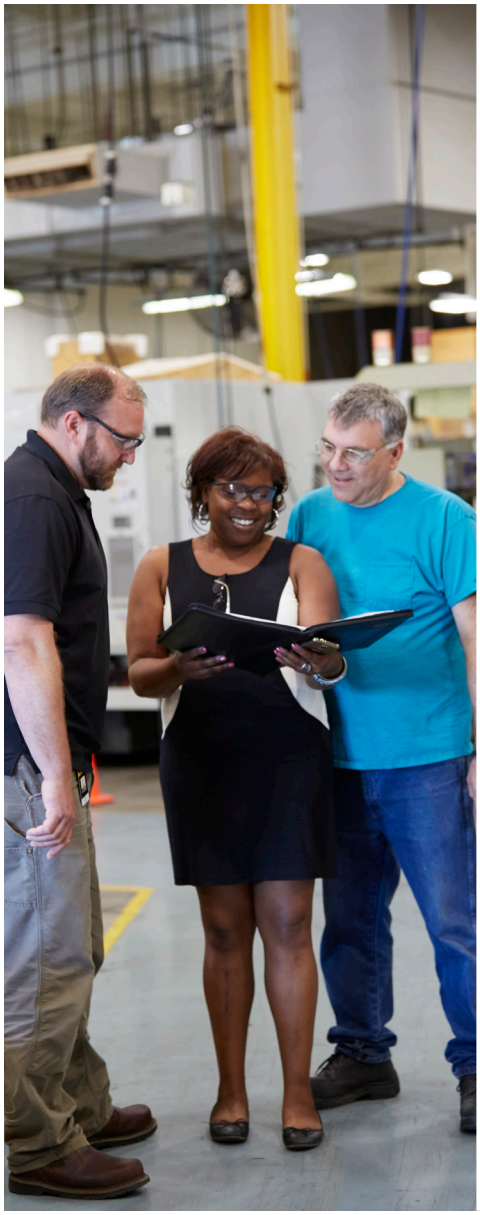
Other Considerations:

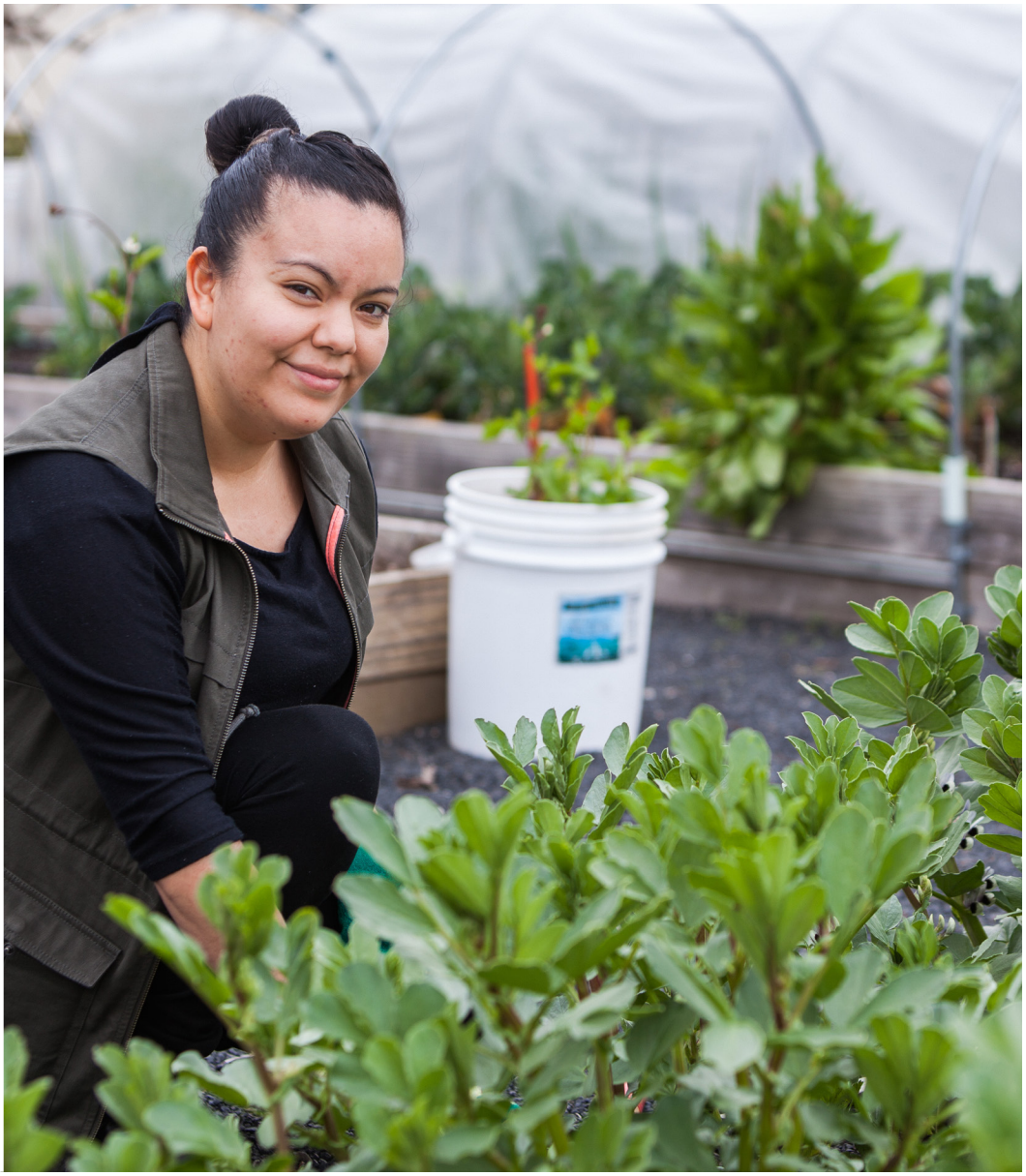
1. **Implementation of the Above-Market Methodology:** The procedures and analyses will determine the above-market cost based on the best information available at the time of the decision; the payment will be fixed based on this information and will not be adjusted for future changes. The Energy Trust will work with the utility and others to include the most current information in the calculation of the above-market costs.

2. **Energy Trust Payments:** The payment can be made to the developer, investors, lenders, utility or other parties. The Energy Trust may make a one-time payment, establish escrow accounts, or structure other arrangements.

3. **Modifications to the Procedures:** If the Energy Trust staff determines that these procedures hinder project acquisitions or that it could be in the ratepayers' interest to modify the procedure for evaluating above-market costs, the staff may request that the board make an exception to the procedures. Prior to doing this, Energy Trust staff will consult with the utilities, the Commission staff and, within the constraints of confidentiality and timing, also with the Renewable Advisory Council. The rationale for any case-specific modifications would be documented as part of the evaluation process for board approval.

4. **Utility master agreements.** Energy Trust has had master agreements with PGE and PacifiCorp for several years. These agreements were negotiated with the above- market cost methodology in mind, and are consistent with this methodology, but have somewhat different procedural requirements. If utilities submit funding requests pursuant to master agreements, those procedural terms will apply.



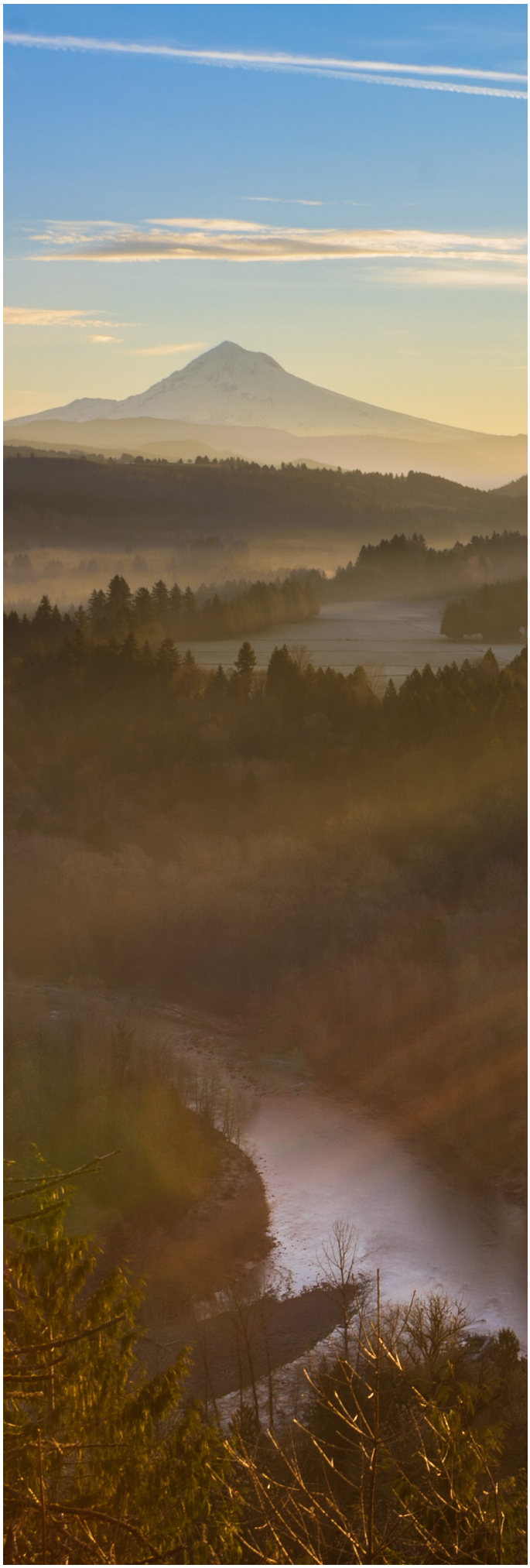


DRAFT

Strategic Plan

2020-2024

Energy Trust of Oregon



About Us

Vision

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.

Purpose

Energy Trust provides comprehensive, sustainable energy efficiency and renewable energy solutions to those we serve.

WHO WE ARE

We are an Oregon nonprofit organization dedicated to benefiting the customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We are primarily funded from public purpose charges paid by utility customers. We are accountable to an independent board of directors and the Oregon Public Utility Commission.

WHAT WE DELIVER

Our information, financial incentives and connections to contractors help people, businesses and communities save energy and generate renewable power. We are committed to helping all customers manage their energy use, especially people with lower incomes, communities of color, smaller businesses and rural areas.

OUR WORK

- Helps lower utility bills for participants
- Reduces overall energy costs for all ratepayers
- Contributes to a stronger economy
- Builds resilient and sustainable communities
- Avoids carbon emissions in our region

Our impact
Working with us, customers have so far saved and generated enough energy to fuel a clean energy power plant

Context

Energy Trust is a nationally recognized expert in energy efficiency and renewable energy program development and administration.

We have served thousands of businesses, many of them large commercial, industrial and multifamily properties. Over 600,000 households have installed efficient light bulbs, water-saving solutions and other very cost-effective energy-saving projects. We have achieved success in transforming markets that have historically been low-cost and high-volume sources of savings, such as the residential lighting market. We have also helped customers install thousands of small-scale solar, hydropower, biopower, wind and geothermal systems.

DYNAMICS SHAPING OUR PLAN

In the next five years, known challenges and emerging dynamics will require us to innovatively build upon this foundational customer and market success so we can accomplish our energy goals and deliver benefits to all customers.

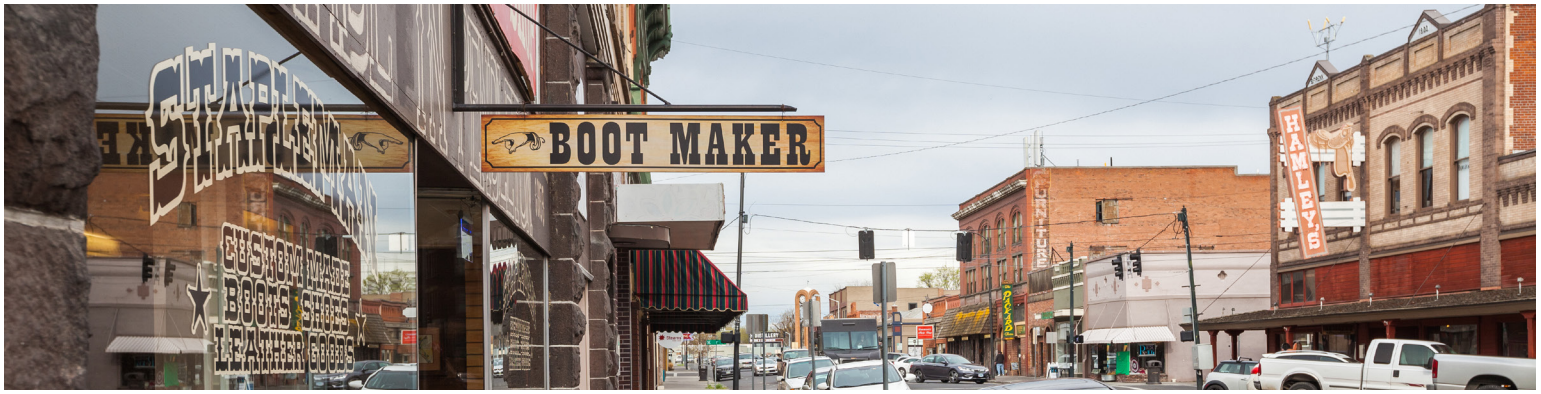
First, traditional clean energy program approaches need to evolve. Until advances in technology open up large areas of opportunity, we anticipate projects will save less energy on average than in the past. Consequently, we will need to help customers complete more projects to achieve our annual savings goals. This will likely increase levelized costs for energy efficiency during this timeframe. Additionally, we expect market conditions and the policy environment will make it harder to develop renewable energy projects. New partnerships and project funding models will be needed to continue diversifying Oregon's power mix with small-scale renewable energy.

Levelized cost
Our total cost to save or generate each unit of energy over the lifetime of the measure

Second, customer demographics are shifting. Our state population is expected to grow during the next five years, and with this growth, the demographics of Oregonians are changing. Nearly a quarter of Oregonians belong to communities of color and that percentage is expected to increase. To deliver on our energy savings and generation goals, we will need to engage an even more diverse population in the future. Adapting our programs and services to be relevant for diverse customers is critical to achieving our core purpose.

Third, government policies are targeting emissions reductions. As Oregon focuses on addressing climate change and reducing greenhouse gas emissions in both our energy supply and how we use that energy, our programs will be key to the state's success. Low-cost energy efficiency and clean, renewable energy are important ways to lower carbon emissions. While state carbon emissions reduction policies will likely have modest impact on our programs in the 2020-2024 timeframe, we anticipate more significant impact in the longer term.

Fourth, utility system changes and emerging technologies are presenting new opportunities. Utilities in the Northwest are adapting to address constraints on their systems and reduce greenhouse gas emissions. In addition, technology advancement is enabling new ways for utilities to begin interacting with customers to address these constraints. Our experience working with customers and contractors to install energy-efficient and solar technology can inform utility-led demand response programs and defer utility infrastructure upgrades in targeted areas.



Our Role in 2020-2024

We will continue our role as a third-party program administrator. We will **provide impactful energy efficiency and renewable energy programs** to benefit utility customers. This is our core purpose. We are entrusted to deliver cost-effective energy efficiency, transform markets to higher-efficiency products and lower the costs of small-scale renewable energy systems. We will maintain a multiple-utility, dual-fuel perspective and use independent analyses to inform this work.

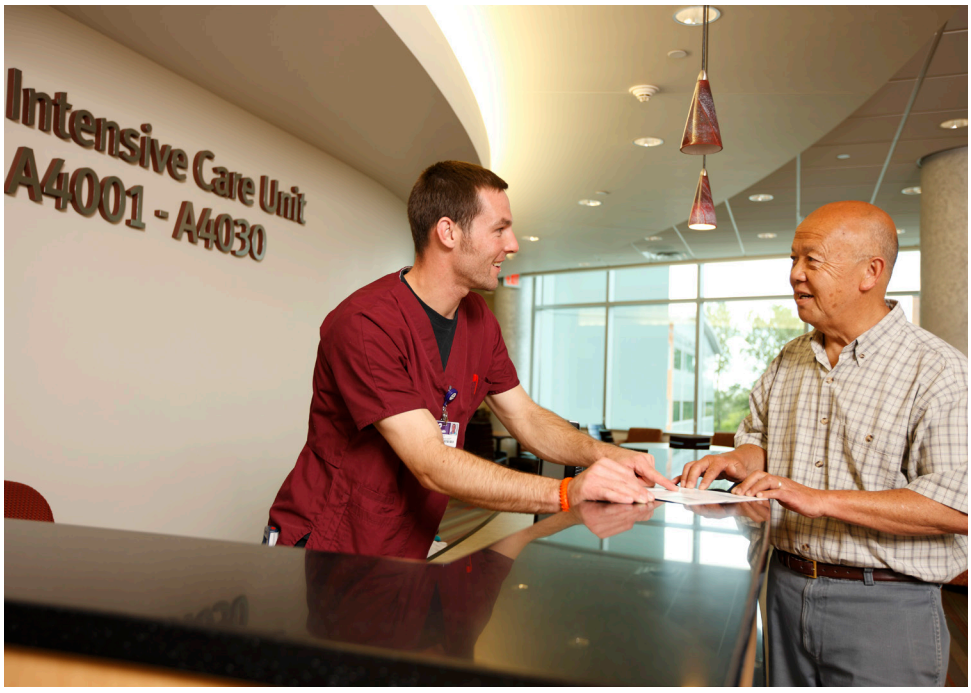
We will **connect the benefits of clean energy to additional public purposes**. Utilities, communities, policymakers and implementers can make progress toward their goals by integrating energy efficiency and renewable energy into decarbonization, environmental projects, local economic development, community planning, social justice, healthcare, affordable housing and other efforts. Through coordination and alignment, we will meet our goals and make our investments go further.

Clean energy
For the purposes of this strategic plan, we define clean energy as conservation, energy efficiency and small-scale renewables

We will **accelerate customer adoption of technologies and approaches** that save energy, generate renewable power and provide additional value to the utility system. We will look ahead to identify and support new approaches, technologies and markets. We will cultivate a network of trade ally contractors, installers, architects, retailers and other third-party businesses to serve customers. We will evolve our clean energy programs by incorporating the expertise of contractors, community-based organizations, utilities, tribal governments and public agencies.

We will **serve and benefit all eligible utility customers and be inclusive in our program offerings**. We will help current participants complete their next energy projects. We will strengthen our approaches and tailor our programs to ensure people with low and moderate incomes, communities of color and rural communities can participate with us. We will carry out our diversity, equity and inclusion commitment—expanding participation in our programs and enhancing diversity, equity and inclusion in our own operations.

We will **collaborate with communities working to extend the benefits of clean energy** to those they serve. We will be a resource to community-based organizations, cities, counties, customer associations and other networks who can help engage new customers. We will seek to understand community interests and identify the mutual benefits of working together. We will partner to develop economical approaches for serving customers with efficient and renewable energy options.



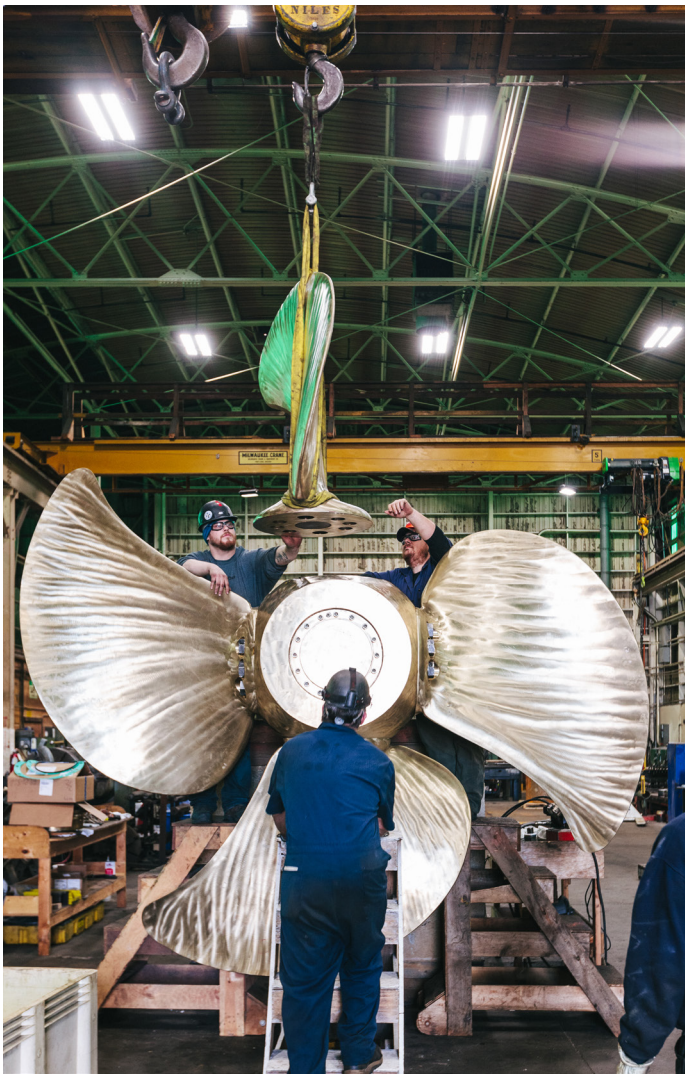
Where We Will Focus

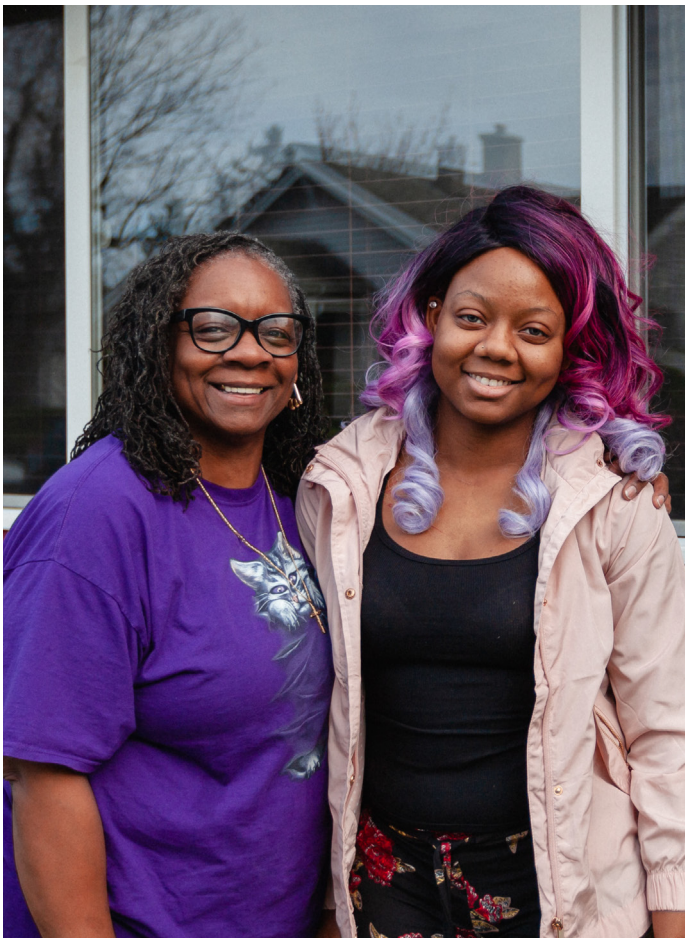
Our past successes with transforming markets and codes combined with emerging technologies, changing energy policies and regulations, and shifting state demographics are converging to open up new needs and opportunities.

To maximize our energy efficiency and renewable energy investments for the benefit of customers in this dynamic time, we will focus on:

1. Providing relevant programs, information and services for all customers, with particular attention to underserved customers
2. Delivering energy efficiency and renewable energy initiatives that benefit customers and help utilities manage constrained systems
3. Supporting development and implementation of energy-related policies by sharing our expertise
4. Maximizing public purpose charge investments by leveraging additional funding to accomplish clean energy projects with multiple public benefits
5. Enhancing our ability to quickly and effectively respond to changes, needs and new opportunities

All five areas of focus are mutually supportive and necessary. **Our priority is the first focus area, and that is where the vast majority of our investments will be made.** And yet to succeed there, we must invest in the other four. Focus areas 2, 3 and 4 will expand opportunities for our core energy efficiency and renewable energy programs and provide additional benefits to customers as the energy landscape changes. Focus area 5 is critical to our success in every other area as the pace of change accelerates and new opportunities emerge more quickly than ever before.





FOCUS AREA 1

Provide relevant energy efficiency and renewable energy programs, information and services for all our customers, including information and services designed specifically for underserved customers.

STRATEGIES

Continue to provide services and incentives to spur customer investment in their next energy project.

- Significant clean energy opportunities remain for residential, commercial, industrial and agricultural customers, even those we have already served. We will continue to provide trusted, independent information to educate customers about remaining opportunities. Our services and incentives will be available to spur investment in their next project.

Deliver cost-effective programs designed specifically to engage underserved customers.

- We will design programs and outreach plans to serve customers in geographic areas and communities where participation has been lower. In alignment with our Diversity, Equity and Inclusion operations goals, we will work to reach people with low and moderate incomes, communities of color and rural communities. We will evolve our services, information and incentives to address their energy needs and ensure they can participate in, and benefit from, cost-effective energy efficiency and clean, renewable generation.

Serve customers through distributors, suppliers, retailers and other mid- and up-stream market actors.

- We will focus on lowering program costs by expanding mid- and up-stream approaches, which seek to influence distributor and retailer stocking and sales of efficient products. We will apply lessons from our residential mid-and up-stream delivery to the commercial, industrial and renewable energy sectors, and continue to coordinate closely with the Northwest Energy Efficiency Alliance to identify additional mid- and up-stream opportunities.

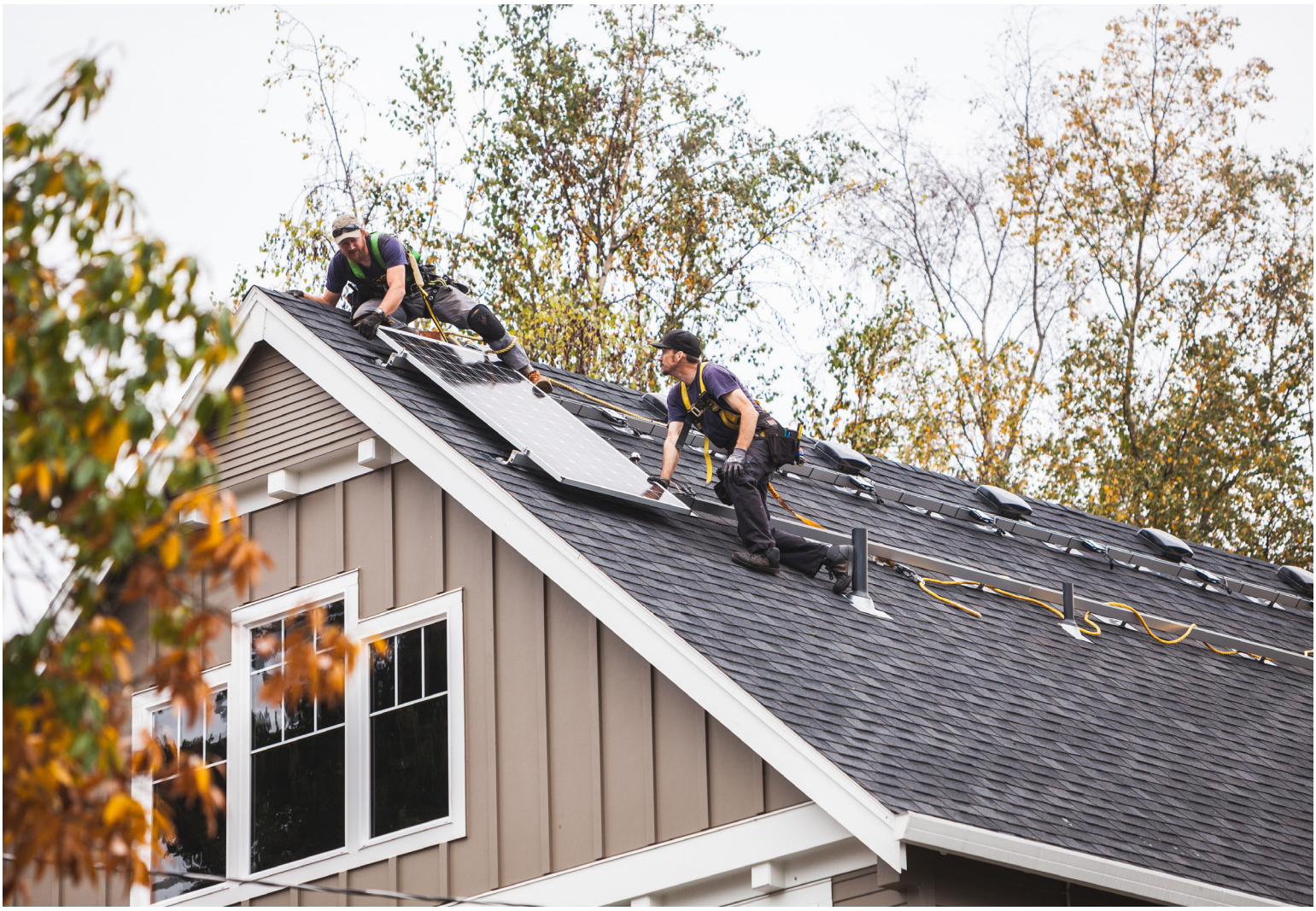
Evaluate new energy technologies in development and incorporate into program offers when they are cost-effective and ready for the market.

- When new technologies and approaches are ready, we will adapt programs to support customer awareness, education and adoption.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We achieve our annual savings and generation goals, making steady progress toward ambitious longer-term goals we will establish through a three-year planning process starting in 2021. We incorporate emerging sources of savings and generation in the three-year goals *(see callout box)*.
- We meet or exceed the goals we establish to increase the diversity of program participants.



WHY WE FOCUS HERE

Our core purpose is to deliver cost-effective energy efficiency and clean, renewable energy programs and services to our affiliated utility customers. It is the reason we were created, and it remains our top priority.

Working in coordination with utility integrated resource planning, we aim to achieve all available cost-effective energy efficiency over a 20-year planning horizon. We use multiyear planning and annual budgeting to determine how much of the 20-year resource we can capture in the near term.

Multiyear planning
We work with utilities to produce two-year integrated resource plan updates identifying short-term energy efficiency opportunities based on market intelligence. For 2020 and 2021, we will use our annual budgeting process to inform goal setting. For 2022 and beyond, we plan to adopt a new three-year action planning cycle that will inform annual budgets and goal setting.

Looking ahead, we must find new ways to support the higher-cost technologies that are still cost-effective and continue to develop markets for solar, hydropower and biopower technologies. Substantial efficiency and renewable energy opportunities remain for our customers and we need innovative approaches to our program design and delivery to support them.

Our focus on all customers highlights our commitment to achieve all available cost-effective energy efficiency and deliver renewable energy generation. It ensures all customers who pay the public purpose charge can be engaged by our programs and benefit from our services. Through our Diversity, Equity and Inclusion operations goals, we are committed to intentionally designing services to reach underserved customers with relevant offers. This is essential to accomplishing our annual savings and generation goals.

FOCUS AREA 2

Strengthen the value we deliver to customers by linking energy efficiency and renewable energy to the approaches utilities are using to meet changing customer energy needs.

STRATEGIES

Improve our ability to quantify and value the benefits of distributed energy efficiency and renewable energy to electric and natural gas utility systems.

- We will conduct further research to understand and account for all the benefits energy efficiency and renewable energy can provide to utility systems, including to what extent these benefits can lower customer costs, reduce utility peak consumption and defer utility investment in transmission, supply or distribution upgrades.

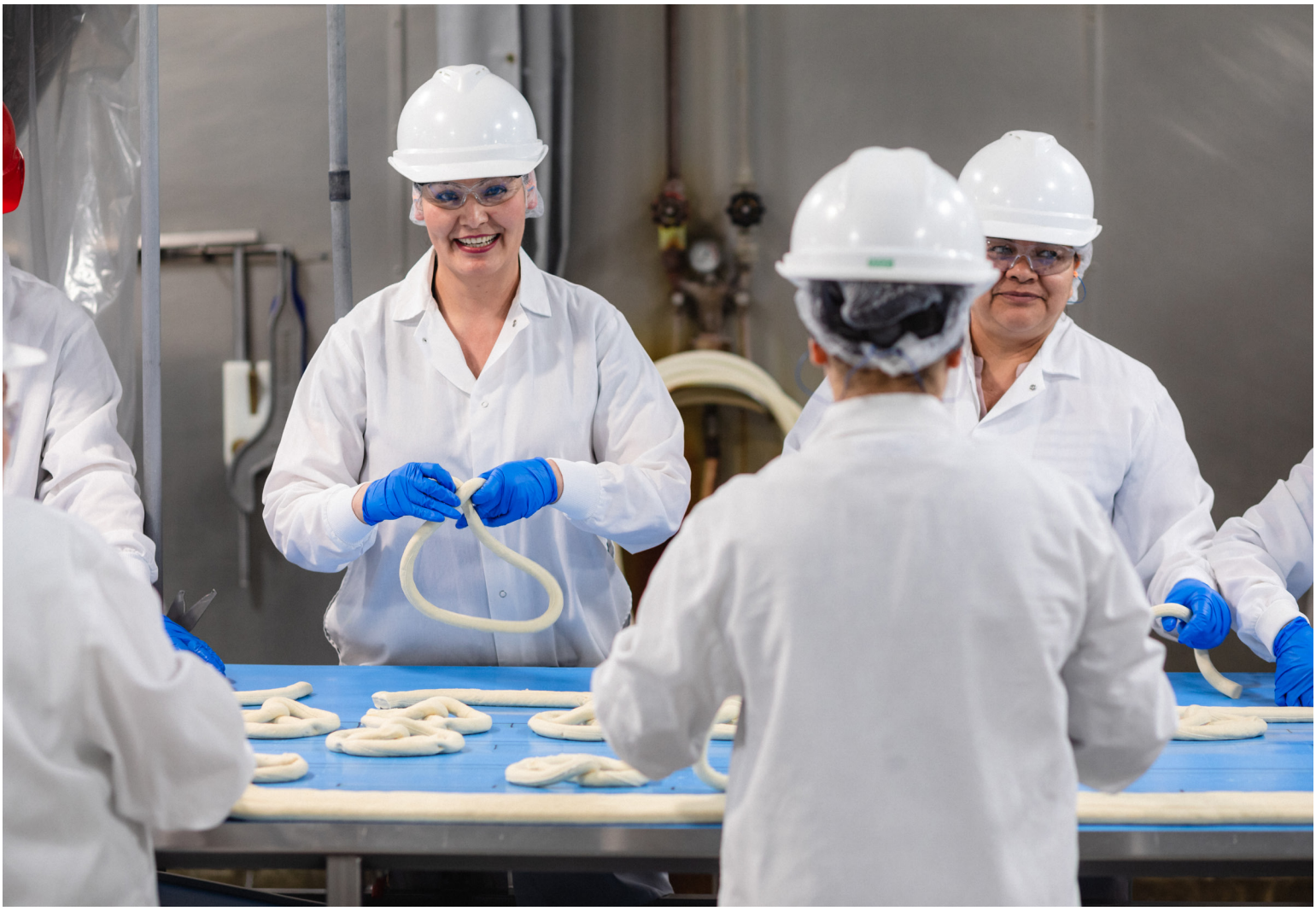
Educate, encourage and enable customers to install and realize benefits from clean energy projects that also help utilities efficiently lower the cost of operating their systems.

- By working with the OPUC, our partner utilities and other stakeholders, we will implement energy efficiency and renewable energy initiatives in ways that benefit customers and help utilities manage their local distribution systems. We will explore incentives and outreach strategies to help customers in specific locations adopt beneficial technologies and practices where utilities are integrating distributed energy resources and seeking additional load management and flexibility.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We develop a framework to value, deliver, report and evaluate energy efficiency and renewable energy resource opportunities in targeted locations in collaboration with utilities.
- We implement and evaluate initiatives designed to drive customer adoption of energy efficiency and renewable energy projects in targeted areas.



WHY WE FOCUS HERE

We help keep utility costs lower for all customers by using our program and delivery expertise to support customer adoption of clean energy technologies and practices. These efforts deliver customer benefits and they can also help utilities address specific challenges in meeting customer demand.

For instance, efficient heating and cooling systems that are grid-enabled with built-in Wi-Fi will deliver cost savings and can also be used in utility demand-response programs that encourage customers to use less energy at specific times. Contractors can be encouraged to construct efficient homes and buildings that are also electric vehicle-ready. Customer solar projects installed with battery storage can help utilities smooth the impacts of intermittent renewable energy on the grid, while also providing resilience benefits.

Distributed energy resources
Energy efficiency and renewable energy, together with battery storage, demand response and electric vehicles that are connected to the grid, are known as distributed energy resources

Distributed energy resources like energy efficiency and small-scale renewable energy have the potential to help electric and natural gas utilities moderate the effects of sudden swings in energy demand or defer investments in new transmission and distribution infrastructure. There is increasing interest at the OPUC and in the utility industry in using distributed energy resources in a more integrated way, and there is recognition that we have the skills and expertise to assist with this integration.

FOCUS AREA 3

Provide objective information and analyses to support development and implementation of energy policies.

STRATEGIES

Work with the OPUC to provide technical support and advice on energy policies and dockets.

- The OPUC is engaged in many policy processes that will impact the regulatory environment and set the direction for the utility industry in Oregon. These processes will include considering how energy efficiency and small-scale renewables can interact with a changing utility environment. We will maintain effective working relationships with commission staff and support their processes using a public benefits perspective.

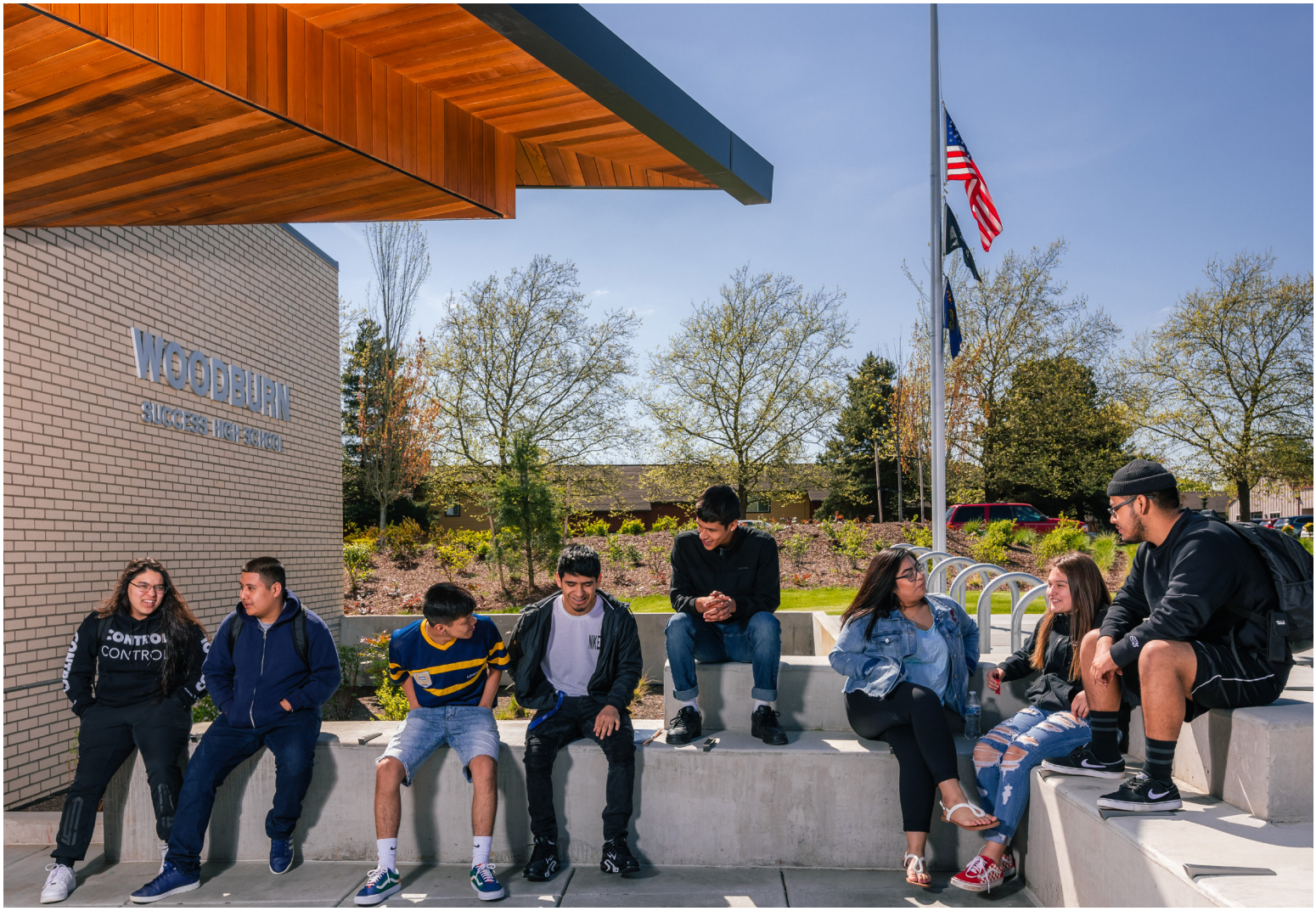
Support energy-related policy initiatives, objectives and complementary programs led by local, state and federal governments.

- We will work with the OPUC to identify areas where Energy Trust's experience in energy efficiency and renewable energy program delivery and customer outreach may support government policy objectives or initiatives. This includes being an expert resource and providing data or analyses on customer participation in and results of our clean energy programs. We will provide this to the Oregon Legislature, Office of the Governor, Oregon Department of Energy, Oregon Housing and Community Services and others.
- We will identify areas where we can further support policy activities, and we will respond to policymakers' needs for information and advice in areas where our experience could help.
- We will continue our approach to coordinating with complementary programs at state and local agencies, including Oregon Department of Energy's schools program and low-income programs and pilots led by Oregon Housing and Community Services.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We establish a system for monitoring regulatory and policy initiatives. We participate in policy development and implementation when there is potential customer benefit related to energy efficiency and renewable energy in the resulting policy, and we contribute data analyses and technical expertise during development of the policy.



WHY WE FOCUS HERE

City, county and state policymakers in Oregon are increasingly interested in how energy efficiency, renewable energy and other distributed energy resources can help achieve public policy goals.

We are a resource with impartial, objective information that can educate and inform policymakers and implementers. We have historically participated in policy development and implementation by providing public agencies with information, data and analyses on energy efficiency and renewable energy opportunities, and program participation results and trends. Our technical knowledge and experience working directly with customers, contractors, the state's largest investor-owned utilities and other market actors can continue to be valuable inputs into policymaking discussions.

Through this work, we can enhance the effectiveness of policies and support our core purpose of delivering least-cost energy and developing renewable energy markets. Doing so can ultimately help achieve greater program participation, energy savings and renewable generation.

FOCUS AREA 4

Maximize the effectiveness and reach of public purpose funding by leveraging additional funding to advance clean energy investments that deliver multiple benefits.

STRATEGIES

Leverage outside funding to help customers complete projects with both energy and non-energy benefits.

- Clean energy projects can deliver significant non-energy benefits. Other organizations and agencies may have funding available for those benefits. By collaborating with external organizations to coordinate funding, and helping customers identify and secure these additional funding sources, more clean energy projects can be completed and our public purpose charge investments can go further.

Coordinate with communities to help integrate energy efficiency and renewable energy into climate action and resiliency plans or to accomplish other community energy goals.

- As more communities actively engage in energy, climate and resiliency planning, we can support those plans that complement our goals by pooling resources and providing technical and educational expertise.

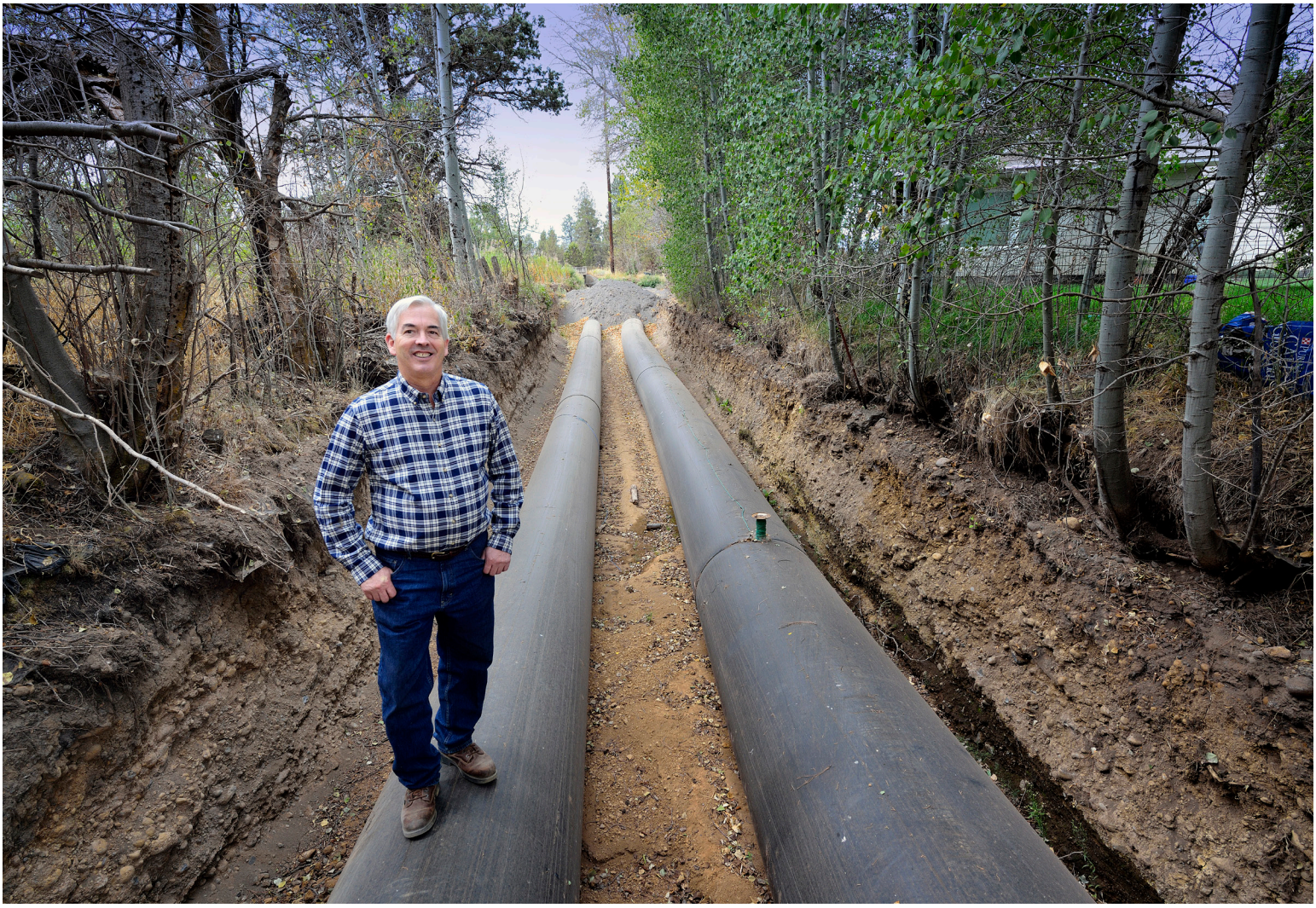
Collaborate with utilities on carbon reduction strategies.

- As Oregon's greenhouse gas reduction strategy takes shape, we will help by bringing our energy efficiency and renewable energy expertise and resources. For example, we can lend our experience in developing biogas projects that produce renewable electricity to help natural gas utilities develop renewable natural gas projects that can reduce greenhouse gas emissions.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- We acquire more energy savings and renewable generation than would otherwise be achieved with only public purpose charge funding.
- We coordinate with more organizations and communities where their additional resources help accomplish mutually supportive objectives.
- We establish a concept agreement with the OPUC and at least one natural gas utility to assess a joint carbon reduction effort.



WHY WE FOCUS HERE

We can achieve additional energy efficiency and renewable energy by identifying, coordinating and helping customers leverage non-energy benefits and the funding that comes with them. Clean energy projects frequently realize public benefits beyond energy savings and renewable generation. Organizations or customers who might value those additional non-energy benefits do not always recognize the contribution that efficiency and renewable projects can make, or they are not able to realize or maximize those benefits on their own.

Our incentives for irrigation modernization projects, for example, help irrigation districts convert open canals to pipes, which eliminates pumping, and install low-impact, in-conduit hydropower systems. These projects also deliver non-energy benefits, like water conservation, improved water quality and restored river flows. Our funding and collaboration in these projects attract other organizations who can support the non-energy benefits, like watershed enhancements in this example.

Building on experience with initiatives like irrigation modernization, we will explore partnerships with organizations focused on greenhouse gas reduction, public health, affordable housing, workforce development, environmental justice and other objectives benefiting customers and communities. The objective is to achieve both energy and non-energy benefits for the public good and broaden the impact of our investments.

FOCUS AREA 5

Enhance our ability to quickly and effectively respond to changes, needs and new opportunities.

STRATEGIES

Foster and retain talented staff skilled in innovation techniques and adapting to change.

- To continue to lead in the design and administration of programs for the benefit of utility customers and the State of Oregon, we will retain highly skilled and engaged staff and recruit passionate, diverse employees. We will provide support for staff who identify a promising idea or new opportunity and are actively pursuing innovation. We will implement organizational development initiatives, improve our ability to quickly scale and direct staff resources where needed, promote alignment to shared goals, and improve processes and systems for efficiency and effectiveness.

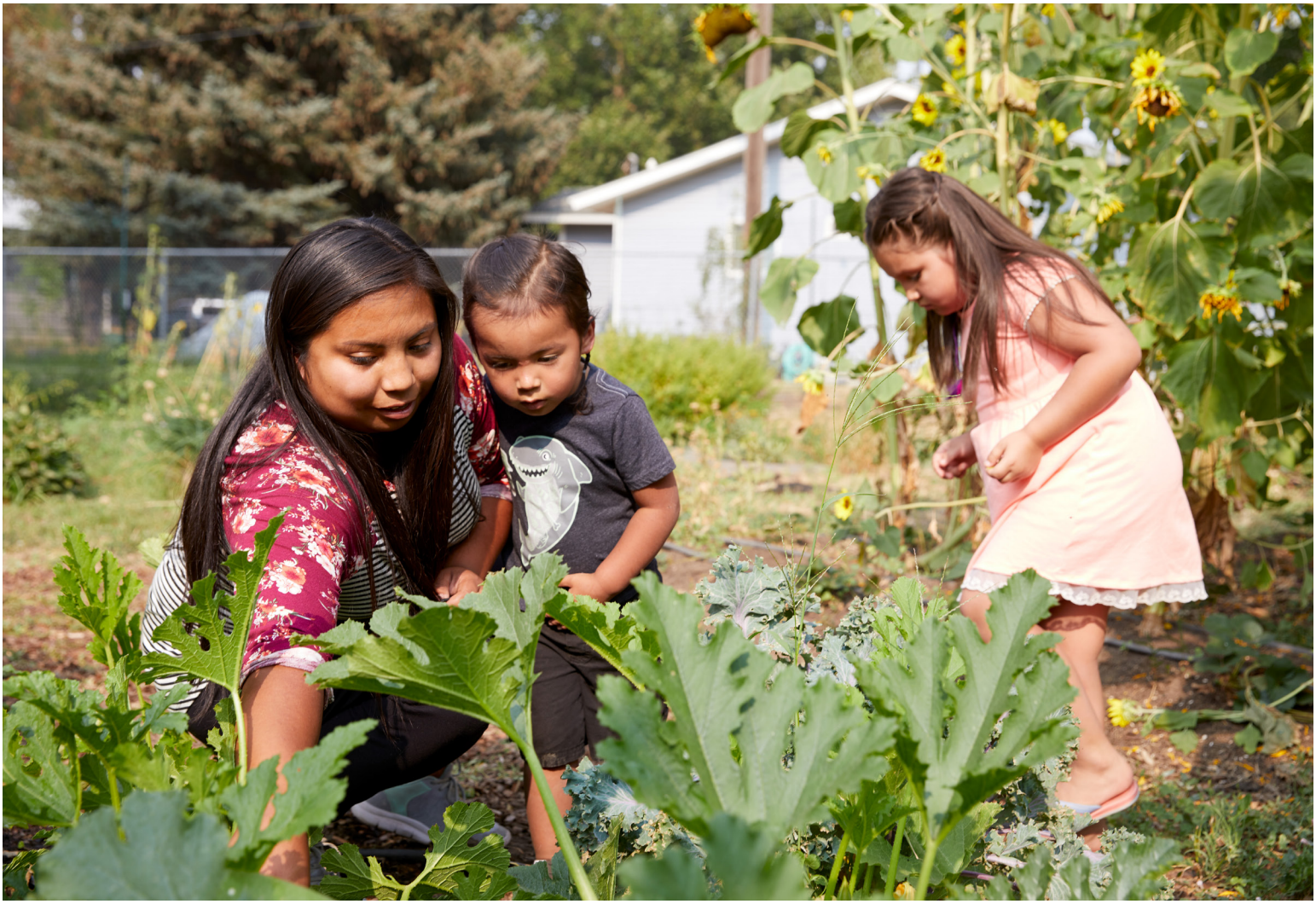
Intentionally cultivate diversity in our board of directors, advisory councils, executive leadership, staff, contractors, partners and vendors.

- Building a diverse and inclusive organization in all dimensions will bring a vibrant wealth of backgrounds, experiences, perspectives and creative approaches to our work in service to our diverse utility customers. We will improve our service to customers when we better reflect all communities.

PROGRESS INDICATORS

We will know we are making progress in this focus area when:

- Annual surveys indicate that staff are significantly aware of how annual goal setting, business planning and prioritization enables flexible resourcing of existing and new initiatives.
- We achieve Diversity, Equity and Inclusion goals for employee hiring and recruitment, and for the board of directors.



WHY WE FOCUS HERE

To achieve focus areas 1 through 4, we will need to evolve how we approach our work and customers. We cannot continue to deliver significant benefits to utility customers in the 2020-2024 plan period by relying only on our prior successes.

To reach more customers and rethink how our expertise in energy efficiency and renewable energy add value to an increasingly integrated and distributed energy system, our organization must be more innovative and quicker to pivot to new opportunities. We will need to develop new ways of working with more diverse customers and adapt program designs to find cost-effective approaches to serve them. In addition, changes underway in the utility system and Oregon's energy policy may drive additional opportunities to serve and benefit utility customers and the public.

In periods of change, successful organizations focus on employees, helping them grow, learn and work productively through the uncertainty and divergence that comes with change. We will focus on ensuring alignment to organizational goals, providing a welcoming environment open to new ideas and perspectives, and cultivating employees' continued passion to deliver on the vision and purpose of the organization.

Strategic Plan Development and Management

We are guided by a series of five-year strategic plans, required by a grant agreement with the OPUC. The strategic plan is developed in an open and transparent process that gives stakeholders, customers and interested citizens an opportunity to guide the organization's broad direction.

DEVELOPING THE PLAN

Development of the 2020-2024 Strategic Plan began in May 2018 and will conclude in October 2019 when the plan is presented by staff to the board of directors for adoption. During this time, we present and invite public comment on the draft strategic plan at board and advisory council meetings, at public outreach events in communities across the state and through our website and communications. The board considers public comments and they help shape the final strategic plan.

After the adoption of the strategic plan, we will use annual and multiyear planning and budgeting processes to identify, prioritize and resource specific initiatives.

MONITORING PROGRESS

In past strategic plans, we set quantitative five-year energy savings and generation goals and used them to measure progress. In this 2020-2024 plan period, we will establish:

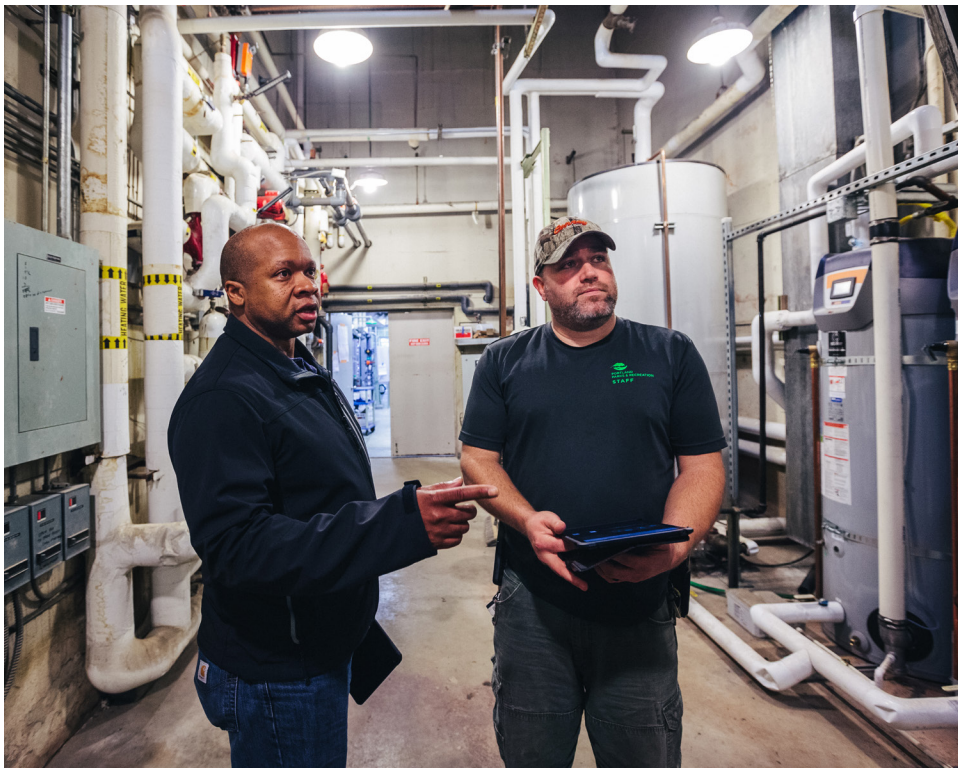
- Multiyear energy savings and generation targets through our three-year planning process starting with 2022, and
- Annual energy savings and generation goals through annual budgets, which will be based on current market conditions, policy changes and input from utilities, regulators, stakeholders and staff

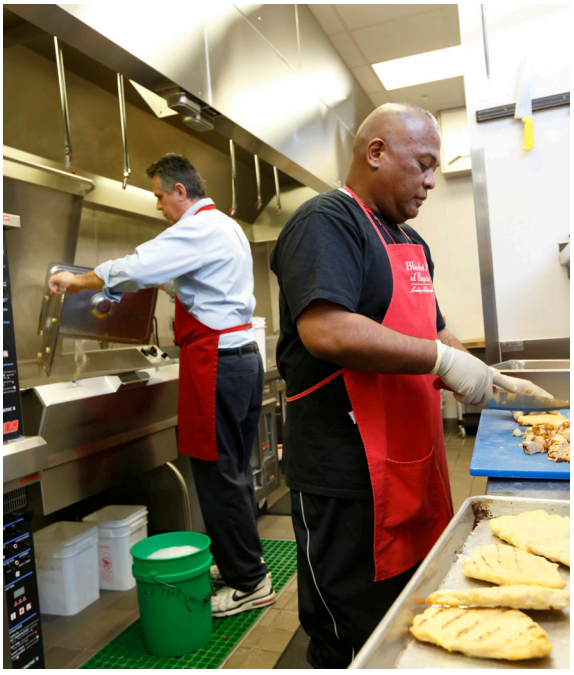
This plan provides additional progress indicators to help the board monitor and evaluate each focus area and identify if staff are on track to meeting them by 2025.

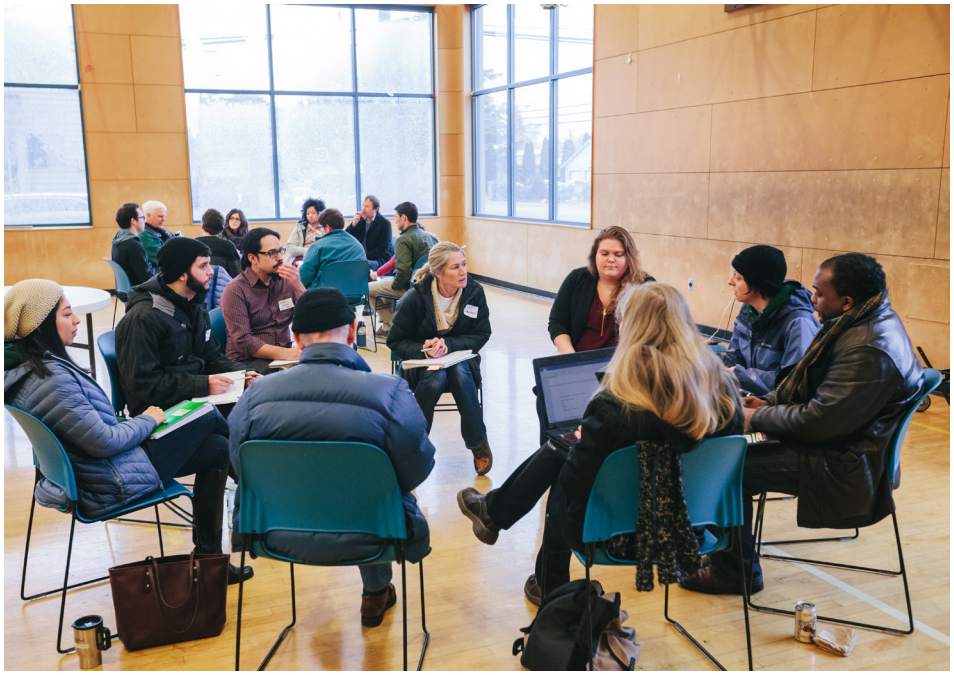
PLAN MANAGEMENT AND SENATE BILL 1149 SUNSET

As we implement this strategic plan over its five-year timeframe, market, policy and other conditions will differ from what we assumed when we developed the plan. As with past strategic plans, we will manage and respond to unanticipated changes through other planning processes, like our contributions to the utilities' two-year integrated resource plan updates and our three-year business plans, annual budgets and action plans.

One policy condition that could require a change to the plan's focus areas or strategies is the sunset of the public purpose charge (established in SB 1149) at the end of 2025. This plan assumes public purpose charge funding will continue beyond 2025. Throughout this five-year plan, staff will monitor the status of that sunset, reconvening the board to reassess the plan if this funding is not extended.



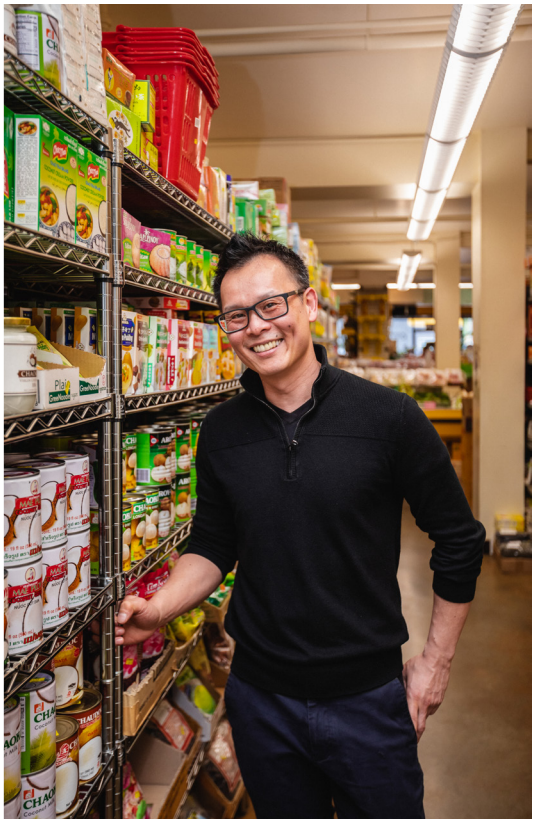




HOW WE ARE FUNDED

We are funded by customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. We receive a small, dedicated percentage of customer utility bills to invest in energy efficiency and renewable energy programs in Oregon and Southwest Washington. The Oregon Public Utility Commission oversees our investments.

1. **SB 1149**: We receive a portion of a 3% public purpose charge to fund electric efficiency, market transformation and small-scale renewable energy development.
2. **SB 838**: We coordinate with the two electric utilities to identify additional electric efficiency funding beyond the original amount determined in SB 1149.
3. **Natural gas tariffs**: We coordinate with the three natural gas utilities to identify natural gas efficiency funding.



NEXT STEPS: PUBLIC OUTREACH AND PLAN REVISION

We're interested in your thoughts and feedback. Here are some questions we'll be asking in our discussions with stakeholders and the public during our summer outreach.

- How does our strategic plan relate to your priorities over the next five years?
- Will our focus areas meet your energy goals and needs?
- What relative level of investment do you suggest we make in each of the five focus areas?
- What are we missing that we should consider when finalizing the plan?

Written public comments are accepted through August 2 and will be considered for inclusion as we finalize the plan for board adoption on October 16, 2019.

Find more information, including how to submit your feedback, at **www.energytrust.org/strategicplan**.

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