

Quarter Two 2019 Report to the Oregon Public Utility Commission & Energy Trust Board of Directors



ENERGY TRUST OF OREGON
August 15, 2019

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A glossary of program descriptions and key terms is available online at www.energytrust.org/reports

I Results at a glance^{1,2}

Savings

■ = Year-to-date goal ▨ = Annual goal

⚡ Total electric savings



⚡ PGE



⚡ Pacific Power



🔥 Total natural gas savings



🔥 NW Natural



🔥 Cascade Natural Gas



🔥 Avista



¹ This document reports net savings. Net savings are adjusted gross savings based on results of current and past evaluations.

² Note that aMW indicates average megawatts, MMTh indicates million annual therms and M is million.

Generation

■ = Year-to-date goal ▨ = Annual goal

Total renewable generation



PGE

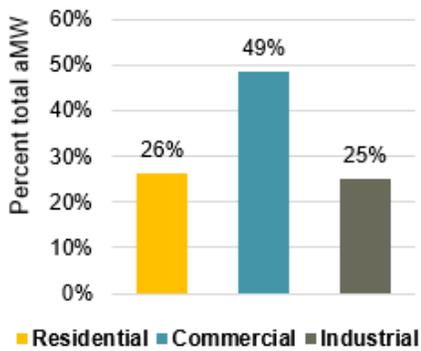


Pacific Power

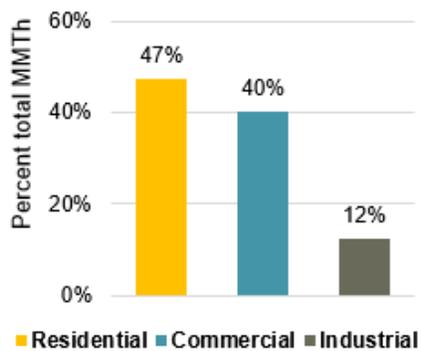


Savings and generation by sector year-to-date³

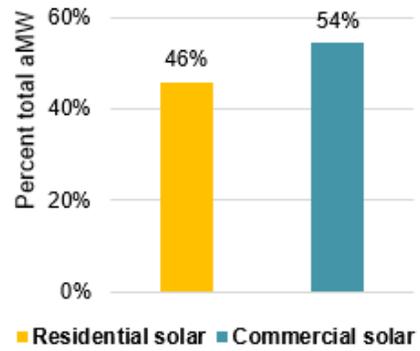
Electric savings



Gas savings



Renewable generation



Customer satisfaction⁴



³ Charts may not total due to rounding.

⁴ From March 2019 to June 2019, Energy Trust delivered a short telephone survey to 682 randomly selected participants in five Oregon programs who completed projects between January and March 2019 and received an incentive or discount from Energy Trust. New Buildings participants are surveyed every other year, with the most recent survey in Q2 2018.

Expenditures⁵

■ = Year-to-date budget ▨ = Annual budget

\$ Total



\$ Energy efficiency



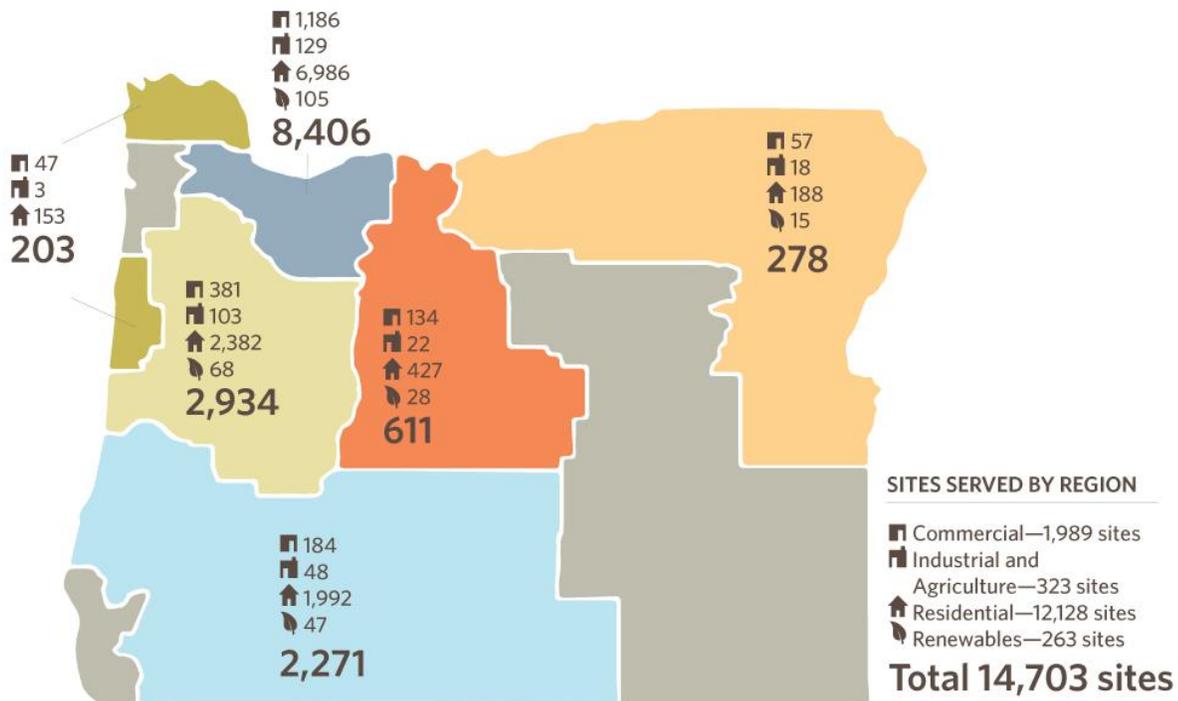
\$ Renewable energy



\$ Administrative



Sites served by region



This document reports on Energy Trust services to Oregon customers of Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas and Avista. Areas in gray are not served by these utilities. Sites served excludes offerings purchased from distributors and retailers.

⁵ Expenditures include public purpose funds only and exclude expenditures for Energy Trust's subcontract to deliver the Oregon Community Solar Program. Quarter two actual expenditures for Community Solar Program are \$43,183. For more information, see section four.

II Executive summary

A. Progress to energy efficiency and renewable energy goals^{6,7}

- **At the close of quarter two, Energy Trust was on track to meet or exceed annual energy efficiency goals in Cascade Natural Gas and Avista territories, and trending near goal for Pacific Power territory.** At this mid-year point, the organization expects to fall short of energy efficiency annual goals in Portland General Electric and NW Natural territories due in part to a constrained labor market and high material costs resulting in large commercial and industrial project delays. Energy Trust is taking corrective actions to mitigate the shortfall in these territories, which are described in detail throughout this report.
- **Electric efficiency improvements completed in quarter two saved 9.6 average megawatts of electricity, contributing to 13.9 aMW year-to-date.** Year-to-date savings account for 26% of the 2019 goal of 53.2 aMW.
- **Gas efficiency improvements completed during quarter two saved approximately 1.1 million annual therms of natural gas⁸, contributing to 1.8 million annual therms year-to-date.** Year-to-date savings account for 29% of the 2019 goal of 6.0 million annual therms.
- **Renewable energy systems installed during quarter two will generate 0.52 aMW of electricity, contributing to 1.12 aMW of electricity year-to-date.** Year-to-date generation accounts for 50% of the 2019 goal of 2.25 aMW.
- **Year-to-date savings and generation achieved represent about 75,000 tons of carbon dioxide** kept out of the atmosphere, the equivalent of removing 16,100 cars from Oregon roads.
- **The purpose of the quarter two report is to highlight the organization's mid-year savings and generation, previewing expected achievement of year-end goals based on early indicators, such as pipelines and forecasts, and reflecting changes in order to reach year-end goals.⁹**

13.9

AVERAGE
MEGAWATTS SAVED

1.8

MILLION ANNUAL
THERMS SAVED

1.12

AMW GENERATED

75,000

TONS OF CARBON
DIOXIDE AVOIDED

⁶ This document reports net savings, which are adjusted gross savings based on results of current and past evaluations.

⁷ This report includes the best available energy savings data as of the date of submission. Energy savings reported here for periods prior to January 1, 2018, may be different than previously reported as a result of applying updated evaluation factors to Energy Trust savings and generation in Oregon through the annual true up process. The full True Up 2018 Report is available online at www.energytrust.org/reports.

⁸ The gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

⁹ Each report serves a specific purpose for communicating activities: quarter one reflects efforts to build a pipeline of projects through analyses, studies and outreach to achieve annual savings and generation goals; quarter two above; quarter three identifies savings and generation and previews expected achievement to year-end goals based on indicators, such as pipelines and forecasts, with more accuracy than the quarter two report, as more information is available; quarter four reflects Energy Trust's final accomplishments and is delivered as an appendix to the annual report in April the following year.

B. Notable activities and trends

- **To mitigate a projected shortfall in annual electric savings in PGE territory, staff are preparing to launch increased incentives in quarter three** for:
 - Commercial and industrial LED high- and low-bay lighting, exterior lighting and interior lighting sensors
 - Industrial customers who participate in a lighting analysis study for a project that completes in 2019, and
 - Industrial custom and calculated PGE projects that complete in 2019.Energy Trust is working with PGE outreach staff to promote these enhanced incentives to customers.
- **Savings in PGE and NW Natural territories were impacted by market forces** such as constrained availability for specialized labor, particularly in the Portland metropolitan area, and increasing product costs across all programs for electric and gas projects. This has resulted in more projects expected to delay into 2020.
- **Energy Trust is working on two targeted load management pilots in collaboration with Pacific Power (Medford area) and NW Natural (Silverton)** to promote existing energy efficiency and solar offerings in communities where they are most valuable. Targeted load management efforts aim to change how and when energy is used by customers, with a particular emphasis on reducing energy demand during periods of peak energy use and helping utilities avoid distribution infrastructure upgrades. Staff made progress on both projects in quarter two, including:
 - Identifying residential and commercial offerings that provide peak seasonal savings for both projects.
 - Identifying onsite energy savings opportunities for Pacific Power industrial customers.
 - Recruiting builders and developers to serve NW Natural customers in Silverton.
- **In quarter two, the commercial and industrial sectors presented Energy Trust's five-year lighting savings projections and two potential strategies to maintain savings** to the Conservation Advisory Council. Potential strategies include:
 - 1) Moving specific incentives midstream, which reduces delivery costs and helps maintain cost-effectiveness for a larger selection of lighting products.
 - 2) Offering a comprehensive better-design approach, including design assistance incentives for major lighting remodels.In quarter three, staff will further develop these strategies to mitigate the savings decrease as some commercial and industrial lighting applications achieve market saturation.
- **In quarter two, the Board Strategic Planning Committee and staff completed the draft 2020-2024 Strategic Plan¹⁰** and released it for public review and comment. The draft includes five focus areas, each with associated strategies and progress indicators. It incorporates input and feedback from the board of directors, the five partner utilities, Conservation



PLANNED TO INCREASE LIGHTING INCENTIVES FOR COMMERCIAL AND INDUSTRIAL CUSTOMERS



TARGETED LOAD MANAGEMENT PILOTS FOR COMMUNITIES



FIVE-YEAR LIGHTING PROJECTIONS AND STRATEGIES

¹⁰ The 2020-2024 Strategic Plan can be found online at www.energytrust.org/strategicplan.

Advisory Council, Renewable Energy Advisory Council, stakeholders and the public. Early versions of the draft plan were discussed at the April and May public board meetings. After consideration of public comments is completed, a revised 2020-2024 Strategic Plan will be presented to the board to consider for adoption at the October public board meeting.

- **Staff joined the City of Milwaukie and PGE to celebrate the installation of the Waverly Greens Apartments solar project. The 400-kilowatt array spread over 13 buildings is the largest solar project on a multifamily housing complex in Oregon** and will power a variety of the buildings' energy needs including on-site electric vehicle charging.



**LARGEST SOLAR
PROJECT ON A
MULTIFAMILY
COMPLEX IN OREGON**

C. Updates requested by the OPUC

This section provides information requested by the OPUC in the comments provided on Energy Trust's 2019 Budget and 2019-2020 Action Plan, plus other information requested by OPUC staff.

- **Residential and Existing Multifamily pilot and measure development and Existing Multifamily program assessment activities:**
 - **Staff continued work on the Existing Multifamily Program Assessment, identifying opportunities to best serve customers and address cost-effectiveness challenges.** In quarter two, staff developed early concepts for program design, which were discussed in a workshop with the Conservation Advisory Council members. Staff identified four focus areas to consider when assessing the program:
 - **Expanding customer engagement:** aligning programs and streamlining midstream offerings.
 - **Driving and quantifying savings:** assessing non-energy benefits of energy-efficiency measures and considering opportunities for combined funding sources.
 - **Reaching underserved customers:** creating program offerings to focus on underserved customers and engaging more renters through promotions and offers.
 - **Identifying future offerings:** continuing to pursue emerging technologies that may provide new cost-effective savings opportunities.In quarter three, the team will continue stakeholder engagement efforts on these focus areas and will determine program changes for implementation in 2020 and 2021.
 - **In an ongoing effort to expand cost-effective energy savings for residential customers, staff developed a new central air conditioning incentive in quarter two.** Development of the offering required close collaboration with utilities and trade allies and will be launched in quarter three.
 - **The Residential program increased manufactured home replacement pilot participation from three to five parks,** adding Casa Cooperative in Bend and Arbor Mobile Park Home in Portland. The pilot program aims to retire customers' aging manufactured homes and replace them with energy-efficient new manufactured homes that exceed code while producing significant energy and cost savings.
- **Operational efficiencies focused on reducing transaction costs:**
 - **Energy Trust launched a new DocuSign process that makes it easier for industrial and agricultural customers to complete incentive applications for 10 standard incentives.** The DocuSign version of the forms are on the Energy Trust website, alongside the printable versions. They allow customers to electronically sign and submit program applications, which

reduces average application completion time from 20 days to four. This new process is also expected to reduce staff time for processing incentives.

- **Staff completed a large project to centralize and streamline the data transfer between the organization's Project Tracker system and its financial system.** The project helped to address the increasingly complicated financial processes that developed as Energy Trust's programs grew in size and complexity. The key goals of the project were to improve the efficiency of data processing by:
 - Aligning multiple data entry systems, reducing the potential for errors.
 - Simplifying reporting and financial auditing.
 - Improving the transfer of data between Project Tracker and Energy Trust's financial system.

These improvements are expected to reduce effort for staff and contractors to correct transactions and minimize future errors.

- **Diversity, equity and inclusion initiative progress:**

- **Energy Trust advanced efforts to achieve its diversity, equity and inclusion goals** established at the end of 2018. These goals help drive diversity, equity and inclusion activities across programs and operations, which are reflected throughout this report and in a new appendix included in Energy Trust's quarter two and annual reports starting in 2019. See the appendix on page 25 for more detailed information about progress to diversity, equity and inclusion goals and other activities, including a new Diversity Advisory Council, expansion of a manufactured home replacement pilot, targeted marketing efforts, a national Energy Equity Metrics project, a memorandum of understanding with Verde and more.

- **Organizational development initiative activities:**

- **Energy Trust developed organizational goals in advance of commencing its 2020 business planning, budgeting and action planning.** This is a change from past practice where budget themes emerged through budgeting and action planning. The draft goals aligned with the focus areas of the draft 2020-2024 Strategic Plan. The final 2020 goals reflect feedback from the Conservation Advisory Council and Renewable Energy Advisory Council. Two members of the foundational Diversity Advisory Council participated in the council discussions and provided feedback.
- **Energy Trust assembled two staff teams to improve organizational processes, readiness for the future** and capacity to innovate and adapt to change:
 - **The innovation project team** will develop a systematic approach to generating and supporting the implementation of valuable new ideas and approaches across the organization. In quarter two, the team selected a framework for innovation, customized for practical application by Energy Trust staff.
 - **The decision-making project team** will develop tools and deliver trainings to improve the efficiency and effectiveness of decision-making at all levels. In quarter two, the team completed an internal assessment of existing documentation of formal decision-making authority, identified gaps and presented an early concept for a decision-making tool template to executive staff.

- **Budget tools implementation update:**

- **As part of the organizational budget review effort, Energy Trust prioritized implementing new software through the budget tools project in 2019.** In quarter two, the budget tools project team prioritized user requirements for a new software and completed the first round of a competitive vendor selection process. Among the user requirements is the

ability of the new tool to provide more process automation, improve staff ability to conduct trend analyses and scenario planning, and allow staff to develop savings and generation ranges over a multi-year period. Through the selection process, the team interviewed five potential vendors. In quarter three, the team will pick a vendor and begin the implementation phase. The project is on track to deliver a new software solution by the time development of the 2021 annual budget begins in 2020.

III Program and operations activity

A. Commercial sector highlights

The commercial sector is comprised of three programs: Existing Buildings, Existing Multifamily and New Buildings, delivered by Program Management Contractors ICF International, Lockheed Martin and CLEAResult, respectively. The Existing Buildings program offers incentives for energy-efficient improvements in existing commercial buildings of all sizes. The Existing Multifamily program serves existing multifamily structures with two or more dwelling units, including market-rate housing, affordable housing, assisted living facilities, campus housing facilities, homeowners' associations and individual unit owners. The New Buildings program supports design and construction of high-performance commercial buildings and major renovations of all sizes and building types.

- **The commercial sector is on track to meet or exceed goal in Cascade Natural Gas and Avista territories** and may fall short of goal in PGE, Pacific Power and NW Natural territories. The shortfall in savings year-to-date is due in part to a constrained labor market and high material costs causing projects to delay to 2020. The delay of launching an enhanced boiler offering with NW Natural is also expected to impact savings for the year. The sector is working to achieve the annual electric and gas savings goals for all utilities by implementing enhanced lighting incentives and targeted outreach efforts.
- **In quarter two, staff launched the cross-program midstream offering for emergency generator block heaters for Existing Buildings, Existing Multifamily and Production Efficiency customers.** Emergency generator block heaters serve as a backup generator to keep essential business operations running during a power outage. This new midstream incentive will be provided to distributors and retailers, passing the benefits on to both consumers and contractors as instant discounts, reducing barriers to participation and lowering costs of delivery.
- **The Existing Buildings and New Buildings programs continued to coordinate on bond-funded school projects** that include new construction and HVAC or lighting upgrades to existing spaces. This cross-program collaboration helps streamline the incentive process for participating schools.
- **In quarter two, staff continued work on the Existing Multifamily Program Assessment,** as discussed on page 7.
- **Targeted marketing and outreach efforts have helped the Existing Multifamily program reach customers with historically low participation rates. The program has served nearly 200 small multifamily customers and more than 200 customers in rural areas,** many of whom were first-time participants. The program also re-engaged customers in Portland communities with historically low participation rates to drive deeper savings in roughly 30 properties.



LAUNCHED AN INCENTIVE FOR EMERGENCY GENERATOR BLOCK HEATERS



REACHING MORE MULTIFAMILY CUSTOMERS

- **In quarter two, the commercial sector advanced efforts to increase customer participation from diverse customers and trade allies.** This work involved in-person visits to 1,400 small businesses across the state. Staff also collaborated with culturally specific organizations to identify best practices for community engagement.
- **In anticipation of Oregon’s new building code that will go into effect in October 2019, the New Buildings program worked to re-examine program design for 2020.** Energy Trust anticipates the new code will require a significant shift in the program’s whole-building offering, impacting savings and potentially requiring the customer participation process to be altered. Additionally, the program is examining how to provide more comprehensive assistance to small business and rural customers under this new code.
- **Savings from NEEA activities comprised 6% and 8% of the sector’s results** in PGE and Pacific Power territories, respectively. Savings in 2019 are from building code and equipment standards improvements, work with distributors and manufacturers to encourage stocking of efficient commercial lighting, and efforts to promote and support commissioning of new and existing commercial buildings. The 2019 savings also include work on commercial desktop ENERGY STAR® specifications.

6%

OF COMMERCIAL SECTOR SAVINGS IN PGE TERRITORY FROM NEEA ACTIVITIES

8%

OF COMMERCIAL SECTOR SAVINGS IN PACIFIC POWER TERRITORY FROM NEEA ACTIVITIES

B. Industry and agriculture sector highlights

The industrial and agriculture sector provides energy-efficiency solutions for all sizes and types of eligible industrial, agricultural, municipal water and wastewater customers. The Production Efficiency program provides services and incentives through three primary delivery tracks: standard, custom and energy performance management. Production Efficiency is designed and managed in-house by Energy Trust staff and is delivered to customers through Program Delivery Contractors and other market actors.

- **The industry and agriculture sector expects to exceed goal in Pacific Power territory and may fall short of goal in all other service territories.**
- **The expected electric shortfall in PGE territory is driven by a decrease in savings from lighting upgrades and large custom projects.** Specifically, effective efforts to expedite project completions at the end of 2018 to meet 2018 annual goal resulted in a lower than average pipeline of projects expected to complete in 2019. Decreased savings in PGE territory can also be attributed to **Energy Trust’s success transforming the lighting market**, as well as a decrease in overall cannabis lighting projects as a result of 2019 legislation that suspended approval of new Oregon Liquor Control Commission licenses. Additionally, several large custom capital electric projects in PGE territory were delayed to 2020.
- **To increase savings in PGE territory, staff worked with the commercial sector to develop higher incentives for PGE customers that will launch in quarter three**, including LED high- and low-bay lighting, exterior lighting, interior lighting sensors, and custom and calculated PGE projects.



CONTINUED SUCCESS TRANSFORMING THE MARKET

- **The expected shortfall in gas savings is driven by a few large and complex custom projects delaying to 2020.** Additionally, the sector experienced the lack of a large regenerative thermal oxidizer project as seen in previous years.
- **To increase gas savings, the sector increased custom and standard gas incentives in quarter two.** The sector also increased standard pipe insulation and steam trap incentives for rollout in quarter three.
- **Energy Trust developed a targeted marketing and outreach campaign for standard incentives to reach customers in Eastern and Southern Oregon,** where participation rates have been historically low. The campaign will launch in quarter three.
- **In quarter two, the sector advanced the industrial Continuous Strategic Energy Management offering** in two ways:
 - Staff developed and delivered a Continuous Strategic Energy Management cohort workshop to participants in the Roseburg area. Energy Trust is introducing a cohort workshop to drive project accountability and opportunities for peer-to-peer learning.
 - The offering moved from a flat rate structure to a performance-based structure, where customers receive a higher incentive rate when they make additional energy-efficient upgrades.
- **Staff made significant progress in streamlining First Year Strategic Energy Management.** Staff solicited feedback from the Conservation Advisory Council, developed parameters and recruited participants. The streamlined approach is set to roll out by year-end and the sector expects to engage four to eight customers.
- **The industry and agriculture sector improved two offerings** to increase savings and participation, including:
 - Changing the offering for compressed air-leak repair, resulting in increased project activity across all service territories.
 - Streamlining the custom project process to enable more boiler tune-up projects and increase quick-turn gas savings.
- **Savings from NEEA activities comprised approximately 5% of the sector's results** in both PGE and Pacific Power territories. Savings in 2019 are from NEEA's reduced wattage lamp replacement initiative, certification of refrigeration operators in the industrial refrigeration market, and an initiative to improve awareness of and establish standards for efficient motors.



OUTREACH TO CUSTOMERS IN EASTERN AND SOUTHERN OREGON

5%

OF INDUSTRY AND AGRICULTURE SECTOR SAVINGS IN PGE AND PACIFIC POWER TERRITORIES FROM NEEA ACTIVITIES

C. Residential sector highlights

Energy Trust's residential sector provides electric and gas energy-efficiency solutions for residential customers of single-family homes, manufactured homes and newly constructed homes. The program is delivered through Program Management Contractor CLEARResult and through two Program Delivery Contractors supporting retail promotions and EPS new construction offerings. Incentives are available for smart thermostats, energy-efficient HVAC and water heating equipment, lighting, appliances, weatherization upgrades and whole home improvements, and new construction.

- **The residential sector is on track to meet annual goals in all utility territories** due to continued success engaging a strong construction market to build energy-efficient new homes, continued retail lighting savings and strong customer interest in Energy Saver Kits. The sector has opportunities to drive additional savings through smart thermostats, thermostat optimization and additional promotion of Energy Saver Kits. Smart thermostat optimization is a technology that adjusts temperature settings based on customer preferences and comfort thresholds.
- **Electric savings were particularly strong in new construction, where program participation and savings per home exceeded forecasts.** Savings for existing homes continued to be low, impacted in part by significantly fewer than expected ducted heat pumps and ductless heat pumps. The expiration of the Residential Energy Tax Credit at the end of 2017 and continued recognition of RETC incentives through early 2018 impacted the sector's ability to forecast heat pump values for 2019. Nevertheless, the sector is working to increase Pacific Power electric savings through increased promotion of retail lighting.
- **Gas savings were driven by success engaging a strong new construction market as the sector focuses on expanding builder participation.** Additional savings were achieved in Avista territory as a result of higher than expected demand for Energy Saver Kits.
- **Savings for existing homes were impacted by fewer smart thermostat projects as a result of manufacturers shifting** promotions away from lower-cost smart thermostats toward other smart home technologies such as voice-activation home controls. Moving forward, Energy Trust will consider how to adjust to this evolving market.
- **In quarter two, the Residential sector focused on expanding customer participation:**
 - Staff expanded Savings Within Reach enhanced incentives for low- and moderate-income customers to all Cascade Natural Gas customers in Malheur County to increase energy efficiency opportunities to this traditionally underserved community. The program recruited support from trade allies that serve the area and reduced trade ally form requirements for Savings Within Reach incentives to reduce barriers to participation. Staff are developing a marketing and outreach campaign to increase awareness that will roll out in quarter three.
 - Staff also developed promotions, enhanced incentives and streamlined participation pathways for ductless heat pumps in Pendleton.
 - Staff coordinated with PGE to promote Energy Saver Kits to customers in areas identified as having high populations of communities of color.
 - **Energy Trust finalized a framework and delivery model to support co-funding of low-income energy-saving improvements delivered by Community Action Agencies.** This model leverages funding from Oregon Housing and Community Services and Energy Trust to help more low-income households save energy and support service delivery by community agencies who are best positioned to engage with and serve low-income customers across the state.



SUCCESS ENGAGING STRONG NEW CONSTRUCTION MARKET



EXPANDING BUILDER PARTICIPATION



PURSUED CO-FUNDING OPPORTUNITIES TO BENEFIT LOW-INCOME CUSTOMERS

- The Residential program expanded the manufactured home replacement pilot, as discussed on page 7.
- **In an ongoing effort to expand cost-effective electric savings for residential customers, the sector advanced three initiatives in quarter two:**
 - A new central air conditioning incentive was developed, requiring close collaboration with utilities and trade allies. The incentive will be launched in quarter three.
 - The sector completed 120 fixed-price heat pump and 48 ductless heat pump installations in existing manufactured homes, on par with the total projects in quarter one. For fixed-price offerings, Energy Trust provides an incentive to trade ally contractors who agree to offer equipment to customers at a reduced price.
 - Staff saw a **70% increase in heat pump water heater incentive expenditures in the first half of 2019**, compared to the same time period in 2018. This increase is from growth in midstream sales and is primarily a result of continued relationship building between Energy Trust and distributors and retailers to promote this midstream offer.
- **The residential sector provided incentives and support to PGE's demand response efforts**, offering customers no-cost installation of smart thermostats in electric-heated homes and low-cost installation of smart thermostats in gas-heated homes with air conditioning. Smart thermostats achieve energy efficiency benefits and support PGE's demand response objectives. The program has provided incentives on 1,776 projects in the first half of the year, on track with year-end goals.
- **Savings from NEEA activities comprised approximately 34% and 32% of the sector's results** in PGE and Pacific Power territories, respectively. Savings in 2019 are primarily from residential building code improvements. Ductless heat pumps, heat pump water heaters and super-efficient dryers also deliver savings.



INCREASE IN HEAT PUMP WATER HEATERS

34%

OF RESIDENTIAL SECTOR SAVINGS IN PGE TERRITORY FROM NEEA ACTIVITIES

32%

OF RESIDENTIAL SECTOR SAVINGS IN PACIFIC POWER TERRITORY FROM NEEA ACTIVITIES

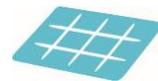
D. Renewable energy sector highlights

Energy Trust's renewable energy sector is comprised of two programs delivered in-house by Energy Trust staff: Solar and Other Renewables. The Solar program offers standard incentives for smaller-scale distributed systems for residential, business, public sector and nonprofit customers. In 2019, the program is focused on improving equitable access to solar for lower-income customers and expanding innovative applications of solar that provide greater value to communities or the grid. The Other Renewables program supports renewable energy projects up to 20 megawatts in nameplate capacity that generate electricity using biopower, geothermal, hydropower and community-scale, municipally-owned wind technologies. The goal of the program is to support a range of renewable energy technologies and improve market conditions for their development by providing project development assistance incentives and installation incentives.

- **The renewable energy sector is on track to exceed its annual generation goals for both PGE and Pacific Power by year-end**, as a result of a strong pipeline of solar projects and three hydropower projects expected to complete by year-end.
- **Quarter two was a strong quarter for new solar applications**, driven by an uptick in public, nonprofit and residential applications:
 - **Twenty-eight projects used the new, streamlined solar development assistance process to apply for early funds for system design and financial analysis.** Fourteen of those projects used the solar development assistance to support a PGE Renewable Development Fund or Pacific Power Blue SkySM grant application.
 - The residential solar market continues to recover from the expiration of the Residential Energy Tax Credit at the end of 2017. Although application volume is still down by more than one-third from the same period of 2017, quarter two had the most applications of any quarter since the expiration.
- **Staff supported Portland General Electric's smart grid and storage efforts**, specifically coordinating messaging to reduce customer confusion and support success in the three PGE Smart Grid Testbed areas. Staff also provided expertise on advanced solar plus storage technology to support the development of PGE's microgrid and residential storage programs.
- **The Other Renewables program is supporting two community efforts related to renewable energy:**
 - Staff hosted a meeting with managers of regional waste water treatment plants to assess their ability to receive and digest food waste into biogas for generating electricity or renewable natural gas. Metro regional government will examine the feasibility of building and operating a food-processing system to deliver food waste to these water resource recovery facilities.
 - Staff provided project development assistance to the City of Hood River for hydropower projects and to Hood River County to continue energy planning work that will help prioritize and plan renewable energy projects that can be developed in the coming years.
- **Energy Trust's board of directors approved a contract with Farmers Conservation Alliance to continue to manage the Irrigation Modernization initiative**—a collaborative effort to help irrigation districts and farmers invest in modern irrigation infrastructure and create opportunities for hydropower generation. Farmers Conservation Alliance was selected through an open solicitation process based on its abilities and proven track record of success in building and managing the program.
- **Irrigation districts are leveraging irrigation modernization work with Energy Trust and Farmers Conservation Alliance to secure additional state funding**, which will enable more hydropower projects to be developed in coming years. For example, during the 2019 legislative session, the state committed \$10 million for piping in the Deschutes Basin and \$14 million for rehabilitation of Wallowa Lake Dam.

28

PROJECTS RECEIVED
STREAMLINED SOLAR
DEVELOPMENT
ASSISTANCE



SUPPORTED PGE'S
SMART GRID AND
STORAGE EFFORTS



HELPING IRRIGATION
DISTRICTS PURSUE
MORE HYDROPOWER
PROJECTS

- **In May, Energy Trust held the final meeting of the low- and moderate-income solar work group.** Fourteen community-based organizations took part in this capacity-building effort, learning about solar technology and solar finance, and informing Energy Trust about the needs of low- and moderate-income families. This work was supported by a two-year grant from the U.S. Department of Energy in coordination with Clean Energy States Alliance and Oregon Department of Energy.
- **The Solar program facilitated focus groups to learn more about customer knowledge** and understanding of solar plus storage installations. Energy Trust will use this market research to develop education, outreach and marketing materials as the program focuses efforts on higher-value solar installations.

E. Internal operations highlights

Communications

- **Energy Trust received 115,000 website visits in quarter two**, generating 310,650 page views. More than 90% of all visitors to the website in quarter two were new visitors, higher than the typical 80% due to Energy Saver Kit promotional emails and improved digital advertising to target new customers. Apart from the home page, which most new visitors found through organic search, the top landing pages for new visitors were the residential incentives page, the Energy Saver Kit order page and the Residential heating solutions page.
- **Staff launched a new Spanish-language digital advertising and social media campaign** at www.energytrust.org/paranegocios. This new site promotes energy-efficient lighting targeted to business customers.
- **Energy Trust distributed six press releases in the second quarter**, featuring solar innovation grants to community-based organizations, warm weather and Earth Day energy-saving tips, a new solar system in Milwaukie, a new Eastern Oregon outreach manager and Energy Trust’s public input period for the draft 2020-2024 Strategic Plan.
- **Energy Trust garnered 54 news stories** about its programs, services and customer benefits in print and broadcast with a media value of \$208,000—what it would have cost to purchase the equivalent advertising space or air time—as a result of media outreach and responses to reporter inquiries.

Customer service

- **Energy Trust received over 3,000 calls** and 590 email inquiries in quarter two.
- **To be more accessible to customers**, Energy Trust worked with IZO Marketing and PR to complete the **first phase of Spanish language improvements in the customer-facing interactive voice response system** for customers calling the toll-free number.
- **Energy Trust received one complaint in quarter two** that could not be easily resolved by a call center representative. The complaint involved ineligibility for an insulation project.

115,000

WEBSITE VISITS

54

NEWS STORIES
ABOUT ENERGY
TRUST



DEVELOPED SPANISH
LANGUAGE VOICE
RESPONSE SYSTEM

Trade and program allies

- **Staff attended workforce development and networking events** including Governor Kate Brown's Marketplace Statewide Editions events in North Bend and Grants Pass, Oregon Tradeswomen Career Fair, and Oregon Association for Minority Entrepreneurs trade show and inclusion and diversity summit. Staff described the benefits of joining Energy Trust's Trade Ally Network and heard feedback from diverse businesses.
- **In quarter two, staff continued engaging with minority and women-owned businesses to increase participation in the Trade Ally Network.** See the appendix on page 25 for more detailed information.



ENGAGED WITH
MINORITY AND
WOMEN-OWNED
BUSINESSES

General outreach

- **Energy Trust expanded awareness about programs and services through attendance** at the League of Oregon Cities inaugural annual Southern Oregon conference, Douglas County Earth Day and Energy Fair, Rogue Valley Earth Day event, Northwest Environmental Business Council Future Energy Conference, Forth Mobility Electric Vehicle Roadmap Conference, City of Pendleton Home Buyers and Renters Conference, and Wallowa Resources Woodlands and Watershed Festival.
- **Staff made additional presentations** to Oregon Native American Chamber of Commerce, Coalition of Communities of Color, Community Energy Project and the Pendleton Rotarians.
- **Staff presented three ceremonial checks at events celebrating energy efficiency and renewable energy investments** at Umatilla School District, La Grande School District and the Waverley Green Apartments in Milwaukie.
- **Outreach staff provided information about Energy Trust programs** and results through briefings with four state legislators and meetings with the Westside Economic Alliance, Portland Business Alliance, City of Grants Pass, Lake County Resources Initiative, City of Central Point, City of Coos Bay, Umatilla Electric Cooperative, Idaho Power and the Confederated Tribes of the Umatilla Indian Reservation.

IT and business systems

- **Energy Trust processed more than 18,500 customer projects in Energy Trust systems**, including nearly 16,000 submitted through web applications.
- **Staff completed a large project to centralize and streamline the data transfer between the organization's Project Tracker system and its financial system.** The project helped to address the increasingly complicated financial processes that developed as Energy Trust's programs grew in size and complexity. The key goals of the project were to improve the efficiency of data processing by:
 - Improving the transfer of data between Project Tracker and Energy Trust's financial system.
 - **Aligning multiple data entry systems, reducing the potential for errors.**

18,500

CUSTOMER PROJECTS
PROCESSED



STREAMLINED DATA
TRANSFER

- Simplifying reporting and financial auditing.

These improvements are expected to reduce for staff and contractors to correct transactions and minimize future errors.

- **Staff completed a technical review of a systems development project** to move the tracking of incentive requests from the current paper-based process, to an electronic process housed in the project tracking system. These changes will give greater visibility to the status of incentive requests, limit duplicative data entry and reduce staff time.

Planning and evaluation

- **Staff designed 109 new energy-efficiency incentives** and revised 62 incentives.
- **Staff completed and posted two evaluations and market studies** on the Energy Trust website: Water-Energy Nexus Market Study and 2018 Existing Buildings Process Evaluation.
- **Staff completed a true-up of 2017 annual results and posted this on the website.**
- **Staff provided ongoing support to PGE and Pacific Power's Integrated Resource Plan processes.**
- **Staff provided information regarding the following OPUC dockets:**
 - UM 1893—Investigation of methodology and process of energy efficiency cost-effectiveness.
 - UM 2005—Investigation in distribution system planning.
 - UM 2011—General capacity investigation.

109

**NEW ENERGY-
EFFICIENCY
INCENTIVES
DESIGNED**



**COMPLETED
EVALUATIONS,
MARKET STUDIES
AND ANNUAL
TRUE-UP OF 2017
RESULTS**

IV Revenues and expenditures tables^{11,12}

A. Revenues and expenditures summary¹³

- Overall revenues totaled \$44.4 million for Q2 2019, 2% over what was budgeted.
- Q2 expenditures totaled \$42.5 million, of which \$21.6 million was for incentives.
- Q2 electric efficiency expenditures were 10% below budget.
- Q2 gas efficiency expenditures were 5% below budget.
- Q2 renewable energy expenditures were 3% below budget.

B. Revenues¹⁴

Source	Q2 actual revenues	Q2 budgeted revenues
Portland General Electric	\$ 11,098,736	\$ 9,433,041
PGE Incremental	\$ 11,101,691	\$ 11,938,629
Pacific Power	\$ 6,691,469	\$ 7,155,494
Pacific Power Incremental	\$ 7,876,127	\$ 7,762,266
NW Natural	\$ 6,213,453	\$ 6,186,303
NW Natural Industrial DSM	\$ -	\$ -
Cascade Natural Gas	\$ 820,315	\$ 577,375
Avista	\$ 522,968	\$ 522,968
Low- and moderate-income grant	\$ 9,124	\$ -
Oregon Community Solar Program	\$ 72,646	\$ 100,206
Total	\$ 44,406,529	\$ 43,676,281

¹¹ Columns may not total due to rounding.

¹² The gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

¹³ Revenues and expenditures in Section A include public purpose funds only and exclude funds for a subcontract to deliver the Oregon Community Solar Program and funds for low- and moderate-income solar innovation grants. Revenues and expenses for the Oregon Community Solar Program and low- and moderate-income solar innovation grants are included in the tables.

¹⁴ Revenues in Table B include public purpose revenue, including incremental electric revenue from SB 838, and revenue from the low- and moderate-income solar grant and the Oregon Community Solar Program. Incremental revenues are those authorized under SB 838 to support capturing additional cost-effective electric efficiency savings above the amount supported by funding through SB 1149.

C. Expenses¹⁵

	Source	Q2 actual expenditures	Q2 budgeted expenditures
	Portland General Electric	\$ 22,298,645	\$ 24,397,507
	Pacific Power	\$ 13,527,779	\$ 15,384,392
	NW Natural	\$ 4,733,534	\$ 5,135,326
	NW Natural Industrial DSM	\$ 762,932	\$ 735,434
	Cascade Natural Gas	\$ 766,444	\$ 579,404
	Avista	\$ 388,741	\$ 602,605
	Low- and moderate-income grant	\$ 9,124	\$ -
	Oregon Community Solar Program	\$ 45,109	\$ 58,012
	Business development	\$ (910)	\$ -
	Total	\$ 42,531,397	\$ 46,892,681

D. Expenditures by sector and program¹⁶

		Q2 actual expenditures	Q2 budgeted expenditures
Commercial	Existing Buildings	\$ 12,280,113	\$ 11,230,490
	Existing Multifamily	\$ 1,983,488	\$ 2,433,596
	New Buildings	\$ 4,374,992	\$ 5,532,160
	NEEA Commercial	\$ 843,076	\$ 860,624
	Commercial total	\$ 19,481,669	\$ 20,056,871
Industrial	Production Efficiency	\$ 7,439,593	\$ 8,834,366
	NEEA Industrial	\$ 29,673	\$ 32,742
	Industrial total	\$ 7,469,267	\$ 8,867,108
Residential	Residential	\$ 9,581,862	\$ 11,531,938
	NEEA Residential	\$ 1,032,360	\$ 1,119,857
	Residential total	\$ 10,614,222	\$ 12,651,795
	Energy efficiency total	\$ 37,565,158	\$ 41,575,774
Renewables	Solar	\$ 1,756,191	\$ 1,938,967
	Other Renewables	\$ 1,038,429	\$ 936,736
	Renewable generation total	\$ 2,794,620	\$ 2,875,704
Administration	Administration	\$ 2,120,589	\$ 2,386,700
	Administration total	\$ 2,120,589	\$ 2,386,700
Other	Low- and moderate-income grant	\$ 8,757	\$ -
	Oregon Community Solar Program	\$ 43,183	\$ 54,505
	Business development	\$ (910)	\$ -
	Total expenditures	\$ 42,531,397	\$ 46,892,681

^{15, 16} Business development expenditures are negative as a result of a correction in allocation that occurred in April 2019.

E. Incentives paid

Quarter	PGE efficiency	Pacific Power efficiency	NW Natural efficiency	Cascade Natural Gas efficiency	Avista efficiency	PGE generation	Pacific Power generation	Total
Q1	\$3,920,613	\$3,171,264	\$1,849,998	\$150,184	\$113,578	\$789,880	\$892,848	\$10,888,365
Q2	\$10,212,532	\$6,036,455	\$2,953,692	\$390,545	\$224,498	\$802,726	\$998,901	\$21,619,349
Total	\$14,133,145	\$9,207,719	\$4,803,690	\$540,729	\$338,076	\$1,592,605	\$1,891,749	\$32,507,714

V Savings and generation tables^{17,18,19,20,21}

A. Savings and generation by fuel

	Q2 savings/generation	YTD savings/generation	Annual goal	Percent achieved YTD
Electric savings	9.6 aMW	13.9 aMW	53.2 aMW	26%
Natural gas savings	1.1 million therms	1.8 million therms	6.0 million therms	29%
Electric generation	0.52 aMW	1.12 aMW	2.25 aMW	50%

B. Progress toward annual efficiency goals by utility

	Q2 savings	YTD savings	Annual goal	Percent achieved YTD	Annual IRP target	Percent achieved YTD
Portland General Electric	5.6 aMW	8.1 aMW	33.5 aMW	24%	34.5 aMW*	23%
Pacific Power	4.0 aMW	5.8 aMW	19.7 aMW	30%	20.2 aMW	29%
NW Natural	905,805 therms	1.5 million therms	5.2 million therms	28%	5.2 million therms	28%
Cascade Natural Gas	155,782 therms	193,339 therms	511,553 therms	38%	582,464 therms*	33%
Avista	86,198 therms	136,251 therms	360,682 therms	38%	294,720 therms	46%

Integrated Resource Plan targets are shown in net savings and have been updated from the IRP targets Energy Trust submitted to utilities for inclusion in their current IRP filings based on 2019 net-to-gross ratios.

* Integrated Resource Plans for Portland General Electric and Cascade Natural Gas are pending acknowledgement by the OPUC.

¹⁷ Columns may not total due to rounding.

¹⁸ This document reports net savings. Net savings are adjusted gross savings based on results of current and past evaluations.

¹⁹ Electric savings also include transmission and distribution savings.

²⁰ The gas savings do not include results for NW Natural in Washington. These results are available at www.energytrust.org/reports.

²¹ Energy Trust reports 100% of generation and capacity for renewable energy installations supported by Energy Trust's cash incentives. While some of these projects have additional sources of funding, Energy Trust enabled project completion.

C. Electric savings by sector and program

		Q2 savings aMW	YTD savings aMW	Annual goal aMW	Percent achieved YTD
Commercial	Existing Buildings	3.3	4.1	14.2	28%
	Existing Multifamily	0.3	0.6	1.5	42%
	New Buildings	1.3	1.7	6.2	27%
	NEEA Commercial	0.1	0.4	2.4	16%
Commercial total		5.0	6.8	24.3	28%
Industrial	Production Efficiency	2.4	3.4	18.8	18%
	NEEA Industrial	0.09	0.09	0.07	129%
Industrial total		2.5	3.5	18.9	19%
Residential	Residential	1.8	3.0	6.8	44%
	NEEA Residential	0.3	0.6	3.2	20%
Residential total		2.1	3.7	10.0	37%
Total electric savings		9.6	13.9	53.2	26%

D. Natural gas savings by sector and program

		Q2 savings thm	YTD savings thm	Annual goal thm	Percent achieved YTD
Commercial	Existing Buildings	383,694	440,873	1,536,231	29%
	Existing Multifamily	43,179	62,019	145,321	43%
	New Buildings	150,314	212,541	845,608	25%
	Commercial total	577,186	715,432	2,527,160	28%
Industrial	Production Efficiency	101,228	222,498	1,102,463	20%
	Industrial total	101,228	222,498	1,102,463	20%
Residential	Residential	469,370	843,813	2,413,207	35%
	Residential total	469,370	843,813	2,413,207	35%
Total natural gas savings		1,147,785	1,781,743	6,042,831	29%

Energy Trust allocated budget to NEEA for gas market transformation activities. While there were no associated savings in 2019, savings are expected in subsequent years.

E. Renewable energy generation by utility

		Q2 generation aMW	YTD generation aMW	Annual goal aMW	Percent achieved YTD
Portland General Electric		0.25	0.55	1.22	45%
Pacific Power		0.27	0.57	1.03	55%
Total		0.52	1.12	2.25	50%

F. Renewable energy generation by program

	Q2 generation aMW	YTD generation aMW	Annual goal aMW	Percent achieved YTD
Solar	0.52	1.12	2.02	55%
Other Renewables	0.00	0.00	0.24	n/a
Total generation	0.52	1.12	2.25	50%

G. Incremental utility SB 838 expenditures²²

Utility	2019 Q2 SB 838 Expenditures	YTD SB 838 Expenditures
Portland General Electric	\$ 266,743	\$ 512,021
Pacific Power	\$ 226,735	\$ 395,749
Total	\$ 493,478	\$ 907,770

²² Reflects expenditures by Pacific Power and PGE in support of utility activities described in SB 838. Reports detailing these activities are submitted annually to the OPUC.

APPENDIX 1: Progress Toward Diversity, Equity and Inclusion Goals

Energy Trust developed 10 diversity, equity and inclusion goals to improve and enhance offerings for underserved customers. Goals were finalized at the end of 2018, using baseline data through 2017 unless otherwise noted. Progress reports will be provided in quarter two and annual reports for 2019 and 2020. This appendix reflects activities and progress made from January – June 2019. Organizational and cross-sector activities included:

- **The Foundational Diversity Advisory Council completed work on a draft charter for Energy Trust’s proposed Diversity Advisory Council** that was presented to the board for approval at its July 2019 meeting. The Diversity Advisory Council will serve in a similar function to the Conservation Advisory Council and Renewable Energy Advisory Council, which bring together expert stakeholders to provide counsel and insight to the board and staff about topics key to Energy Trust’s success. In quarter two, staff and Foundational Diversity Advisory Council members began work on an application for membership. The Diversity Advisory Council is expected to be formed and begin meeting in September 2019.
- **Two Foundational Diversity Advisory Council members attended a Conversation Advisory Council meeting to participate in a discussion about Energy Trust’s draft strategic plan, 2019 draft goals and Existing Multifamily Program Assessment.**
- **Energy Trust supported a national Energy Equity Metrics project to define and measure equity in the energy industry**, in collaboration with Vermont Energy Investment Corporation, Efficiency for Everyone and the Urban Institute. Through quarter two, the project team developed a report to assess the state of equity measurement in the energy industry and guidelines for integrating diverse voices and viewpoints in this industry.
- **The Residential program expanded manufactured home replacement pilot participation from three to five parks**, adding Casa Cooperative in Bend and Arbor Mobile Park Home in Portland. This pilot program aims to retire customers’ aging manufactured homes and replace them with code-exceeding energy-efficient new manufactured homes.
- **The commercial and industrial sectors increased efforts to reach rural customers in Eastern Oregon**, where participation rates have been historically low. Staff worked across programs to develop a no-cost tube LED lighting promotion for commercial and industrial customers. Staff also began developing a targeted marketing and incentive outreach campaign to customers in Eastern and Southern Oregon. Both efforts will launch in quarter three.

Key

Goal achieved 	On track (high confidence) 	On track (low confidence) 	Off track 
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1. Increase customer participation in energy efficiency programs for all underserved populations by 20% by the end of 2020.

1A: Increase residential participation rate by 20% in communities of color by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
50,000 total participants from communities of color through 2017 (24% participation from communities of color through 2017)	56,867 total participants from communities of color through Q2 2019	60,000 total participants from communities of color through 2020 (29% participation from communities of color through 2020)	On track (high confidence) 

- **Continued to support Community Energy Project for delivery of Energy Trust offerings**, including weatherization workshops, community events and in-home service visits. In quarter two, Community Energy Project began installing heat pump water heaters in homes and began preparations for a smart thermostat direct installation offer. Both services are provided at no cost to eligible low- and moderate-income residents.
- **Coordinated with PGE to send an Energy Saver Kit email to customers** in targeted census tracts who had not participated in Energy Trust offers previously. More than 2,000 customers ordered a kit following the email.
- **Proposed to the OPUC a framework for co-funding low-income residential weatherization program offerings administered by Oregon Housing and Community Services** via a network of Community Action Agencies and Energy Trust’s Residential program. In July, the OPUC approved a proposal for collaboration, and Energy Trust will submit an agency-specific proposal to the OPUC for the first partnership to occur with the Community Action Agency that serves Washington County. This co-funding will allow Community Action Agencies and Energy Trust to serve additional low-income customers.
- **Increased incentives available to rental property owners** to align with Savings Within Reach enhanced incentives for low- and moderate-income customers and conducted outreach to property management companies and trade allies regarding these incentive changes. Increased incentives are now available for heat pumps, ductless heat pumps, heat pump water heaters and insulation.
- **Designed two initiatives to engage Eastern Oregon customers** and test marketing strategies to identify effective participation drivers.
 - In Pendleton, developed a fixed-cost heat pump promotion for manufactured and single-family homes. Marketing strategies included ads in local newspapers and radio.
 - Based on an income analysis of Malheur County residents, the Residential program expanded Savings Within Reach eligibility to include all eligible customers in the county by removing income verification. Marketing focused on customers who speak Spanish.

1B: Increase participation in Existing Buildings program for small and medium business customers and business customers in very rural areas by 20% by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
1,200 participating small/medium businesses per year on average	605 participating small/medium businesses so far in 2019	1,500 small/medium businesses per year on average in 2019 and 2020	On track (high confidence) 

100 participating very rural businesses per year on average	18 participating very rural businesses so far in 2019	121 very rural businesses per year on average in 2019 and 2020	Off track, with opportunities to get back on track by 2020	
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- **Outreach in very rural areas has yielded few project opportunities so far in 2019.** The program has developed new offers for small and medium business customers that will launch later in 2019.
- **Met with small/medium and diverse business outreach professionals within culturally specific organizations** to discuss collaboration and outreach to eligible trade ally and business customers, including Asian Pacific American Network of Oregon, Metropolitan Hispanic Chamber of Commerce and Oregon Native American Chamber.
- **Continued to engage with affordable housing organizations** to encourage energy-efficient new construction.
- **Engaged with community groups and partner associations that support small businesses in the Portland Metro area.** The focus is on listening, building partnerships and collaboration.
- **Planned to focus on Southern Oregon, Central Oregon and small/medium businesses in the Portland Metro area** for the remainder of 2019.

1C: Increase customer participation in Production Efficiency for small and medium businesses in rural territories by 20% by the end of 2020.

Baseline	Progress year to date	2020 Target	Status	
413 total small/medium sites served through 2017	426 total small/medium sites served through Q2 2019	495 total small/medium sites served through 2020	On track (high confidence)	

- **Collaborated with the commercial sector to develop a no-cost tubular LED (TLED) lighting promotion for Eastern Oregon** commercial and industrial customers. The promotion is expected to launch in quarter three.
- **Developed targeted marketing and outreach campaigns promoting standard offerings to Eastern Oregon and Southern Oregon customers.** The outreach will launch in quarter three.
- **Continued to focus outreach on promoting custom projects to non-participating small and medium rural businesses.** While customer interactions have consistently been positive, the success rate in terms of driving project activity has been low.
- **Began energy studies at several wineries and small municipalities** in targeted areas.
- **Learned that providing incentives for screw-in LEDs, exterior wall packs and TLEDs through a distributor buydown offering is not an effective delivery channel for reaching small and medium industrial customers.** The measures cover a small portion of industrial lighting needs, and the anticipated amount of paperwork involved for the small orders does not motivate distributors. The program is exploring other opportunities to reach small and medium business customers in rural areas.

2. Increase customer participation in renewable energy programs for all underserved populations by 20% by the end of 2020.

2A: Increase solar projects in low-income, rural and racially diverse communities by 20%

Baseline	Progress year to date	2020 Target	Status
32% of 2017 solar projects were sited in low-income, rural and racially diverse communities	31% of solar projects are sited in low-income, rural and racially diverse communities so far in 2019	38% of 2020 solar projects sited in low-income, rural and racially diverse communities	Off track, with opportunities to get on track by 2020 

- **Began development of a new Solar Within Reach offer** to provide enhanced incentives for low- and moderate-income customers, similar to the residential Savings Within Reach offer. Expected to launch in the second half of 2019, the offer will be combined with Solarize campaigns to target deployment in select areas.
- **Awarded \$81,600 in solar innovation grants to community-based organizations** to develop community-centric program models that help low- and moderate-income customers benefit from solar technology. Grant recipients made progress during quarter two. Highlights include a solar project on a low-income multifamily building in Enterprise and a community organization in Corvallis working to install solar on 10 Habitat for Humanity homes.
- **Helped the Confederated Tribes of the Umatilla Indian Reservation explore a federal grant** for installing solar systems on tribal housing.
- **The upfront cost of solar continues to be a challenge** for supporting an equitable distribution of projects. The planned additional incentives for low- and moderate-income customers will be necessary to support progress toward the 2020 goal.

3. Increase participation in the Trade Ally Network by minority- and women-owned business by 50% each by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
25 total minority-owned businesses enrolled as of 2017	2 new minority-owned businesses added so far in 2019 (both self-identified)	38 total minority-owned businesses enrolled as of 2020 (increase by 13)	Off track, with opportunities to get on track by 2020 
15 total women-owned businesses enrolled as of 2017	1 new women-owned business added so far in 2019 (self-identified)	23 total women-owned businesses enrolled as of 2020 (increase by 8)	Off track, with opportunities to get on track by 2020 

- **Sponsored and tabled at the Oregon Association of Minority Entrepreneur’s trade show** to connect with diverse businesses and customers and provide information about offerings and the benefits of joining the Trade Ally Network.
- **Attended and tabled at the Governor’s Marketplace events in North Bend and Grants Pass** to educate rural and local businesses about offerings and the benefits of joining the Trade Ally Network.

- **Met monthly with field staff to create a process for allowing trade ally contractors to self-identify their business ownership**, expanding this goal to include minority-owned and women-owned businesses that are not certified by the State of Oregon’s Certification Office for Business Inclusion and Diversity (COBID).
- **Began exploring how to provide additional benefits for minority- and women-owned firms** to enter the network, and planned research to identify needs and match benefits to address them.

4. Increase the number of projects completed by minority- and women-owned trade allies by 15% by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
1,150 projects completed by minority- and women-owned businesses in 2017	696 projects completed by minority- and women-owned businesses so far in 2019	1,323 projects completed by minority- and women-owned businesses per year (increase by a total of 173 per year)	On track (high confidence) 

- **Helped a residential trade ally contractor in Eastern Oregon develop and launch its first website** to support Energy Trust’s planned marketing and outreach campaign in the region.
- **Selected an initial group of existing trade allies** that had low project participation to re-engage and connect on how Energy Trust can better support their businesses. Through this outreach, staff learned that one trade ally was very active in the new construction program but due to how data is captured in internal systems, their projects were not tracked. Staff are looking at ways to improve project attribution for all trade allies while minimizing administrative burden for customers and participants. Another trade ally was not aware of Energy Trust’s business development funds and was excited to leverage this benefit to support their business.

5. Increase the number of contracts executed with minority- and women-owned businesses by 15% by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
48 contracts with businesses identified as diverse from 2016-2018	70 active contracts with businesses identified as diverse so far in 2019	104 contracts with businesses identified as diverse in 2019 and 2020	On track (high confidence) 

- **Trained staff on contract systems and process for tracking and reporting contracts** with businesses identified as diverse.

6. Increase overall market awareness and understanding of underserved populations through the engagement and deepening of relationships with 50 culturally specific/culturally responsive organizations by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
80 existing relationships with organizations in 2017	Deepened existing relationships with 30 organizations so far in 2019 and identified 14 relationships for engagement through 2020	25 new relationships and 25 deeper relationships with organizations	On track (high confidence) 

- **Assigned Energy Trust staff to serve as relationship managers with 44 culturally specific or culturally responsive organizations** to develop or deepen relationships and learn about the communities and customers they serve. Additional organizations will be added and tracked related to this goal over time.
- **Developed and scheduled a training** in quarter three for staff assigned to manage relationships with culturally specific or culturally responsive organizations.
- **Finalized a two-year memorandum of understanding between Verde and Energy Trust** that identifies joint work to increase mutual understanding, identify common interests and objectives, and explore opportunities for collaboration.
- **Sought, received and approved** sponsorship and event requests from community-based organizations that provide greater visibility for Energy Trust programs, services and hiring opportunities, including Most Influential Latina Awards and Career Fair and Conectate at Eastern Oregon University. This is the first time that Energy Trust has sponsored these organizations and events.
- **Attended events to broaden understanding of community-based organizations and the communities they serve** including events with the National Association of Minority Entrepreneurs, Native American Youth and Family Center, Coalition of Communities of Color, Lloyd EcoDistrict, Prosper Portland roundtable, Community Energy Project and others.

7. Increase the diversity in recruitment and hiring of employees by 25% by the end of 2020.

Baseline	Progress year to date	2020 Target	Status
7.5% of staff identified as people of color at the end of 2017 (8 staff identified as people of color out of 107 total staff)	9% of staff identified as people of color at the end of Q2 2019 (9 staff identified as people of color out of 105 total staff)	Increase diversity of staff and applicants to be more reflective of Portland demographics (28% of Portlanders identify as non-white)	On track (high confidence) 
27% of new hires in 2017 identified as people of color (4 new hires identified as people of color out of 15 total new staff hired)	25% of new hires identified as people of color so far in 2019 (1 new hire identified as a person of color out of 4 total new staff hired)	34% of new hires identify as people of color	On track (high confidence) 

- **Partnered with agencies and internship placement programs** that have their own successful recruiting strategies to help attract and retain diverse talent. In the last year, 32% of agency contractors and 50% of

interns who worked at Energy Trust identified as people of color. Agency contractors and interns make up a pipeline of qualified applicants for open staff positions.

- **Contracted with Garcia and Associates, an Oregon HR consulting firm focused on diversity and inclusion**, to receive a comprehensive recruiting and retention plan for Energy Trust to operationalize. Work is underway to improve recruiting and onboarding processes to attract and retain diverse staff members.
- **Learned that asking applicants to fill out a third-party survey with their demographic information yielded low results.** Instead, we will ask applicants within their application (no external link) for their demographic information by using the standard U.S. Equal Employment Opportunity Commission survey disclosure question inquiring about race. We anticipate a larger response rate with this easier process.

8. Develop systems and support needed to collect, track, analyze and report demographic information related to program participation, program delivery and trade ally network members by the end of 2018.

2018 Target	Status
Data, baseline and participation analysis is used to refine diversity, equity and inclusion goals and track and report progress to achieving those goals	Goal achieved 

- **Following initial development of data, baseline and participation analysis by the end of 2018, additional work continued** in 2019 to update data and explore new approaches, including:
 - **Discussed approaches to differential baselines for diverse customers with stakeholders** and Conservation Advisory Council members and presented this topic at the Northwest Power and Conservation Council's 2019 Efficiency Exchange conference.
 - **Obtained feedback from community-based organizations on analysis framework.**
 - **Explored additional approaches to obtaining customer-level demographic information** for specific programs, including through Energy Trust's existing annual customer insights and Fast Feedback surveys. Planned to incorporate feedback from community-based organizations into upcoming request for proposals for the next customer insights survey.
 - **Updated diversity, equity and inclusion data and baseline analysis** to include 2018 program activity.
 - **Leveraged reporting capabilities of community-based organization outreach partners.**

9. Based on the Intercultural Effectiveness Scale survey, increase cultural responsiveness of all staff and board of directors by 20% by the end of 2020.

Baseline	Current score	2020 Target	Status
Results of Intercultural Effectiveness Scale survey in 2015	N/A	More culturally responsive and inclusive organization	On track (low confidence) 

- **Current Intercultural Effectiveness Scale results are not represented in this appendix** because the survey has changed slightly, and Energy Trust's 2015 are not comparable to the current survey.
- **Completed a contract with consultants assisting with administration of the Intercultural Effectiveness Scale Survey**, which took longer than expected. Staff, including contractors, and Energy Trust board members are expected to fill out the survey in quarter three.
- **Provided training and support to staff**, including discussions, trainings, and a diversity, equity and inclusion book club.
- **Launched a mentorship program** for Energy Trust employees.

10. Increase transparency and community engagement by publishing the Diversity, Equity and Inclusion Operations Plan and progress toward its goals.

2020 Target	Status
Internal and external stakeholders are aware of and informed of Energy Trust's diversity, equity and inclusion activities, goals and progress to goals	On track (high confidence) 

- **Provided updates on diversity, equity and inclusion goals and activities** in the 2018 Annual Report and 2019 Quarter One report to the Oregon Public Utility Commission and Energy Trust's board of directors. These reports are posted on Energy Trust's website at www.energytrust.org/reports.
- **Developed a template for twice yearly detailed diversity, equity and inclusion progress reports** to be appended to the quarter two and annual reports to the Oregon Public Utility Commission and Energy Trust's board of directors in 2019 and 2020. These reports are posted on Energy Trust's website at www.energytrust.org/reports.
- **Launched a web page** describing Energy Trust's diversity, equity and inclusion efforts at www.energytrust.org/diversity. The web page includes Energy Trust's materials:
 - Expanding Diversity fact sheet
 - Diversity, Equity and Inclusion Operations Plan
 - Diversity, Equity and Inclusion Goals
 - Diversity, Equity and Inclusion Policy
 - 2018 Diversity, Equity and Inclusion Data and Baseline Analysis.
- **Updated Energy Trust staff** about diversity, equity and inclusion goals and activities through presentations, internal newsletters and emails.